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**FINANCIAL BEHAVIOR AND MARITAL SATISFACTION:
A COLLECTIVE CASE STUDY**

By

Natasha Kendal

A DISSERTATION

**Submitted to Michigan State University
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ABSTRACT

FINANCIAL BEHAVIOR AND MARITAL SATISFACTION:

A COLLECTIVE CASE STUDY

By

Natasha Kendal

This collective case study examined the relationship between financial behaviors in families and marital satisfaction. Four White couples in their first marriage with pre-school children participated in two-hour interviews, structured money-related tasks, and filled out written open-ended questionnaires as well as a marital satisfaction inventory. All data gathering took place in the couples' homes. Guiding this study from a theoretical perspective was the dual lens of Human Ecological theory (Bubolz & Sontag, 1993), with special attention paid to Decision-Making Theory (Pennartz & Niehof, 1999) and Family Systems Theory (Bowen, 1966), with the emphasis on the Feminist contributions to the theory (Knudson-Martin, 1994).

Marital satisfaction was found to be important in how couples made money-related decision in that those who were satisfied with their marriages exhibited qualitatively different behaviors. This study also demonstrated that being in debt or in constrained financial circumstances, although stressful both on individuals and on marriages, is not necessarily an indicator of marital dysfunction. Participants' values surrounding money issues was the second focus of this collective case study. The findings clearly indicate that, at least at this stage of the family life cycle, family of origin has strong influences on how

couples deal with money. Societal values and pressures, as well as gender and power issues, were found to be mitigated in their influence by the values of the families in which spouses spend their formative years. More research is needed in order to more fully understand the complex interaction of marital satisfaction and financial behaviors in families.

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Dedicated with love to
A. and P. –
We did it!

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CHAPTER 1

Introduction

This dissertation is a qualitative inquiry into how married couples perceive and understand the multitude of money issues in their families. This inquiry was based on a case study approach utilizing multiple sources of data that looked at the issues surrounding family finances and marital satisfaction. The researcher incorporated semi-structured open-ended interviews, guided observations, questionnaires and a quantitative marital satisfaction assessment tool. The first chapter of the dissertation presents the significance of the problem, specifies the problem under study, and outlines the methodology that was be used.

Significance of the Problem

Marital satisfaction is a multi-dimensional variable. Various instruments intended to measure satisfaction in marriage look at such variables as level of distress, problem solving abilities, communication problems, role orientation, issues related to religiosity, raising children, friends, in-laws, work, and intimacy, both sexual and non-sexual (Nelson, Smith & Ybanez, 2002). However, couples themselves seem to have a very different idea of what troubles them the most: in a recent telephone poll of married couples about top argument starters, money was consistently ranked as the number one issue that led to marital arguments, regardless of the length of marriage or the level of family income (Jenkins, Stanley, Bailey & Markman, 2002).

Money is also often cited as a number one reason for divorce in this country (Bach, 2001). However, this maybe a simplistic conclusion, as all couples

argue over money, whether or not they divorce later (Jenkins et al., 2002). It is not just the presence of the money-related arguments that leads to marital instability and divorce. The theoretical and empirical literature indicates that the way couples handle arguments over money is more important than the mere fact that these fights exist, because money fights rarely occur simply about money. If financial troubles were simply the problem, the solution would consist of getting some sound financial advice, either from a professional or from a multitude of printed resources and following the advice given. Rather, money matters are obviously never that simple, in large part due to the fact "that money and finance symbolize so much about how we view life, what we think is important, and how we work together – or don't – with loved ones. " (Jenkins et al., 2002, p. 13-14).

Because money is reported to be the most frequent cause of disagreements between committed partners, financial issues in families and money-related conflicts deserve great attention from professionals who are trained to support couples and encourage individual and relational growth. Marriage and family therapists (MFTs) serve a wide variety of families with diverse problems: addictions, abuse, parenting issues, anxiety and depression, sexual dysfunctions and many others. Therapists receive extensive training in family systems, clinical techniques and interventions, cultural and gender sensitivities, life-span developmental issues, psychopathology, pharmacology and many other content areas (Nichols & Schwartz, 1998). Unfortunately, family resource management in general and family financial issues in particular are not required and often absent from the curricula. Lack of training and education

makes it impossible for the therapists to recognize signs of impending problems in the population they are serving. Often, therapists have to rely on their own judgment of what constitutes too much debt, unsafe financial practices, or unhealthy spending behaviors. This situation would be unacceptable in other areas of clinical practice, such as eating disorders or sexual behaviors.

In a survey of 25 Marriage and Family Therapy Programs, Poduska and Allred (1990) found that only one program required a course in Family Finance, and two other programs offered it as an elective. Yet today's families deal with the dramatically increased complexity of finances and relationships: the multitude of choices in financial products and services; a sluggish economy and stock market; issues of divorce and remarriage along with establishing and maintaining several households; issues of downsizing of the workforce and shrinking savings and retirement accounts. Given the use, misuse and conflict over money, neglecting to train therapists to recognize and treat money-related problems seems short-sighted.

Popular publications (for example, *"Money," "Kiplinger's Personal Finance" and "Family Money"*) offer information related to family financial issues, but contemporary marriage and family professional publications do not demonstrate any interest in these issues. The index of the seminal text (Nichols & Schwartz, 1998) did not reveal any entries under "money," "finance" or "resource management." A catalog of the annual 2002 conference of the American Association for Marriage and Family Therapy (AAMFT) did not list any posters, seminars or lectures on the subject (American Association for Marriage and

Family Therapy Annual Conference, Cincinnati, Ohio, Schedule-at-a-glance at:
<http://www.aamft.org/resources/conferences/Annual/Annalschedule.htm>).

There are, however, some notable exceptions to the silent treatment that the field of marriage and family therapy has given to the field of family finance. These include Jennifer Daw's article alerting professionals to the importance of the area of family finances (1999), Daniel O'Leary and colleagues' (1998) treatment plan for couples with financial issues, and a popular press book for couples struggling with money by Natalie Jenkins, Scott Stanley, William Bailey and Howard Markman (2002) who are noted scholars in the field.

Currently, Americans are facing uncertain job markets, a slowing economy, increased federal spending on the war against terrorism, and a weak stock market. Downsizing, unemployment, shrinking retirement accounts and high home foreclosure rates are commonplace. It seems that both young and mature families are affected by the economy, with older workers are unable to retire due to drastically reduced retirement savings, and younger workers are unable to enter the workplace to take over retiree jobs. Likewise, established middle-class families who have been earning high rates of return on their stock market portfolios in the 1990s are watching their stocks dramatically decrease in values (Anonymous, 2003,

<http://www.federalreserve.gov/fomc/beigebook/2003/20030423/default.htm>).

During the bull market of the 1990's, many individuals and families overextended their credit cards, second mortgages and home equity lines of credit, hoping to pay them back with future earnings. When jobs were downsized and the stock

market fell, families began defaulting on their mortgage obligations. According to the Mortgage Bankers' Association, 1.23% of all homes were in foreclosure in 2002, and this rate was the highest one on record (Gongloff, Sep. 2002). There was no doubt that these difficult economic conditions are putting a great strain on families.

Purpose of this study

This study presents the voices of four couples as they explored issues of money, relationships, and meanings ascribed to the interaction of finances and marital satisfaction. To date, very little research has been conducted on the subject of the intersection of marital satisfaction and personal finance, thus a qualitative research methodology is an appropriate choice. This methodology is especially suited to topics that are unexplored and under-researched. This method invites couples to speak in an open and frank manner in response to open-ended questions. This study consisted of observations, in-depth interviews and written questionnaires, the purpose of which was to give the spouses an opportunity to share with one another and the researcher their own understandings, values and beliefs.

Although there have been some studies linking disagreement about finances with communication problems and marital satisfaction (Aniol and Snyder, 1997), these studies have been quantitative in nature and have failed to address the many "why's?" and "how's?" that therapists and families themselves might have about this complex area. Specifically, it does not appear that there has been research that attempts to understand what meanings spouses

themselves ascribe to their financial and marital distress, whether they see a connection between the two areas of their functioning, how they explain the connection and how they conceptualize the complex relationships between money, marital satisfaction, personal competency, and their earning and spending behaviors.

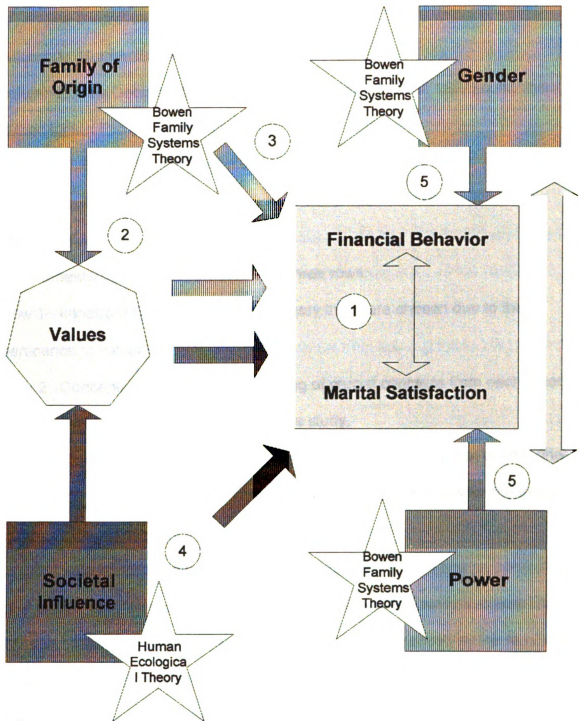
Possibly, some of the uncertainty, discomfort and silence surrounding money issues in the families stem from the complicated interplay between the areas of family finance and level of marital satisfaction. It is unclear whether disagreements about money occur before or after marital satisfaction is beginning to decline. It is also unclear whether dissatisfaction in one area influences the other and in what way. It is logical to assume that, like with so many other domains of dyadic conflict, disagreements about money and dissatisfaction with the relationship as a whole are mutually influencing and may be influenced by or exert influence on a third construct, such as the level of the emotional maturity, or the values held. This study attempted to begin to untangle the complicated interplay of causes and consequences of money-related problems, as well as meanings that couples ascribe to them.

Theoretical and Conceptual Framework

Guiding this study from a theoretical perspective is the dual lens of Human Ecological Theory (Bubolz & Sontag, 1993), with special attention paid to Decision-Making Theory (Pennartz & Niehof, 1999) and Family Systems Theory (Bowen, 1966), with the emphasis on the Feminist contributions to the theory (Knudson-Martin, 1994).

Human Ecological Theory	Decision-Making Theory	Bowen Family Systems Theory	Feminist Lens
Important Domains			
1. Values/Beliefs; 2. Macrosystemic influences.	1. Power approach to decision-making; Power is ability to make decisions affecting family; 2. Decision-making (functions and process).	1. Multigenerational family transmission process; 2. Differentiation; 3. Anxiety.	1. Balance of emotional and intellectual systems; 2. Gendered messages/bias/ gender roles; 3. Balance of togetherness and individuality.
Conceptual Framework			
1. Terminal and instrumental beliefs; choice of values (based on what?); link decisions to values; 2. Advertising and conspicuous consumption.	1.a. Different types of power (manifest, latent, invisible); 1. b. Roles with respect to decision-making (detector/selector/effect or); 3. Process of making a decision: recognize need – identify alternatives – choose (limited to resources); 4. Allocation systems: control vs. management.	1. Family of origin issues – transmission of emotionality/ pathology/ values; 2. Marital satisfaction and marital conflict over money: to reduce anxiety money/job as a leg of a triangle over/under functioning; 3. Marital satisfaction.	1. Emotional vs. intellectual vs. feeling system (intuition/ spirituality) approach to decisions; 2. Gendered messages from childhood and from society; 3. Personal money/couple money.
Operational Framework			
1. Differences in couple's values (what does money mean?). Where did the values come from? How do they dictate decisions? 2. How does society influence family decisions? Directly – through advertising or indirectly – how?	1. How do the spouses perceive power with respect to money issues; 2. What are their roles in making decisions – who decides that an action is needed, who chose action; who acted; 3. What is the allocation system used by the family? 4. When partners see different alternatives – how do they decide? Do they see all the possible options? Level of financial education.	1. Differences in money styles 2. Conflict/agreement over money 3. Different level of knowledge/involvement in family money; 4. Process of conflict and outcome – who feels better? Worse?	1. How do decisions get made and what language is used to describe them. Are feelings attended to? 2. What are the messages couples got about men and money and women and money? Continue getting as adults? 3. Does each spouse have personal money? Is there coercion/influence in its use?

Table 1.1 Theoretical Framework



Legend

Number denote Research Questions

Arrows denote influence; double arrows denote mutual influence

Stripes denote Bowen Family Systems influence

Cross-hatch denotes Human Ecological Theory influence

Figure 1.1. Conceptual Map.

The theoretical framework is broken down into four columns:

Column 1: Human Ecological Theory (Bubolz & Sontag, 1993);

Column 2: The Decision-Making Theory (Pennartz & Niehof, 1997) component to the Human Ecological Theory;

Column 3: Bowen Family Systems Theory (Bowen, 1966);

Column 4: The Feminist Lens on Bowen Family Systems Theory (Knudson-Martin, 1994).

The framework is also broken down into three rows:

Row 1: Important Domains from each theory that were chosen due to their pertinence to this study;

Row 2: Conceptual Framework, consisting of crucial concepts from each theory, which informed research questions for this study.

Row 3: Operational Framework, or concepts from each theory that were further broken down into operational questions, which became the basis for the interview guide.

The conceptual map shows the relationship between financial behavior and marital satisfaction in the red central block. Bowen's Family Systems Theory (Bowen, 1966) suggests that this relationship will be influenced by the family of origin issues, both directly, and indirectly through value formation. Additionally, feminist-informed Bowen theory (Knudson-Martin, 1994) suggests that the relationship between financial behavior and marital satisfaction will be influenced by the issues of gender and power. Influences of Bowen's Family System components are indicated using the striped pattern.

Human Ecological theory (Bubolz & Sontag, 1993) postulates that the relationship between financial behavior and marital satisfaction will be influenced by the macrosocietal issues, both directly and indirectly, acting through the formation of values. Human Ecological theory effects are indicated in the cross-hatch pattern. The formation of values is dually influenced by the Family Systems Theory and the Human Ecological Theory, thus there are two arrows that connect the Values block to the central research question block. Double-pointed arrows indicate a reciprocal relationship and influence, such as the relationship between gender and power, and that between financial behavior and marital satisfaction. Arabic numbers on the conceptual map correspond to the research questions, which will be discussed below.

Human Ecological Theory

Human Ecological Theory hypothesizes that humans are both biological organisms and social beings and that human interactions take place in multiple environments: the natural/physical environment, the human built environment, and the socially constructed environment (Bubolz & Sontag, 1993). Human ecology, general systems theory, home economics and other disciplines were synthesized into Family Ecology Theory (Bubolz & Sontag, 1993). This theory "...integrates human development and family relationships within a family resource management framework" (Bubolz & Sontag, 1993, p.424). Decision-making process is integral to our everyday lives. Ten assumptions follow from the basic premise that the family interacts with its environment and this interaction constitutes an ecosystem. One of the core assumptions deals with family

decision-making. It is "... the central control process in families that directs actions for attaining individual and family goals" (Bubolz & Sontag, 1993, p.426). A multitude of decisions is made by family members in the context of formulating goals and achieving them. The basic decision-making process involves the following three steps (Bubolz & Sontag, 1993):

1. recognition that a decision needs to be made;
2. identifying and evaluating alternatives;
3. choosing one or more acceptable alternative(s).

Values from a Family Ecological perspective.

Family decision-making is a very complicated process due to a variety of factors: types of decisions families must make, complexity of alternatives from which choices need to be made; lack of complete and true information regarding alternatives and potential outcomes, and conflicting values and beliefs held by family decision-makers.

Values are explicit and implicit concepts that humans hold regarding what is good and worthwhile (Bubolz & Sontag, 1993). Values are held by individuals as well as families as a unit, and originate in the families in which humans grew up as well as in the social-cultural environment. Social-cultural influences in particular have a great effect on values, and these influences are often invisible, or possibly only semi-conscious.

Values shape perceptions and influence the selection of goals as well as ranking of alternatives (Paolucci, Hall & Axinn, 1977). Specifically, values serve as criteria for goal selection and as aids in ranking available alternatives

(Paolucci et al., 1977). The family in which an individual has spent his or her formative years, referred to as Family of Origin (FOO) in Marriage and Family Therapy literature, is critical in value formation. Since valuing is often taught implicitly, rather than explicitly, children learn a great deal about what they will come to hold as important by observing their parents and the parents' interactions with the environment. Values also serve as directing influences to goals that families and individuals set as part of the management process (Paolucci et al., 1977). Thus, individual and family attributes, such as values and beliefs, help subjects in the process of decision-making to reach outcomes that are desirable to them (Bubolz & Sontag, 1993).

Decision-Making Theory

Decision-making is central to family management process, which incorporates various inputs, using numerous processes, including negotiation with others, in order to produce outputs (Bubolz & Sontag, 1993). The process of making decisions serves several functions, such as to stabilize and maintain family's core values and to bring about non-disruptive change or maintenance of the same routines (Paolucci et al., 1977). Decisions are based on the individual's image of an ideal, or desirable state, what should be done to achieve this state, and what can be done in reality bearing in mind often limited resources (Paolucci et al., 1977).

Images of desirable states, as well as ideas of what should or can be done to accomplish them will differ dramatically from one family member to another. Additionally, different organisms perceive dramatically different available

alternatives. These differences depend, in part, on their respective reference groups, their specialized and general knowledge and their perspective (Paolucci et al., 1977). For example, one family's choice of a banking institution may depend on such factors as: whether they know about and understand the services and charges that banks offer, whether they have access both to the physical bank building and/or the virtual bank and whether they have loyalty to a particular bank or credit union, as well as a multitude of other factors.

Decision making is a process that requires cooperation of several actors: "detector," a person who recognized that a decision or an action is needed; "selector," a person who chose among the alternatives that are presented to the family; and "effector," a person who actually carried out the plans. One person can meet one, two or all three of these roles (Paolucci et al., 1977). Power differences are at least in part responsible for the choice of actors to fulfill these roles.

Decision-making in families has been found to be different depending on whether the individuals involved have been married previously. Persons in remarriage perceive that they have more equal power in decision-making and report that their second marriages are more egalitarian than their first marriages (Crosbie-Burnett & Giles-Sims, 1991; Pyke, 1994). Although Kurdek (1990) did not find a significant difference in the perceived decision-making power in individuals in the first and second marriages, this could be due to the remarried individuals' higher standard for sharing power in making choices. The latest study by Allen and colleagues (Allen, Baucom, Burnett, Epstein & Rankin-

Esquer, 2001) concurred with Kurkek's (1990) findings of this effect of the life course stage on decision-making in the families.

Financial decision-making, such as autonomous banking vs. joint bank accounts also has been shown to be different in the individuals in their first marriage than in subsequent marriages (Allen, et al., 2001). Although fiscal autonomy has been related to poorer marriage outcomes (Blumstein & Schwartz, 1983; Fishman, 1983), it has not been shown to relate to poorer marital adjustment, lower marital trust, commitment, and emotional closeness in remarried individuals (Coleman & Ganong, 1989). Other studies (Jacobson, 1993; Lown & Dolan, 1994) have found little relationship between pooling of one's finances and relationship quality and asserted that a choice of fiscal autonomy was not related to the levels of spousal trust.

Allen and colleagues (2001) found that although remarried spouses preferred more autonomy in relatively external aspects of their relationship, such as finances, children, and social obligations, they did not want more autonomy in relatively private aspects, such as affection, communication, and intimacy. The desire for fiscal autonomy can be explained by a variety of factors: (a) remarried individuals may have acquired unique earning and spending patterns, which they were often reluctant to change; (b) remarried spouses may have been financially depleted by a previous marriage and/or divorce; (c) remarried individuals often have financial obligation to the ex-spouse and the children from the previous relationship; and (d) individuals in the remarried group tended to be older than those in the first-married group (Allen et al., 2001).

Power Approach to decision making.

A recent text on household decision-making described seven different decision making strategies (Pennartz & Niehof, 1997). This study will be based on one of these seven, the Power Approach to making of household decisions. The Power Approach explains behavior within families by the differences in family members' power (Pennartz & Niehof, 1997). Power Approach was chosen in part because it is consistent with the author's academic and clinical interests and also because it lends itself well to the synthesis with Feminist Theory, which will be discussed later in this chapter.

In recent years, most households in the Western world changed their operating style from that of "command," where one member, usually the head of the household, made all the decisions, while the rest of the household implemented and/or sabotaged his decisions to that of "negotiation" (Pennartz & Niehof, 1997). Negotiating in families requires "discussion, arrangement, consent, compliance, and accommodation of wishes" (Pennartz & Niehof, 1997, p. 94). Power differences among members of the household will have great influence on the extent to which each person's needs, values and desires are heard, acknowledged and taken into consideration in the negotiating process.

In contemporary American society, power is often distributed according to gender and age, with older males often enjoying the most power as well as access to the most precious and scarce resources (Pennartz & Niehof, 1997). The differences in the amount of power that males and females, as well as children and adults receive varies from family to family. Furthermore, the amount

of power that a particular individual wields is not always obvious to the outside observer. For example, an infant is able to organize sleeping, eating, and working schedules of parents and siblings, as well the channeling of energy and resources of the entire household without uttering a single word. Additionally, the phenomenon of the “power behind the throne” is well known and refers to the fact that while one person may *appear* to make decisions, he or she may simply act as a mouthpiece or an agent of another party.

Thus, this study will use the Power Approach to decision making, as well as the focus on values from a Family Ecological Theory to understand family financial choices and actions.

Family Systems Theory

Another major theory that was used in this study is Murray Bowen's Family Systems Theory (1966). Feminist critique of this theory, as well as feminist elaborations on the theory also will be presented. In this study, Bowen's concept of “multigenerational transmission process” will serve a pivotal role. According to Bowen, this is the process by which “parents transmit varying levels of their maturity/immaturity to their children” (Bowen, 1966, p. 362), and this transmitted immaturity leads to dysfunctional behavior and marital dissatisfaction between two individuals with varying degrees of (im)immaturity. Bowen's theory of intergenerational transmission will be used to explain the acquisition of money styles, attitudes and beliefs by the spouses through their respective families of origin.

Additionally, Bowen's concept of differentiation (1966) was used to help uncover why some couples seem to weather financial arguments with better measure of success than do other couples. Differentiation of self is a concept that is similar to the more colloquially used term "maturity" and denotes persons who are able to strike an appropriate balance between sense of self and sense of connectedness with others, as well as between the use of the emotional and the intellectual systems (Knudson-Martin, 1994). A differentiated individual is aware of his or her anxiety levels, the origin of the anxiety and is able to not only cope with it, but use it as a source of information about his or her reaction to the environment. For many individuals, one source of such anxiety would be attempting to strike a delicate balance of togetherness and individuality with those to whom they feel emotionally close.

Feminist Elaboration on Family Systems Theory

Gender has long been one of the most controversial subjects in Marriage and Family Therapy (Goldner, 1985). All models of MFT have been criticized for their treatment of women as, at best, inferior and unimportant, and, at worst, as root causes of their own, their children's and their family's dysfunctions and unhappiness (Walsh & Scheinkman, 1989). Bowen's Family Systems theory is no exception. Specifically, feminist researchers stated that Bowen placed too much importance on the maternal line in the transmission of pathological multigenerational influences, often ignoring potentially serious problems of the paternal side. Children's problems were often attributed to their over invested mothers, who were in turn unable to separate from their own mothers, and so

forth. Absent fathers did not get as much attention or censure. Feminist clinicians and researchers who have followed and expanded upon Bowen's work, such as Monica McGoldrick, Elizabeth Carter and Harriet Goldhor Lerner, have corrected this omission (Walsh & Scheinkman, 1989).

Additionally, Bowenian therapists encourage clients to take a cognitive approach to problem-solving, control their emotional reactivity, and not express their long pent-up feelings of anger and frustration (Walsh & Scheinkman, 1989). The "golden standard" of a healthy individual, according to Bowen, is the one who is "autonomous," "being-for-self," "intellectual" and "goal-directed" (Walsh & Scheinkman, 1989) - all characteristics that this society praises in men. By contrast, traditionally feminine orientation towards others and emotional identification with them appears pathological and is devalued (Walsh & Scheinkman, 1989).

There are, however, a variety of concepts within Bowen's theory that feminist researchers and therapists embrace. These included a mandate for soul-searching and change that goes beyond mere symptom reduction, and the gathering of information on the members of the extended family in order to learn about them and the patterns of behavior that are present in the family system.

Later elaborations on Bowen's theory have become more balanced in their approach to males and females in therapy (Knudson-Martin, 1994). For example, instead of encouraging a cognitive only approach to problem-solving, a more balanced use of the emotional and the intellectual system has been advocated. Instead of relying on individuality in relationships, a balance of togetherness and

individuality was emphasized. Indeed, togetherness is seen as a force that facilitated the development of individuality and vice versa. Instead of focusing on eliminating anxiety in the situations where the client's differentiation levels are being tested, clients are now being coached to attend to that anxiety, learn from it and manage it (Knudson-Martin, 1994).

Definitions of Key Terms

Financial behavior

Financial behavior was the term used to describe earning, spending and saving decisions and behaviors, as well as decisions and attitudes that accompanied these actions. A continuum of the variation of financial behavior can be constructed, with high materialism on one end, balanced attitudes in the middle and the attitudes of voluntary simplicity on the opposite end (Koutstaal, 1998). Materialism is the belief that material possessions are important, symbolic of success, and are essential for happiness. Also, money is seen as a means to solve problems, achieve goals and lead anxiety-free lives (Koutstaal, 1998). Belk (1985) operationalized a three-dimensional scale, consisting of envy of the success of another, possessiveness and non-generosity to define materialism.

Other examples of financial behavior may include: having joint or separate bank accounts; paying for items only in cash or carrying credit card balances; buying new or used vehicles; owning a house, renting, or sharing housing with family or roommates; having and following a budget or spending without a plan and a multitude of other fiscal actions.

Financial Problems

A search of existing literature revealed a weak and implicit definition of the term “financial problem” (Andersen, 2000). However, the following definition seems both ecologically sound and systemic and was used in this study: a “financial problem is any event, condition, or situation in which the process of acquisition or expenditure of money, assets, goods, or services causes an individual in the marital relationship to experience anxiety, dissatisfaction, or physical distress” (Andersen, 2000, p. 8). Note that according to this definition, both acquisition and expenditure of money can produce problematic situations: a person’s workaholic behavior or erratic employment can lead to as many problems as his or her spouse’s uncontrollable shopping sprees.

Marital Satisfaction

Marital Satisfaction can be defined as the amount of satisfaction one derives from his or her marital relationship (Spanier, 1979). In this study, this construct will be measured both qualitatively and quantitatively. The Revised Dyadic Adjustment Scale (R-DAS), is a widely used measure of marital satisfaction. It measures dyadic satisfaction, cohesion and consensus (Busby, Christiansen, Crane & Larson, 1995). Participants’ self-reports on their marital satisfaction also will be solicited in interviews and written open-ended questionnaires. Chapter 3 includes discussion of this instrument in greater detail.

Overview of the Methodology

The participants of this study included 4 married couples. In order to gain a better understanding of the subject under study and to increase the richness of the data, multiple sources of information were used. These sources included a quantitative measure of marital satisfaction, Revised Dyadic Adjustment Scale (R-DAS) (Busby, Christiansen, Crane & Larson, 1995), an interview with couples, an open-ended questionnaire administered to spouses separately, and an observation of how spouses cooperate on a money-related task.

Research Questions

The following research questions were based on the theoretical and conceptual frameworks.

Research Question #1: (Main research question under study)

What is the relationship between financial behavior and marital satisfaction?

Research Question #2: (informed by Human Ecological and Bowen Family Systems theories)

What are the linkages between values and the financial decisions made by families?

Research Question #3: (informed by Bowen Family Systems theory)

What is the role of the family of origin in the transmission of the money values, attitudes and beliefs?

Research Question #4: (informed by Human Ecological theory)

How does society influence the spouses' values and the subsequent decisions about money issues?

Research Question #5: (informed by Human Ecological and Bowen Family Systems theories)

How do issues of gender and power influence money-related values and decisions, as well as marital conflict and consensus?

Overview of the Following Chapters

This dissertation consists of five chapters. Chapter 1 includes discussion of the background and the problem under study, describes its significance, outlines the theoretical background and the methodology that was used. Chapter 2 focuses on scholarship related to money-related issues in the family and the interaction of these behaviors with marital satisfaction. Chapter 3 further elaborates the case study methodology, Chapter 4 presents the findings of this research project, and Chapter 5 discusses these findings and their implication for further research and clinical work.

CHAPTER 2

Review of Literature

This chapter will focus on the review of the existing literature on the subject of couples and money. Specifically, the following areas of scholarship will be reviewed: gender-specific messages about money and power differences in money-related decisions; family of origin and societal influences on the formation and continuation of money beliefs, attitudes and values; money-related values, attitudes and hidden issues. Additionally, money allocation systems and mutual influences between conflict over money and marital satisfaction will be discussed.

Lack of communication, sexual problems and money are frequent presenting problems in the offices of marriage and family therapists (Daw, 1999). Money-related problems are often multi-dimensional and are fraught with emotionality and long-standing conflict. It is often difficult to say whether anxiety and depression are a response to financial difficulties, or whether these negative emotions led to the rise of financial problems (Fitzgerald & Soderquist, 1998). Additionally, when financial problems occur within a couple relationship, matters become complicated in an exponential progression, as each spouse brings with him or her values, beliefs, and emotional reactions which can be difficult to untangle. While helping individuals and couples engage in the search for insight to problems and possible solutions, it may be helpful for the therapist to explore the following research on dimensions of money issues in the family. This review

of literature follows the conceptual framework and research questions, presented in Chapter 1. It also served to inform interview questions.

Gendered Messages and Power Differences

Financial problems are multi-dimensional, and their relationship with marital satisfaction is not well understood (Poduska, 1993). Any discussion about money, whether it occurs around the kitchen table, in an office of an accountant, or on a therapist's couch, will involve issues of power, control and status (Daw, 1999). Spouses may use the financial arena to attempt to control or punish one another, or to bolster their fragile self-image (Smith, 1992). Monetary and non-monetary contributions to the family's income, such as salaries and child-rearing activities, the pattern of money distribution among adult and child members of the household, and the meanings that each person ascribes to money are very important to understand, as these are the common antecedents of arguments (Daw, 1999).

Perhaps the most obvious difference in the way boys and girls are socialized is in the way they are taught to think about and handle money. Girls are directed towards passivity in money matters, whereas boys are taught to be proactive (Ealy & Lesh, 1999). These early messages result in two common gendered money patterns that need to be addressed when working with couples (Rampage, 1995):

1. Men who earn more than their wives (the vast majority of men) "tend to feel entitled to make unilateral decisions on spending large amounts of money" (p. 271).

2. Women, even those well-educated and competent, “often do not understand their family’s financial condition, a problem that seems directly correlated to the amount of resources the family has” (p. 271).

In other words, when the family has relatively few assets, such as a savings account and a house, women report relatively good understanding of the situation. However, when the situation gets complicated by the addition of pension funds, stocks, bonds, options, and real estate investments, many women report being under informed and overwhelmed. This lack of knowledge and frequent fear and apprehension that accompanies it, often leaves women unable to fight for their fair share of the settlement during the divorce proceedings, or leaves them very vulnerable after the death of their spouse (Rampage, 1995).

The situation is even more dire for those few families in which the female member of the couple earns more than her spouse. These “status-reversed” couples were interviewed by Tichenor (1999), and the findings were compared to the findings from interviews with those “traditional couples” in which husbands earned more than their wives. “Status-reversed” husbands earned a range of income, with an average of \$22,000 per year to their wives’ \$47,000, and “traditional” husbands earned \$45,000 compared to their wives’ \$33,000. Although the families did not differ with respect to age, length of marriage, presence or age of children, ethnicity or religiosity, there was a large discrepancy in the marital satisfaction: 64% of the reversed couples and 13% of the traditional couples reported being dissatisfied with their relationship (Tichenor, 1999). Several reasons were given for these high levels of dyadic dissatisfaction.

1. There was a relatively slower upward mobility of the husbands as compared to that of their wives. In several cases, when the husbands actually experienced downward mobility through job loss or layoff, their wives complained that the men were not living up to their full potential.
2. The spouses did not discuss their respective employment situations and salaries with each other or their family and friends, for fear of making the husband feel inadequate. Some couples even chose to socialize with different groups of friends.
3. High-earning women were still expected to contribute the majority of the house-keeping and child-care labor, and were feeling resentful of this double burden.
4. Women's spending seemed to occur from the joint pool of money, whereas the man was able to often have a private account and spend money without permission or even knowledge of his wife.

Some feminist scholars have even suggested that money has gender (Singh, 1997). This distinction occurs in men's and women's minds, as well as in the ways the society in general treats different sources and uses for money. The intrapsychic distinction is easily seen when both genders are asked why they save and invest. Men generally reply that the goals for investments are "freedom," "risk," "speculation," "excitement," "success," "prestige," "power," whereas women report that successful investing will bring "security," "rainy day funds" and "future" (Singh, 1997, p. 156).

Our society treats money in gender specific ways, as well: financial markets are associated with maleness, whereas household money is associated with femaleness. Men are seen as knowledgeable about and responsible for banking, interest rates, investments, and other money-related activities outside of the home; women are charged with everyday household expenses, such as groceries, children's needs, and gifts (Singh, 1997). Historically, women have been discouraged from participating in the decision-making regarding the traditionally male arena of investing and banking, as they were not seen as possessing a brain that is advanced enough to deal with mathematics and economics involved (Ealy & Lesh, 1999). Men have been discouraged from shopping for necessities, as in their naiveté about the costs of running a household, will most likely spend much more than necessary (Singh, 1997). Fortunately, with more and more women entering the workforce and becoming interested in taking control of their financial future, the stereotypes about female incompetence have been slowly dissolving. As their wives spend more time away from home, men have been fulfilling the role of procurers, and many have become very adept at obtaining the best values.

Clearly, many marriages today have power inequalities. These inequalities stem not only from income differences, but also from gender differences. The power and gender differences are important elements in how couples approach money issues and deserve attention both in research projects and in the therapy room.

Family of Origin Issues

Money-related attitudes and beliefs, as many other beliefs, originate in the families in which children spend their formative years, and are honed and refined following the societal ideas of what is good, appropriate and desirable (Poduska, 1993).

Families have a great deal of influence over the socialization of their young, and that influence is clear in the messages children receive about money. Money is a great source of power in families, since those who are more powerful control the ability of the less powerful members of the family to access the resources that are necessary to their survival (Millman, 1991). Additionally, financial resources are often scarce, and allocation decisions need to be made, putting family members into competition with one another. Ironically, although financial transactions in the marketplace, such as securities sales, banking, and business contracts are regulated (and some argue over-regulated) by various governmental bodies, financial transactions within families are not regulated, but occur with very few explicit rules (Millman, 1991). In other countries and other times, intra-familial monetary transactions also were subject to rules and regulations, as evident in the rules of bridal prices, dowries, primogeniture, and transfer of property, such as land, from one generation to the other (Frolik, 1996; Millman, 1991; Stum, 1999).

In today's society, the only principle espoused by many families is treating their children equally by providing them with equal amounts of money. In fact, the current law suggests that fair transfer of wealth to heirs means equal transfer

(O'Connor, 1996). This often leads to difficulties, as siblings usually have different talents, aspirations and needs (Lustbader, 1996; Stum, 1999). The issue of fair treatment does not disappear with children leaving the nest, as Americans who have started rearing their families in the post-WWII generation are preparing to transfer a large amount of wealth to their grown children. In the next twenty years, as much as \$7 to \$8 *trillion* will be transferred from parents to their adult children in gifts, trusts and wills (Millman, 1991) – and this transfer process will be painful and fraught with anger, old grudges and disappointments for many.

Often, the most hurt occurs not during the transfer of valuable property, but during the division of relatively inexpensive, but emotionally important objects, such as favorite children's books, hand-made objects, heirloom pieces. Whereas valuable property such as houses and cars have titles that have been specified in the will, the division of smaller, non-titled property is often overlooked (Stum, 1999). Intergenerational legacies may be granted great power "to punish, reward, protect, or correct imbalances" (Stum, 1999, p. 161). Research identified five potential goals in the intergenerational transfer of property: "(a) preserve memories, (b) improve family relationships, (c) be fair to all involved, (d) maintain privacy, and (e) contribute to society" (Stum, 1999, p. 163)

Money has symbolic value, and it can be construed as tangible "proof" of parental love, trust, affection and the uniqueness of the parent-child bond (Stum, 1999). This romanticized notion of money often stands in the way of honest and direct communication about needs and desires, salaries and debts, wills and bequests. Many competent adults see their inheritance money as special and

symbolic of their parents' lasting love and affection for them, and consider it their eternal helping hand from those who are unable to provide help and support in person. The romanticized notions that spouses hold about their parents' bequests, may get in the way of rational spousal discussions about how the family may use this money and how it might be divided during the divorce process, if it comes to that (Millman, 1991).

As evident from the work of Millman (1991), one of the messages about money that children and adults learn in families is that it is incompatible with love and affection: one does not request written contracts or promissory notes from family members, who are to be trusted implicitly. On the other hand, every child has had at least one experience when the needs of a sibling or a parent had been met at the expense of their own desires. This dichotomy of expecting only good outcomes, and having to contend with less than optimal results is often difficult.

Other messages from families of origin about money issues include: money is security and/or money is a status symbol; wanting money for yourself is selfish and unworthy and/or giving to others is a waste of money; being knowledgeable about finances is praiseworthy and/or unfeminine; best things in life are free and/or money makes the world go round and many other often conflicting precepts (Madanes, 1994). The messages about money we hear in our families of origin can be explicit: "Pay yourself first," "Never use credit," "Count your change before you leave the counter," "Never lend money to friends." Oftentimes, however, the messages we receive are a lot more confusing, and it

is those implicit messages that usually have the greatest impact on our lives:

“Fathers manage the finances, and the rest of the household lives off allowance,”

“Children do not need to know how much their parents make and what the

family’s financial situation is like,” “Everyone we know owns a house” (Poduska, 1993, pp. 25-6).

In addition to implicit and explicit family rules, there are intuitive family rules, which are based on the heritage and the legacy that is inherited by each person. This kind of legacy might include any old scores, or unbalanced ledgers, or debts – both monetary and non-monetary - that have not been paid in the previous generation (Goldenthal, 1993, Poduska, 1993). Children who abide by their family’s intuitive rules may, for example, have very definite ideas as to who contributes towards siblings’ college educations, relatives’ immigration to America, or the “black sheep’s” gambling debts. As children grow into adults and form romantic relationships, they bring their respective families’ rules and ledgers with them, and some attempt to balance these with their partners or children (Goldenthal, 1993). When these rules contradict, or when spouses act believing that their rules and those of their spouses are identical, family financial conflicts arise.

Although the challenges most adults have experienced in their families of origin never result in extreme money-related behavior, some develop problems such as compulsive shopping or gambling (Faber, 1992). One study found that young people reared in families disrupted by divorce were significantly more

materialistic and exhibited higher levels of compulsive consumption (Rindfleisch, Burroughs & Denton, 1997).

Several explanations for compulsive consumption have been put forward, ranging from biological, to psychological and psychoanalytic, to sociological and macrosystemic, to psychiatric (Faber, 1992). Several studies have found that compulsive shoppers report feelings of inadequacy and low self-esteem, often making frequent unfavorable comparisons to others, especially their siblings (Faber, 1992; O'Quinn & Faber, 1989). Several subjects reported that their feelings of low self-esteem originated in childhood when they were being treated as different from the other children and always failing to please their parents (O'Quinn & Faber, 1989). It is possible that children who felt that they did not get enough loving, or were not lovable enough, grew into adults who use consumption as a means to self respect and love.

Societal influences and Materialism/Frugality

Macrosystemic influences on financial knowledge, decisions, and actions are numerous. In recent years, interest in critiquing the consumer orientation of our society has been high. Books, articles, web-sites and how-to manuals about the dangers of living beyond one's means and how to be frugal are plentiful; unfortunately, scholarly research of this topic, beyond statistics on the nation's saving and bankruptcy rates, is still lacking.

High credit-card debt, worry about lack of savings and a possibility of bankruptcy or house foreclosure can stress and strain even the happiest of marriages. And yet more and more Americans find themselves trapped in

Schor's (2000) "The New Consumerism" – a pattern of upscaling of lifestyle norms, acquisition of status goods and services, and a growing disconnection between consumer wants and needs. Additionally, more people, especially teenagers and young adults, put special emphasis on the brand and make of the products they buy, as opposed to its quality, durability or value (Schor, 2000). Symbolic meaning of acquisitions has become especially important (Schor, 2000).

Indeed, meeting non-material needs, such as admiration, love, acceptance, and desire for success through material ends has become common. Unfortunately, spending time in these mega-malls, or shopping on the Internet, via TV, or through catalogs, has not made Americans any happier. Some researchers argue that this is no accident: while busy making shopping lists and spending time at the mall, most people forgot crucial financial principles, such as: "No-thing (nothing) is worth the relationship" and "You can never get enough of what you don't need, because what you don't need can never satisfy you" (Poduska, 1993). In other words, as long as consumers choose to focus on satisfying their immediate urges at the expense of long-term happiness and close relationships, family financial problems will only escalate. Often the same people who spend on these little "indulgences," are also debtors. Tolerant attitudes towards debt, lack of self-control, sensation seeking, external locus of control (a tendency to blame the external factors for their difficulties), use of improper social reference group, younger age, and higher expected future incomes have been

found to differentiate debtors from non-debtors (Fan, 2000; Lea, Webley, & Levine, 1995).

Debtors, individuals whose expenditures exceed their income on a consistent basis, have been found to have different spending pattern from matched non-debtors: they spend more on luxuries such as car purchases, household equipment, entertainment, alcoholic beverages, apparel, and food away from home (Fan, 2000). Non-debtors spend more on necessities, such as shelter, utilities and food consumed at home (Fan, 2000). Those who scored high on materialism, the construct that was discussed in Chapter 1, were found to need significantly more income than those who scored lower on materialism, and to be less willing to share their money and possessions with charities, family and friends (Richins & Dawson, 1992).

The literature juxtaposes those who are high on the scale of materialism to frugal consumers, who choose to sacrifice short-term satisfaction in order to achieve their long-term goals, such as saving for a large purchase, retirement, college fund, or to work less in order to spend more time with family (Lastovicka, Bettencourt, Hughner & Kuntze, 1999). Frugality is conceptually defined in the following way: spending with restraint, care in acquisition of goods, resourceful use of products and services, and limiting the external influence, relying instead on own opinions (Lastovicka et al., 1999).

Since these attitudes are so very extreme, it would be reasonable to assume that spouses who fall on different ends of the materialism-frugality continuum would report high levels of money-related arguments and strong

dissatisfaction with finances. For example, one spouse may believe that borrowing in order to make ends meet on a monthly basis is an acceptable practice, while the other may insist that the family needs to decrease expenditures instead. While one spouse may pride themselves in choosing inexpensive clothing from thrift and resale shops, the other may value designer labels. More research is needed to verify these assumptions about the level of money-related conflict among spouses with different attitudes towards materialism.

Money-related Values, Attitudes and Hidden Issues

As spouses grow up in very different family systems and are exposed to varied societal influences, they will develop a wide range of values and attitudes, including those about money. Values are relatively permanent beliefs about what is desirable, worthy or right (Poduska, 1993). When limited resources need to be allocated in a way that will bring out the best possible outcomes, personal values, a reflection of what is relatively important in life, are used to make these allocation decisions.

Although many partners find that their values are not altogether dissimilar, their attitudes are often very different. An attitude is a state of mind based on judgments about the outside world (Poduska, 1993). Attitudes can be optimistic or pessimistic, charitable or hostile, victim-like or winner-like (Poduska, 1993). For example, although both parents may value education, one may believe that public schools are a good choice for their children, while the other may hold that

a private religious school is the appropriate choice. In this example, a couple may have a conflict over attitudes, not values (Poduska, 1993).

Little research has been done on the topic of financial values and attitudes, probably due to the fact that the intangible personal characteristics are very difficult to measure. In one study in which financial attitudes were an independent variable, the researcher found that a positive attitude towards planning was the greatest predictor of cash flow management for the newlyweds (Godwin, 1994). A newer study (Parrotta & Johnson, 1998) found that financial attitudes and financial knowledge are correlated significantly, although not strongly. Additionally, financial attitudes influence the actual behavior of financial management, without an independent added effect of financial knowledge (Parrotta and Johnson, 1998). Examples of financial attitudes used in the study mentioned above included: "saving is not really important" and "a written budget is absolutely essential for successful financial management" (Parrotta & Johnson, 1998). Thus, financial behaviors are better predicted by financial attitudes than by the knowledge about the world of finance.

Spouses' attitudes about money may differ due to the meaning that is attached to it. Singh (1997) suggested that there are two different types of money: marriage money that is personal and private and not subject to laws and contracts, and market money that is impersonal and subject to contracts and laws. When a transition from one kind of money to the other takes place, conflicts occur, such as when a couple goes through a divorce process and their private

and joint financial arrangements become common knowledge to lawyers, judges, mediators, and others.

Wilson (1999) also made a distinction between economic or objective money and subjective and personal money. Finance professionals assume that consumers are rational and will use money as a neutral medium of exchange, and researchers from the field of human ecology and home economics see money as a scarce resource that provides access to goods and services (Walker & Garman, 1992). Humans, however, use money in all kinds of irrational ways, due to emotions and personal meanings they have acquired over a lifetime (Bazerman, 1999).

As evident from the above discussion on money attitudes and beliefs, most family money-related disagreements are not solely centered on dollars and cents. Rather, they are disagreements about values and attitudes held by the spouses. These arguments also expose money-related hidden issues: control and power, caring, recognition, commitment, integrity and acceptance (Jenkins et al., 2002). Whenever couples find themselves keeping score, avoiding certain topics of conversation, reacting to trivial and insignificant events, or arguing about the same subject over and over, they are probably dealing with these hidden issues (Jenkins et al., 2002).

Values and attitudes towards money can represent issues of control and power. This can occur in a relationship when one spouse uses money to control and dominate the other and/or when someone is particularly sensitive to being controlled because of their upbringing or earlier relationship experiences (Jenkins

et al., 2002). Any decision, big or small, can bring up issues of power as discussed in the first part of this chapter. An interesting definition of power emerged from study by Cohen (1998): families in which women had higher incomes and more significant occupational status (as compared to other participants) consumed more housekeeping services (such as cleaning and laundry services) and spend a larger proportion of the family's income on meals away from the house. Thus, women in these families had more power and influence to persuade their husbands that the money spent on maid services and restaurant meals is money well-spent. Additionally, this difference was found to be significant even when the husbands' incomes were taken into consideration: in other words, the disparity in the purchasing of services depended on the women's income, and not their husbands' (Cohen, 1998).

Issues of caring and recognition were address by Hochschild (1991) in the concept she called "economy of gratitude," which is "a vital, nearly sacred, bottom-most, largely implicit layer of marital bond. It is the summary of all felt gifts." (Hochschild, 1991, p. 499). Economy of gratitude is an accounting of gifts given and received by the spouses from each other, and comparison of the received gifts to those the spouses *wanted* to receive. For example, a busy working mother may want to receive child-care assistance, whereas her executive husband may want to give extra income for the children's college education. In this instance, the couple will not recognize each other's basic contributions and extra "gifts" to the household economy. Eventually, when the work-home and money-childcare tension becomes serious, the spouses will feel

that their partner does not even care for them. In other words, not showing gratitude has a direct negative effect on marital satisfaction. One team of researchers (Zvonkovic, Greaves, Schmiede & Hall, 1996) found that different couples constructed the wives' roles as participants in the paid work force within a context of their personal situation and opportunities and constraints, as well as within the value frameworks they have learned in their first families.

Issues of commitment are very real for many couples. Whenever discussions about separate and joint bank accounts or prenuptial agreements come up in a relationship, one or both of the spouses are dealing with issues of commitment to the relationship. Discussion of relational trust and commitment in an open way, rather than through other topics, such as banking or prenuptial agreements, is a much more productive and, in the long run, relationship building endeavor (Jenkins et al., 2002). Hidden issues of integrity occur in relationships when partners do not trust each other completely and question each other's intentions, values and actions. For example, those raised agnostic may not be used to tithing, which can appear to their religious spouses as selfish and unworthy (Jenkins et al., 2002).

Money Allocation Systems

Although married people enjoy a better standard of living, higher net worth, and higher salaries than do single, divorced or cohabitating couples (Waite, 2000), having to share financial joys and sorrows with another person inevitably leads to conflicts. One of the common areas of conflict is the allocation of all too scarce financial resources in such a way that the most people benefit.

The most recent evidence indicates the following patterns of allocation systems (Pahl, 2000):

1. *Pooling arrangement*, where both spouses deposit all earnings into one account and both have access to it, considering all money “theirs” (50% of the sample);
2. *Allowance system*, where finances are managed either by a wife or by a husband (16% of the sample). Husband-controlled systems are more common in unhappy and abusive marriages (Pahl, 1989).
3. *Independent management system*, where spouses each have bank accounts and each pay their own expenses (small, but growing proportion of the sample). Second and subsequent marriages tend to have independent management system (Fleming, 1997).

These different patterns of allocation of resources can be explained by a variety of factors: practical (who can get to the bank during business hours); psychological (who is better at accounting and math); socio-economic variables (in the working classes, women tend to have more control); and ideological (different beliefs about sharing of responsibilities in a marriage) (Pahl, 1989).

Additionally, couple characteristics also are important: when the money is very tight, women generally manage all the funds. As the family's income increases, employment status starts to play a prominent role: as the husband's status begins to rise, he is more likely to control the money (that is make all the important allocation decisions), while leaving the actual management of the funds to his wife (Fleming, 1997; Pahl, 2000). For example, in such a family, a husband

will decide how much should be allocated for the family's groceries and provisions, and the wife would then manage the funds in an appropriate way.

Three types of control exist:

1. Direct control, where money is actually withheld by spouses. This method is used in only 10% of the surveyed households, and is associated with low marital satisfaction (Fleming, 1997);
2. Indirect control, which is achieved by psychological or emotional domination, forcefulness in decision-making, and criticism of one another (Fleming, 1997);
3. Self-control, where spouses control their own urges with various degrees of success. Studies found that self-control was exercised more by the women, who typically believe that they spend their husbands' incomes (Fleming, 1997).

Even when households have adequate income, individuals living within them may still be poor. In general, men have more spending money and women tend to deprive themselves, regardless of the allocation system used by the family (Pahl, 2000). Men tend to hide money more than do women, and this is especially true of secondary or extra incomes, although this tendency has been decreasing in the recent years (Pahl, 1989). Generally speaking, household allocation decisions and accounting has been found to be inconsistent, since different parts of the domestic economy are likely to be subject to different rules and procedures. However, these inconsistent rules are reflective of the character of the individuals involved and the quality of their relationship (Pahl, 2000).

Another researcher, working with a New Zealand sample (Fleming, 1997) found that there were three organizing principles that governed the way couples managed their finances:

1. The principle of *gendered division of responsibilities*. This principle is commonly seen in traditional couples, with strong division of responsibilities, both financial and non-financial, based on gender roles. Males tend to have a lot of authority, especially in the spheres outside of the home, while females often occupy dependent roles;
2. The principle of *common ownership*. This principle is seen in couples who believe that their incomes and expenses are common to both of them, and that they are both responsible for the family's welfare. These spouses are characterized by a high degree of mutual trust and good communication skills.
3. The principle of *individual financial autonomy*. This principle is often applied in families where both spouses earn income, and have separate areas of fiscal responsibility, such as the husband paying for the mortgage and child support to the children from a prior marriage, and the wife pays for groceries and insurance. These families are characterized by respect for each other and are usually seen as a partnership of equals.

Although Principles 1 and 2 and 2 and 3 can be combined in certain households, Principles 1 and 3 are mutually exclusive (Fleming, 1997).

Financial Behavior and Marital Satisfaction

The mutual influence between the satisfaction with one's marriage and financial behavior is the core of this research project, and the existing literature on this subject will be discussed in this subsection. Marriages may lead to financial conflict as two different people with often divergent values and opinions are forced to join their financial and labor resources in order to achieve a common goal. Spouses are often seen as one joint legal entity, as in cases of house ownership, taxation, and cooperative business ventures (Swenson, 1997).

Conflicts are relatively conscious disagreements between two or more parties (Kirchler, Rodler, Holzl & Meier, 2001). Discussions are a part of the decision-making process and center around the partners' incongruous desires (Kirchler et al., 2001). Although conflicts about the same topic can be very stressful, especially if the issue in question remains unresolved again and again, disagreements are usually concluded by a decision, which is acceptable to the partners to a variable degree (Kirchler et al., 2001). Thus, conflicts and decision-making process are not synonymous. Although individuals and families make dozens of financial decisions daily, financial conflicts, fortunately, are more atypical.

Theory suggests several different types of conflicts, according to whether partners' goals are in accord with each other: partners may construct the reality in the same way, but disagree on attributes of particular options or they may have very different ideas of what is desirable (Kirchler et al., 2001). For example, a relatively minor conflict will arise when the spouses have agreed on the basic

attributes they are looking for in a new car, but disagreed on the details of the purchase. In contrast, the spouse who grew up in a household where the vehicles were used to communicate one's business successes and borrowing heavily on auto purchases was acceptable, will experience a high degree of conflict with a person who is used to modest and previously owned vehicles.

Unlike conflicts that occur in non-intimate relationships, those which occur within a marriage are often mitigated by the degree of love and harmony in the home (Seymour & Lessne, 1984). The decisions that spouses make and the conflicts that they have with one another occur in an emotionally charged environment, and the role of these emotions cannot be ignored (Park, Tansuhaj, & Kolbe, 1991). These emotions manifest themselves in a variety of ways (Park et al., 1991):

- those members of the family who are willing to maintain a long-term affectionate relationship will not be likely to use harsh uncompromising conflict-resolution skills;

- the more intimate the members are, the more likely they are to use cooperative methods, such as bargaining, joint decision-making or logical persuasions; conversely, the less intimate and affectionate partners are, the more likely they are to use coercion and authority;

- the individual with the greatest need for affection and intimacy is most likely to use non-confrontational methods of conflict resolution;

- the extent to which family members agree on their values and goals will determine the degree of conflict in the household.

Thus, happy and unhappy couples use qualitatively different conflict resolution and decision-making strategies. It is unclear whether they are happier because they know and use cooperative strategies to resolve problems, and thus spare each other the guilt, the anger and the fear of the authority that comes with coercive strategies, or whether they use those positive strategies because they are satisfied with the relationship and do not want to jeopardize its future. This case study addresses some of the complexities of these issues.

No standardized instrument exists at this time to facilitate the measurement of relational conflict over finances (Koutstaal, 1998). Snyder (1981) developed a 22-point subscale of the Marital Satisfaction Inventory (MSI) entitled disagreements-over-finances subscale. This subscale is broken down into four dimensions: perceptions that one's spouse managed money poorly; financial insecurity as a major source of marital distress; finances being discussed calmly; and the extravagancy of one's spouse. Although the MSI has a dimension of marital financial arrangements, it is very lengthy and difficult to score, and for that reason was not used in this study. Koutstaal (1998) reported that previous studies divided money-related conflict into three categories: difficulty talking about money; inequality in the amount of power and influence in the issues of finances; and the perception of being financially insecure or out-of-control with respect to money.

Research findings into the relationship between conflicts over money and marital satisfaction have concurred that the two are strongly related. Snyder found that disagreements over finances correlated strongly and positively with

global relational dissatisfaction (1981). Koutstaal (1998) found that adding conflict over money to the regression equation predicting marital satisfaction improved the predicted variability by 40-46%. Additionally, this finding held true for both husbands and wives, and agreed with other similar studies (Aniol & Snyder, 1987). Although conflicts over money eroded marital satisfaction, happiness with one's finances improved it (Koutstaal, 1998).

When marriages with low levels of satisfaction were examined with respect to the common money-related themes, the researcher found that women in these relationships report that their husbands earn less, manage money worse, and control money more than the husbands of women with higher dyadic satisfaction levels (Fleming, 1997). This study seems to suggest a causal link: women become less happy as their spouses perform money-related tasks poorly. The opposite conclusion presents itself in the following cross-cultural study: Stack and Eshleman (1998) found that marriage has a positive effect on happiness through two intervening variables, the promotion of financial satisfaction and the improvement of health. Clearly, financial conflict and marital satisfaction have a complicated non-linear relationship.

Finances and Divorce

A wide variety of financial problems were found to be significant predictors of divorce (Andersen, 2000). These problems included: lack of satisfaction with one's financial situation, lack of satisfaction with one's spouse as breadwinner, perceiving one another's spending as foolish or unwise, and the worsening of the financial situation (Andersen, 2000). However, none of these variables, together

or separately, predicted more than 5% of the variance of probability of divorce (Andersen, 2000). Thus, financial problems by themselves seem to be an inadequate predictor of relational distress and divorce (Andersen, 2000). A reasonable explanation as to why the financial factors were not more predictive of divorce was proposed by the author of the study: "Since divorce is a costly process, one or both spouses might have reasoned that if they were experiencing financial difficulties maintaining one household, how were they going to afford the additional costs of running two households and paying legal expenses?" (Andersen, 2000, p. 71). Other explanations of weak predictive ability of financial factors also are possible.

In an almost 45-year-old classical work on divorce adjustment, Goode (1956/1965) asked recently divorced women to name the main cause(s) of their divorce. Complaints that the ex-husband was an inadequate provider were ranked as the number one reason for divorce, both in terms of percent of responses and percent of respondents (Goode, 1956/1965). The complaint of mismanagement of funds through gambling or spending too much on entertainment, ranked eighth out of twelve possibilities (Goode, 1956/1965). On the surface, the above figures are impressive. However, several questions remain: Do the divorcing husbands perceive the reasons for the divorce any differently than their ex-wives? If this study were repeated now, 45 years later, would the results be any different? Do people who stay married experience the same or different kinds of financial problems?

Another research study from the 1960s (Levinger, 1966) measured two more independent variables: gender of the divorcing individuals and their socio-economic status. Levinger's study combined the two problems of inadequate support (from husband) and poor handling of family money into one category labeled "financial problems." He found that more wives (36.8%) than husbands (8.7%) complained about money problems as a cause for divorce. Lower-status wives were much more likely to complain about financial issues than middle-status wives (40.2 % vs. 21.9%, respectively; Levinger, 1966). This study seems to adequately answer the question of whether the two genders perceive reasons for divorce differently: men emphasize financial problems as strongly as do women. This conclusion seems logical for the 1960s: when discussing support or non-support, both spouses were most likely to allude to husband's earning power, which the wife is more likely to criticize.

When Goode's classic work was repeated in the 1970's, researchers found that financial problems, although still cited as reasons for divorce, receded in importance, and issues of mental and emotional fulfillment were given heavier weight (Kitson & Sussman, 1982). Another group of researchers who attempted to duplicate Goode's findings in the 1970s concluded that the reason financial factors receded in importance was that women participated in the labor force in larger numbers, and thus also contributed to the financial well-being of the household and, presumably, shared in some of the power of decision-making (Thurnher, Fenn, Melichar, & Chiriboga, 1983). Thus, another question was answered: do stated reasons for divorce change from decade to decade? The

research has shown that although money problems were still an issue, they diminished in importance. It is also possible that partners who were divorcing in the 1950s and 1960s cited financial problems as reasons for divorce because they were considered legally acceptable grounds in the fault-based system that existed prior to the 1970s, thus possibly inflating the importance of finances as reasons for divorce.

Amato and Rogers (1997) used archival data from 1980 to 1992 to determine which variables increased the possibility of divorce. Four marital problems were found to be statistically significant predictors of divorce: infidelity, drinking or drug use, spending money foolishly and "irritating habits" (Amato & Rogers, 1997). Spending money foolishly increased the odds of divorce by 45%, compared to an increase of 100% for infidelity, 49% for drinking or using drugs, and 39% for irritating habits (Amato & Rogers, 1997). Thus, in the 1980's and beyond, financial problems, although not the strongest predictors, were nevertheless significant predictors of divorce.

A more recent study which reviewed the prominent theories in the field of divorce suggested modifications to the hypothesis that wife's independence, as measured by the financial and other resources, was positively related to marital dissolution, whereas husband's resources were inversely related to marital dissolution (Ono, 1998). In other words, traditional theory suggested that when women had enough independent resources, they chose not to stay in unhappy marriages; when husbands had a large number of financial resources, women may have decided to remain in less-than-optimal marriages to continue receiving

access to those resources (Ono, 1998). The Ono study (1998) adapted the existing theory with the findings that the relationship between husband's earnings and marital disruption is modified by wives' work: when the wives had no earnings, lower wages obtained by the husbands were predictive of marital dissolution. When the wives did have income, lower husbands' earnings were not a significant predictor of marital dissolution (Ono, 1998).

Financial distress has been found to have a negative effect on emotional and physical health, as well as marital satisfaction (Koutstaal, 1998; Taylor & Overbey, 1999). For example, both parents and adolescents have been found to show higher-than-average rates of depression in households with high financial stress (Clark-Lempers, Lempers, & Netusil, 1990). Financial stress and conflicts about money are especially common in families where one person describes himself or herself as being a "saver," while the spouse ascribes to the "spender" philosophy (Taylor & Overbey, 1999). Couples with saver/saver orientation experienced significantly less conflict than saver(self)/spender(spouse) couples. The amount of conflict that spender(self)/saver(spouse) and spender/spender couples exhibited fell between the above two groups (Taylor & Overbey, 1999). Thus, individuals who save more and marry those who support their spending orientation report less money-related conflict than those who marry persons who exhibit different spending tendencies.

Once economic stressors occur, a family is facing problems on multiple levels: affective stage of problem perception, cognitive stage of decision-making, and behavioral stage of decision implementation (Rettig, 1993; Paolucci, 1977).

Both men and women were found to engage in behavioral adjustment strategies in response to perceived emotional stress, rather than as an outcome of cognitive decision-making processes (Rettig, Danes, & Leichtentritt, 1997). It is evident that for many families, once economic or financial distress occurs, marital distress soon follows.

Aniol and Snyder (1997) examined two groups of couples: those who sought marital counseling and those who sought help with their financial problems through a local credit counseling agency. They found that two groups were remarkably similar: both experienced higher levels of global relational dissatisfaction, more difficulties in problem-solving communication, and more disagreements about finances than did couples in their control group (Aniol and Snyder, 1997). Approximately one third of couples seeking financial counseling had general relational distress higher than the mean of couples entering marital therapy (and by implication, much higher than the distress levels in the general population). One third of couples seeking marital counseling reported levels of financial difficulties exceeding the mean level of difficulties of spouses who sought help with their debts (and much higher than the average levels in the general population; Aniol & Snyder, 1997).

Thus, there exists a pool of couples who are experiencing strong relational and financial problems, and who make a choice to pursue either marital therapy, credit counseling, or both. Those who choose marital therapy may recognize that their money problems are affecting other areas of their dyadic functioning, such as parenting or their sexual intimacy. Possibly, their levels of distress have

compromised their ability to collaborate as married partners. Those who chose financial counseling may have done so because they are unable or unwilling to acknowledge relational problems behind their spending behaviors, or because money worries have precluded them from using their emotional resources. Marital therapy may have been unavailable or unaffordable (Aniol & Snyder, 1997).

Although it is clear that many families in marital therapy have strong financial conflict, little attention has been given to training of therapists in money issues, as discussed in Chapter 1 (Aniol & Snyder, 1997; Poduska & Allred, 1990). O'Leary and colleagues (1998) have made an effort to provide the practitioners with the tools to help couples presenting with strong financial conflict. Their behavioral definitions of financial conflict include:

- “ 1. arguments over the amount of money spent by one partner;
2. arguments over how money is spent;
3. critical comments about partner not making enough money;
4. arguments over how money is to be saved;
5. feeling of being left out of decision-making regarding money;
6. suspicious that the other partner is secretly spending money;
7. arguments over the need to save money for retirement;
8. arguments over “legitimate” methods of reporting income for tax purposes;
9. arguments over the need to shop for the best possible price on an item.” (O'Leary, Heyman, & Jongsma, 1998, p. 92).

Guided by the conceptual framework and research questions, these behavioral manifestations were used as an aide in constructing an interview guide for the open-ended couple interviews and written questionnaires, which will be discussed in detail in Chapter 3.

CHAPTER 3

Methodology

This study addressed the link between couples' financial decisions and behaviors and their marital satisfaction. More specifically, couples were asked to analyze and report on:

1. Their financial behavior and its effects on marital satisfaction;
2. Their values and beliefs with respect to money issues and the origins of those beliefs;
3. Societal influences on their values and decisions;
4. The role of gender and power conflicts in their financial decisions.

Although a quantitative tool was incorporated for triangulation, the researcher relied heavily on qualitative approaches, which seek to develop theories, concepts, and understandings from patterns in the data, rather than collecting data to test preconceived models or theories (Creswell, 1998).

Qualitative research methods are particularly well-suited for areas of inquiry that are under-researched, and are used to understand and describe the phenomenon in question before valid hypotheses can be made (Creswell, 1998). Additionally, qualitative methods are well-suited to researching complex events and situations, where the full context may not be fully known.

Qualitative methods, when employed correctly and successfully, are respectful of the people and phenomenon under study, and have received positive evaluations from feminist researchers who strive to represent human diversity, include the researcher as a person, and create a connection between

the researcher and the participants (Avis & Turner, 1996). The participants are treated as experts on their condition or circumstance, and their lived experience is highly respected (Daly, 1992). While working on this project, the researcher attempted to include the participants in a process of data gathering and knowledge generation in a non-hierarchical and a non-judgmental way by inviting comments on the participants' experiences and sharing the collected data with them.

Dyadic Research Methods

Qualitative methods are well suited to using a family or a couple as a unit of analysis (Daly, 1992). In a relatively new type of research analysis, the dyadic analysis, the researcher is interested in the interactive properties on the relationship, in addition to the individual processes that may be present (Thompson & Walker, 1982). Dyadic research must include: conceptualization of the problem from a relational perspective, use of subjects who are long-term intimate partners, use of measurements that are applicable to one or both members of the dyad, examination of patterns of interactions, and interpretations and implications drawn about the relationship between the individuals (Thompson & Walker, 1982). This study addressed all the above criteria for relational research by using married couples, relational assessment tools, such as the Revised Dyadic Adjustment Scale, and by the interpretation of the results from the systemic standpoint.

Although research using individuals as a unit of analysis is interested in such concepts as values, beliefs and opinions, dyadic research focuses also on

relational norms, rules, power differences, spouse inter-dependence, complementarity and reciprocity (Thompson & Walker, 1982). Additionally, data may be gathered from one or both individuals involved in the relationship. In this study, data were gathered from both spouses, both conjointly and individually. Individual characteristics (such as values and beliefs) and relational dimensions (such as power differences and complementarity) were assessed.

Qualitative approaches and case study methodology

A collective case study is classified as an intensive mixed methodology research method because it utilizes both qualitative and quantitative avenues of inquiry (Sprenkle & Moon, 1996). This study utilized qualitative methods of in-depth interviews, observation of completion of a task, and analysis of open-ended written questionnaires. It aimed to understand the relationship between financial behavior and marital satisfaction. Measuring marital satisfaction as accurately as possible was very important, thus a quantitative tool was utilized in order to increase trustworthiness.

This *formal* case study utilized the triangulation method of data gathering by using both quantitative and qualitative measures. A *formal* case study is designed to advance the knowledge in a particular field, unlike its informal counterpart, clinical case study, whose aim is to assist the clinicians to conceptualize their cases in a more systemic way (Moon & Trepper, 1996). In recent years, the case study approach has been regaining its popularity in such disciplines as sociology, psychology, education and family therapy (Moon & Trepper, 1996).

A case study is characterized by three elements: in-depth approach to data gathering; use of a small number of purposefully selected cases; and clearly defined boundaries of the phenomenon under study in time and space (Creswell, 1998; Moon & Trepper, 1996). Multiple sources of information rich in detail and context, such as observations, interviews, audio-visual recordings, and archival documents, may be utilized (Creswell, 1998; Yin, 1989). One or more cases may be studied at the same time (Creswell, 1998). Studies which analyze multiple cases, as this project did, are referred to as collective case studies (Stake, 1995). In choosing cases to study, Creswell (1998) proposes a selection based on whether the cases offer different perspectives on the same problem, process or event and cases that are unusual, or ordinary and accessible. This study analyzed cases that were accessible and offered different perspectives on the phenomena in question. Although all couples represented the same family life stage – that of first-time married parents with young children in the home – their occupations and incomes varied dramatically, from under \$5,000 to over \$100,000 annually. The diversity of participants allowed the researcher to assess the phenomenon of money management in couples with very different amount of resources to manage.

One of the hallmarks of the case study approach is the use of multiple methods of data collection, both qualitative and quantitative (Moon & Trepper, 1996). Use of several sources of data increases confidence in the gathered material, and promotes increased trustworthiness. Additional techniques to increasing reliability in case study methodology include: persistent observation

(e.g., repeated listening to the audio tape of the interview), use of research protocols (e.g., having and following an interview guide), and using multiple observers (Miles & Huberman, 1994; Moon & Trepper, 1996; Yin, 1989).

Validity in case study methodology is assured by such techniques as: observing in naturalistic setting, triangulating data methods and sources, prolonged engagement in the setting, and discussing emerging conceptions of the case/theory with colleagues (Moon & Trepper, 1996, p. 406-7).

In this study, the following techniques were used to ensure validity and reliability:

1. persistent observation by listening to the audio tape of the interview several times, and transcribing it verbatim;
2. use of research protocols, such as following an interview guide and cue cards for prompting;
3. observing and interviewing in a naturalistic setting of a couple's home;
4. triangulating data sources, by using a quantitative tool, an observation of completion of a task, an in-depth interview, and written questionnaires;
5. using quotes when reporting findings and checking perceptions and conclusions with participants via a follow-up telephone interview;
6. monitoring potential researcher biases, by frequent mentoring and consultation with the research advisor and colleagues.

Procedures

Researcher: Self as Instrument

The self of the researcher is crucial in any kind of research undertaking. This is especially the case in qualitative research, when the researcher *becomes* the tool (Creswell, 1998). My interest in the topic of family finances started with a clinical observation that although many couples in therapy alluded to money problems, most were uncomfortable discussing the issue further. After further exploration, it became evident that there may a parallel between the financial problems and the the greater process of their marriage. This parallelism was noted by Schnarch (1991) in terms of sexual issues and marital processes. Schnarch (1991) called this parallel the “sexual crucible,” and it serves as a metaphor for the sum total of the couples’ relationship, with all its positive and negative aspects. I began to think about a “financial crucible,” a concept that substituted a couple’s financial behavior for their sexual expression.

In addition to clinical influence, I had an opportunity to teach undergraduate classes in Personal Finance. At that point, two things became evident to me: Personal Finance is an increasingly complicated field, and many otherwise intelligent and emotionally stable people can behave very differently around money. It soon became evident that money-related stressors and concerns weigh heavily in almost everyone’s mind: many of my clinical colleagues and friends were highly interested in getting help or advice with their own, or the significant other’s fiscal behavior. Thus, the idea of an in-depth exploration of couples who have financial issues (read: most couples) was born.

During the initial stages of project development, I was very concerned about the secretive nature of money issues in the families and whether this secrecy would make couples hesitant to discuss the matter with me. I attempted to recruit families with and without marital and financial problems, but the final sample consisted of relatively happily-married spouses with few disagreements about money issues. This issue will be discussed further in the “Limitations” section of Chapter 5.

I found that interviewing couples in their own home was both interesting and challenging. One of the challenges was to work while young children were in the home. Although I offered to reimburse for the cost of child-care, only one couple actually hired a baby-sitter (and the baby-sitter, being about 8 years of age, was ineffective in keeping the active toddler under control). In other cases, children either napped, watched TV, or colored and played nearby as the interview took place. Although the information about parent-child interactions afforded by this arrangement was interesting, it was not part of the study and at times made the audio tapes of the interviews difficult to hear.

Interviewing in the participants' homes allowed me to observe the everyday arrangements of their living quarters: from freshly vacuumed floors and spotless kitchens to open and overflowing cupboards; from neat living rooms to an over-abundance of books, videos, and DVDs; from family portraits to old Valentine's Day floral arrangements. I was careful to be complimentary of each family's home and was provided with proud details such as length of home

ownership and narratives about the extended family in the photographs displayed.

Sample

In a study with few participants, such as this case study, protection of the confidentiality of collected data is paramount. All materials collected from the participants, including audio tapes, questionnaires, and field notes were kept in a locked cabinet. The researcher and the advisor were the only people who had access to raw data with identifying characteristics of the participants.

All participants were apprised of the confidentiality of the information they chose to share, and all signed informed consent forms, a copy of which can be found in Appendix 4. In order to further facilitate honest disclosure, the spouses did not have access to each other's written questionnaires. The completed questionnaires were returned to the researcher in a sealed envelope before the researcher left the spouses' home.

A purposive sampling of four couples was used in this study. As discussed in Chapter 2, couples who are married for the first time differ substantially from remarried couples on several key aspects, such as decision-making and degree of autonomy (Allen et al., 2001; Crosbie-Burnett & Giles-Sims, 1991; Pyke, 1994). This study analyzed couples married for the first time with at least one child in the home in order to minimize family life-cycle stage discrepancies and to better focus on the core issues of marital satisfaction and financial behavior.

In order to reach a wide variety of participants, this study was advertised in both clinical and non-clinical settings. Michigan State University Federal Credit

Union served as the main advertising site for this study. Over 300 flyers were distributed by the bank tellers through the credit union's three local offices during the four-week data collection period. Other non-clinical sites included the Michigan State University Human Resource Development office, Michigan State University Child and Family Care Resources, and the Child Development Laboratories. In all cases, potential participants were provided with contact information and a summary of the project and were asked to contact the researcher via a telephone number or by e-mail.

All participants were asked to complete an informed consent form, and all were made aware that the participation in the study was voluntary, and could be discontinued at any time. For participating in this study, all couples received a copy of a recently published book on couples and money: Jenkins, N.H., Stanley S. M., Bailey W. C. & Markman, H. J. (2002). *You paid how much for that? How to win at money without losing at love*. San Francisco, CA: Jossey-Bass.

Data Collection

Data collection took place in several stages in the participants' home. First, a marital satisfaction tool was administered but not yet scored. The Revised Dyadic Adjustment Scale (R-DAS), was used to measure marital satisfaction (Busby, Christiansen, Crane & Larson, 1995). This tool was chosen due to high reliability and validity, ease of administration and scoring (both take only about 5 to 10 minutes), and frequent use in the field of Marriage and Family Therapy. This scale provides an overall measure of marital satisfaction. The R-DAS is a 14-item instrument with three subscales:

1. Dyadic Consensus, which measures the extent of agreement between partners on decision-making, values, and affectional expression;

2. Dyadic Cohesion, which measures the extent to which couples share common interests and activities;

3. Dyadic Satisfaction, which measures the amount of tension in the relationship, as well as the probability of a spouse terminating the relationship.

The range of possible total scores is 0-69. The mean scores for non-distressed and distressed couples were 52.3 and 41.6, respectively. Raw scores of less than 48 have been used to identify poor dyadic adjustment (Crane, Busby & Larson, 1991).

The R-DAS is increasing in popularity due to the ease of administration and scoring. The internal consistency of the scale (Cronbach's alpha coefficient) is 0.90; internal consistencies for the subscales are lower, but within an acceptable range. Convergent validity with its precursor, the Dyadic Adjustment Scale, was found to be 0.97 (Busby, Christiansen, Crane & Larson, 1995).

After the R-DAS had been administered, a warm-up task used for observation was presented in the form of a question ("What would you do with a \$20,000 windfall?") and the couple was asked to come to a mutually satisfactory solution, as the interviewer watched and recorded impressions. Upon completion of the task, the couples were invited to comment on their experiences, emotions, and thoughts about the task. The information obtained from the observation of the task was incorporated into the in-depth interview, which took place next. The interviewer was able to probe further specific instances that were mentioned in

the warm-up task. Couples were interviewed together; an open-ended interview pattern, following an interview guide was used (Appendix 1). All interviews lasted approximately 2 hours. The interview guide was created using the conceptual framework, discussed in Chapter 1. Every effort was made to give each spouse an equal opportunity to participate in the.

After the interview had been successfully completed, the written questionnaire was administered to both spouses with instructions to work on it separately, in order for them to have an opportunity to disclose secretive or sensitive information. The written questionnaire requested that the participants report on basic demographic information, such as age, occupation, education, income, and ages of children. Questions about hiding income and expenses also were asked. Spouses returned the completed questionnaires directly to the researcher in a sealed envelope, prior to the researcher leaving the home. At no time did the spouses have access to one another's answers. The written questionnaire can be found in Appendix 2.

After data analysis was completed, follow-up letters were sent to all participants. The letters thanked them for their participation and briefly described the results of the study. The letters were phrased in very general terms in order to maintain anonymity of the participants.

Data Analysis

Data analysis was undertaken in several stages and was done manually, without the use of qualitative data analysis software. First, the interview tapes were transcribed verbatim. Secondly, the transcripts were edited while listening

to the original tape in order to “clean up” the text and clarify several passages where the tapes became inaudible. Next, the data gathered from observations and written questionnaires were analyzed and organized in a table format, which will be presented in Chapter 4. This matrix format allowed easy “at-a-glance” comparisons between couples on such key characteristics as age, occupation, and income. Written questionnaires and observations provided vivid data that was subsequently used to provide context and richness for the gathered data. Field notes, which were taken immediately after the researcher left the participants’ homes, were analyzed holistically and were used as an additional source of observational data.

Next, analysis of the transcripts took place. Upon repeated readings of the transcripts and field notes, themes and categories within each case began to emerge. Initially, ten codes were used in coding transcripts. Initial codes included: Spender/saver orientation, current financial status, attitude towards debt, family of origin information, money management, communication/spousal element, help from others, conflict, “keeping up with the Joneses,” and personal values. Upon further analysis, several codes were collapsed and others were expanded as needed. For example, “current financial status” was expanded to reflect not only the present situation of income, expenses and debts, but also past and present situations, when mentioned. “Money management” was re-coded to reflect gender and power issues. Early memories and mentioning of sibling relationships and money attitudes were included into the “family of origin”

category. The “conflict” category was expanded to include lack of conflict or the resolution of conflicts. The final list of codes and sub-codes is presented below:

Group 1: Spender/saver orientation, Attitude Toward Debt, “Keeping up with the Joneses”

Group 2: Family of Origin (including sibling information and early memories) and Help from Others

Group 3: Money Management, including Gender and Power components

Group 4: The spousal Element and Conflict/Conflict resolution

Group 5: Personal Values

Group 6: Contextual Variables

Each case was analyzed according to this pattern. The information gathered from each couple is presented in a narrative fashion in Chapter 4, taking the form of four stories, one for each of the couples studied. In these stories, I will allow couples to speak to the reader through direct quotes blended with my observations and analysis. After the within-case examination was completed, data were analyzed according to similarities and differences found in different couples. These findings will be presented with respect to the original research questions in the second part of Chapter 4.

CHAPTER 4

Findings

This study explored the relationships between marital satisfaction and financial behaviors. From in-depth interviews, observations, and analysis of written questionnaires of the four participating couples, the data revealed how different families arrange their financial lives and how family upbringing and societal influences shape the relationship between marital quality and financial behaviors. The first part of this chapter will present a data matrix of the pertinent demographic data that is designed to assist the reader in placing these stories into the context of the couples' lives. The second part of this chapter will present the within-case analysis of the findings in the narrative format in the form of four stories – one for each of the participating couples. Finally, the cross-case analysis will be presented and similarities and differences between cases will be discussed.

The analyses presented below are the combination of four methods of inquiry: interviews, written questionnaires, and observations of the environment (field notes) and of the structured task. Observations of the surroundings in which the interviews took place were an important source of data, which both contradicted and confirmed the couples' self-reports. For example, one couple who lived on governmental assistance had furnishings and modern audio-visual equipment; another's living room showed numerous pictures of friends and relatives, but none of the couple themselves, not even on their wedding day. Instead of the pictures, the prominent spot on the entertainment center was

occupied by a two-week old floral arrangement. When reporting the results of the study, whenever possible, I quoted what I saw and heard from the participants. I attempted not to assign my personal values to their reports and refrained from making assertions until the very end of the chapter in the cross-case analysis section.

The data gathered from written questionnaires was summarized in a table (Figure 4.1), which reviews the demographic characteristics of the participants. Names and other identifying information have been changed to protect the interviewees. Pseudonyms of couples can be found in the columns, and demographic and other pertinent information can be found in the rows. This side-by-side format allows comparison of the couples.

The narrative analyses of the lives of the four couples is presented in the identical format in order to demonstrate consistent findings and facilitate comparisons between families. Each couple was assigned pseudonyms starting with the same letter, and then that letter was carried over to their last name: Patrick and Polly P., Adam and Abby A., Barbara and Ben B., and Carol and Carl C.

Each narrative has six parts beginning with an opening quote - chosen to encapsulate an important parameter of the relationship or the couple's financial situation. An introduction, describing the couple's lives and their home is next; four thematic sub-sections follow. These sub-sections emerged from the merging of the codes, as described in Chapter 3. These sub-sections are: Spending and

saving behaviors, family of origin and receiving help from others, money management and gender issues, and the spousal element.

The last part of this chapter presents the cross-case analysis of the data collected. This analysis is presented in the form of answers to the original research questions, as discussed in Chapter 1. First, a data matrix summarizing two particular aspects of the gathered data (the advice given to other married couples by the participants and their personal values with respect to money) will be presented. The second part of the cross-case analysis will present answers to the research questions.

First Name (Number)	Patrick Couple 1	Polly Couple 1	Adam Couple 2	Abby Couple 2	Ben Couple 3	Barbara Couple 3	Carl Couple 4	Carol Couple 4
Age	26	25	30	28	37	37	32	32
Child or Children	Son (5 years) and daughter (2 years)		Son (2.5 years old)		Son (16 months)		Son (3 years)	
Length of marriage	4 years		5 years		12.5 years		8.5 years	
Highest Level of Education (self- report)	Some college	Junior in college	Masters Degree	Masters Degree	Bachelor of Science	Bachelor of Science	Bachelor of Arts	Bachelor of Arts
Occupation	Student	Student	Grad. Student	Grad. Student	System Administrator	System Administrator	CPA	Grant Administrator
Part-time occupation	Builder (with father)	Aerobics Instructor	Various jobs for the University	Various jobs for the University	None	None	None	None
Hours worked per week	10-16	3-4	40	20	40	20	40 (reg.) 60-70 (tax season)	40
Family income (in column by reporter)	\$2,600 family annual income	\$5,000 family annual income; 10,000 student loans; \$3,500 child support	\$43,360 family annual income, incl.: Adam: \$16,800 Abby: \$28,560	\$43,218 family annual income, incl.: Adam: \$16,968 Abby: \$26,232	\$70,000 family annual income, incl.: Ben: \$50,000 Barbara \$20,000	\$60,000- \$65,000 family annual income, incl.: Ben: \$40,000- \$45,000 Barbara \$20,000	\$114,000 family annual income, incl.: Carl: \$67,000 Carol: \$48,173	\$115,173 family annual income, incl.: Carl: \$67,000 Carol: \$48,173

Table 4.1. Demographic information on the study participants.

Couple #1 - Patrick and Polly P.

Patrick and Polly met under unusual circumstances:

Patrick: I worked at the bank.

Researcher: ... and you (to Polly) bounced checks?

Polly: yeah!

Researcher (incredulous at having guessed): I was just joking.

Patrick: That's exactly what happened.

Polly: I was like, where is all my money going? I never have any money.

So, he came over and balanced my checkbook.

Patrick: On our first date, she invited me over to balance her checkbook.

Polly: I still have that checkbook.

Patrick, 26, is a student at a local Community College where he studies residential construction, like his father and grandfather. Polly, 25, is a junior in college where she studies Kinesiology. The couple has been married for four years. They have two children: a 5 year-old son and a 2 year-old daughter. The family has a comfortable 3-bedroom apartment on a lake that is clean, orderly, and inviting. The sliding door in the dining room overlooks a small private lawn and the lake. Children's toys, blankets and videos are arranged in the living room area, along with office equipment (computer, printer, copier/fax machine) and audio-visual electronics (TV, VCR/DVD, stereo). Family portraits and small decorative touches adorn most of the wall space. The family appears calm, friendly and relaxed. They talk easily, laugh often and are very attentive to each other and the needs of the children.

On the day when I visited their home, the family had just finished their “family night” meal of pizza bought in the neighborhood pizza parlor for \$4. They also rent two-for-one videos on that night. Two important things happen during the weekly “family night” – the family gets together for some quality fun time, and the parents get to take advantage of some good prices, as Patrick proudly states: “We’ve done the whole family night for \$15!”

Both spouses work part-time while attending school and share parenting. Patrick and Polly are proud of the fact that they arrange their busy schedules in such a way that the children are rarely left in day-care or with baby-sitters. Since Polly works between 3-4 hours a week, and Patrick works 10-16 hours per week, the couple has very limited financial resources. In addition to relying on their income from part-time employment, their student loans, and financial support from parents and grandparents, the couple was able to qualify for governmental help with medical care, housing, and food, adding up to approximately \$1,500 per month in benefits (see Table 4.1 for further demographic details).

Patrick and Polly state that they are facing very difficult financial circumstances, since their money never covers all the expenses they accrue, and they are forced to rely on outside support. Although the couple does not have any credit card debt at this time, they do carry over \$15,000 in student loans, in addition to being responsible for the lease on one of their vehicles.

Spending and Saving Behaviors

The spending and saving behaviors of the P. household were coded into three separate yet connected categories: general reports of spending vs. saving, reported feelings about debt and being in debt, and attempts to maintain the appearance of a middle-class life-style.

Both Patrick and Polly report that they enjoy spending money as a form of entertainment, although Patrick has a strong proclivity to save for “dire emergencies or something [the family] decided to save for.” Although their resources are very limited, they have many newer electronics and toys for the children. When asked whether they would classify themselves as spenders or savers, they replied:

Patrick: I would say both, I really would.

Polly: We’d like to be savers, but I think we are spenders.

Patrick: We’ve actually done pretty good. I’ve managed to keep putting money away, you know, parts of whatever we bring in...

Polly: He is a saver.

Patrick: I managed to put stuff away and still have enough to get us by, so that we have money to spend.

Although both spouses agree that they enjoy shopping and buying items, their tastes for things differ: while Polly enjoys hunting for bargains on items she may or may not need, Patrick buys items for the home that he thinks the family will need, such as “gadgets, cameras, TVs,” as well as items that are advertised on televised infomercials. Although Patrick purchases household goods and

electronics, he “has a guilty conscience” when it comes to spending money. He rarely buys items of clothing for himself, even if someone else, such as his mother-in-law, is paying the bill.

Polly states that she will “sometimes drive to every store to find a good deal.” If she is unable to find a “good deal,” she will not buy an item in question, making Patrick happy. Patrick believes that his time that would be spent shopping around for a better price is more valuable than any savings he may realize. For that reason, he is more prone to impulse purchases. Polly considers him “gullible” and “easily sucked in” by advertising, and the couple has decided that Patrick will only buy items featured on infomercials with Polly’s knowledge and approval.

Polly states that she often finds exceptional prices on items that the family does not need at the moment (and may never really need). In those cases, she will purchase one or several of the items as gifts for future use.

Polly: If something is a good deal, I just can’t not buy it! It just makes me mad not to buy it.

Researcher: Can you give me an example?

Polly: Like we have a box of gifts like if [their 5 year-old son] was going to a birthday party or something...

Patrick: It is not a box, it is a tub!

Polly: It is getting bigger and bigger, it’s board games or puzzles that I found for like \$2 or something, that were super-cheap. That’s the only thing I ever get in trouble for. He is always like “the gift-giving box is too

big,” because if I find a good deal, and our kids do not need it, well, he’ll get invited to some birthday party some time, and some kid will need it. I have one for adults, also, they are just really cute things that I do not need, but I can’t pass up a good deal.

Although she is willing to spend money on items of non-immediate necessity, Polly occasionally hesitates to spend on items that she and Patrick do need, if they are unable to find a price range that suits them: “We are looking for tennis shoes right now, and we were mad, because we could not find them for cheaper than \$50 and we refused to buy them. Some things I will just buy, and some I will not.”

The couple reports that on occasions such as these, one of the relatives will take them shopping and cover the necessary expenses. Support from parents and grandparents can sometimes reach thousands of dollars and will be discussed in the theme of “family of origin issues and receiving help from others.” Receiving this support makes the young spouses, especially Polly, feel guilty about some of their spending habits, such as eating out and taking vacations.

Polly: We were talking about it the other night, and we are mad, because we feel that we can’t really treat ourselves and like go out to dinner, or like go out, like we are taking this vacation, and we are feeling so guilty, we don’t want to tell anyone that we are taking this vacation, because we really don’t have any money. And yet it’s something that we should be allowed to do, take our kids on vacation [to Disney World]. But we feel bad doing that, because we don’t have any money.

Researcher: When you say that you are feeling guilty, and you do not want to tell, who are you referring to?

Polly: I feel bad telling Nana and Papa because they have bailed us out so many times.

Researcher: His grandparents?

Polly: Yes, the ones who have bailed us out. I feel bad telling his parents, I really do not know why. I feel bad telling my mom because she gives us so much money. I do not know why I feel bad.

Patrick: See in that aspect, I do not really care.

Polly: I do care.

Patrick: It is our vacation. In some things, I have a guilty conscious when it comes to spending money and buying things, and in other things, I guess I am kind of selfish and I could not care less about what everyone else thinks, like in this kind of thing, I know that it is something that us as a family needs, we've never been on a family vacation, and I do not see any reason why we should not be able to. We have put together savings, we really have not gone overboard with a whole lot of spending and overdoing it, and when chance arises, who would not take a vacation.

Saving money is more important to Patrick than it is to Polly, although he is not always sure why he feels the strong need to save, rather it is "something I know we have to do, it's something in me, I know we need to be saving." Patrick puts money into the savings account without Polly's knowledge, although he willingly and proudly shares the information about the account balances when

asked to do so. Polly appears to be grateful for his protective, although somewhat paternalistic, attitudes towards the family and his need to care for them. The family will be able to enjoy a Disney World vacation in a few months due to Patrick's diligence in putting money aside even though the family's financial circumstances are very constrained.

Researcher: So having that cushion of savings, what does that mean to you?

Patrick: What does that mean? That means I don't think about it. That means I put it away, and forget about it.

Researcher: Sleep better at night?

Patrick: No, because the only thing I think about is what's in the checkbook. The savings account is just numbers right now, I mean I know it's there, but I really don't think of it as cash, something I can go to, if I can't do with what's in the checkbook, then I need to figure something else out.

Along with a strong positive attitude towards savings, Patrick also has a strong negative attitude towards debt. Polly shares his "hate" for the lease the couple have on their truck, and the pride in "staying off from under the credit cards, not letting [themselves] get into that trap." This attitude parallels that of Patrick's grandparents, who, as typical for their depression-era generation, have been strong proponents of living within one's means and saving for a rainy day. This influence will be further discussed in the theme of "family of origin issues and receiving help from others."

Because of relying on limited financial resources, the P. family is not able to shop as often as they want or to buy all the items they wish to purchase. This puts them in a disadvantaged position compared to some of their classmates who are either employed or are supported by their parents, and are able to afford better quality clothing as well as trips and entertainment. The couple reports that their friends and relatives, especially siblings, are materialistic. Polly reports being very “mad” about this: “I would love to have enough money to buy those fun shock shoes [aerobic shoes] that we want, or I’d love to buy new aerobic clothes, and I never can, because they are so expensive.” When she gets too upset about the situation, she calls on her mother who then takes the couple out shopping. On those shopping trips, Patrick may or may not buy anything for himself. He says “Not being able to ‘keep up with the Joneses’ does not bother me. Even in high school... I was the cheapest of all the kids. I have never really been a very stylish person. I have never really cared, and I still don’t. If my clothes fit, and I am comfortable, I do not really care.”

Occasionally, Patrick does wish to spend money, and he may feel some guilt or reservation about this. Polly, on the other hand, reports that she is content with using shopping as a form of both entertainment and therapy, especially after being solely responsible for the parenting of two young children or after being overwhelmed with school demands.

Patrick: I have my moments, I want to go spend some money, ...

Polly: Don’t say it like it is a bad thing.

Patrick: I do like spending money.

Polly: We sometimes say: "I feel like spending money today"...

Researcher: What does spending money do for you?

Patrick: I don't know, I think it is a release, because I know right now we don't have the money, but I want to act like we do.

Polly: (laughs). We want to pretend. But what's funny is that we never end up buying anything.

Patrick: No. We'll actually go shopping, and we'll say "let's go spend some money and have some fun," and we'll go out and come back empty-handed... I think most of it, part of it, is just to get out of the house.

In conclusion, although restrained by modest incomes and the necessity to rely on parental support and governmental assistance, the P. family reports that they enjoy attempting to emulate the lifestyles of their middle-class relatives and friends. They enjoy shopping and spending money for the entertainment and diversion value it provides, and they generally prefer to get as many objects as possible for the dollar spent, as opposed to pursuing brand name merchandise. The couple seems to strike a balance between comparison-shopping and impulse buying, managing to both evaluate various options and to satisfy their need to spend money.

Family of Origin Issues and Receiving Help From Others

Both Patrick and Polly come from divorced households. They report being close to biological parents, step-parents, as well as to Patrick's grandparents. The main lessons learned from their families are: "spend money," "learn to find good deals," and "take care of your family." Polly stated that although she was

young when her parents divorced, her first money memories were positive, and she always felt that there was enough money to satisfy her needs. Patrick's first memories were different: he remembers that money had been very tight while he was growing up, and he felt guilty when he needed to spend even a small fraction of those limited resources on school clothing, or other necessary items.

While he was growing up and to the present time, Patrick's grandfather and father were in residential construction and they lived comfortably. Polly's mother earns close to a minimum wage as a secretary for a small business, while her step-father is also self-employed. Both spouses state that all of their relatives, regardless of the amount of earned income, enjoy shopping and looking for good deals:

Patrick: But my grandmother is worse than she [Polly] is when it comes to bargain shopping.

Polly: Oh, yeah.

Patrick: She would spend the whole day just going to six different stores...

Polly: Kroger, Meijer, she would drive to the Upper Peninsula to get something cheaper.

Polly: His mom likes to think that they have money, but his step-dad is a preacher, so they have no money.

Patrick: Even before that, they liked to spend their money.

Polly: Yeah, so when their income dropped to like 1/8th of what they were making, they still spent just like before, they kind of don't like to admit that they don't have any money.

The younger generation, Patrick and Polly and their siblings, prefer to spend on name-brand items, much to the annoyance of the struggling young couple:

Patrick: My brother is awful, he won't buy anything unless it has a name on it.

Researcher: Like a designer label?

Patrick: Yes, I think he alone kept Abercrombie and Fitch in business.

Polly: He is to the point where it is annoying now. Like we get annoyed with him.

Researcher: Why?

Polly: Just because it is such a waste!

Patrick: Because he is one of those people that would spend his money and then complain about not having any....

Polly: Yeah. Like his sister, oh, my gosh! She makes \$40,000 a year, but complains that she has no money... I don't know, it is weird, and then she will go out and buy \$3,000 of leather furniture, or like her bedroom suite that she spent \$5,000 on! We are like, What? Who the heck goes into your bedroom? What the heck do you care if you have a bedroom suite for? You know, for someone who does not have a lot of money, she sure has a lot of money.

The families in which Patrick and Polly grew up continue to have a strong influence on both of them. Patrick admits that his basic personality is very similar to that of his grandfather: "I have a lot of his characteristics, very, very overprotective, [like when] he did not want me to drive without a muffler..." Polly

learned from her mother to always find the best possible deals, sometimes regardless of whether the family needed the item in question. Her mother simply hid the spending from her husband, and now Polly “forgets” to record the expenditure in the checkbook.

Over the years that the couple has been married, Patrick and Polly have been recipients of multiple thousands of dollars of aid from both sets of parents and from Patrick’s grandparents. The couple stated that they “get a lot of help. We have never gone without, there is always been somebody to help us.” While their parents are more likely to take them shopping, both as a form of entertainment and as a way to help them manage the costs of living, Patrick’s grandparents are more likely to help out with large expenses, such as car repairs and credit card debt, although such help often comes with conditions on how the money needs to be spent, and how the couple is to arrange their fiscal affairs. The spouses seem not to resent the power their family members have over their financial decisions, but accept the help with gratitude and abide by the conditions with which the help was given.

Polly: When we first got married, we had big time debt, both of us...

Patrick: Yes.

Polly: That’s why we don’t do the credit card thing, actually it was a part of the agreement, they [his grandparents] bailed us out of like \$12,000 in credit card debt, and we were not allowed to have a credit card for...

Patrick: Yes, this was right after we got married, and we did not get a credit card just last year.

Researcher: So, part of the agreement with you was that they will pay it off if you will be responsible from now on.

Polly: We were not allowed to have a credit card for a long time, and then we got a debit card, because that just comes out of your checking [account].

This financial help from the older generation is accepted even when the spouses know that the money is given without the consent of the giver's spouse, such as in the cases when Polly's mom sends them cash without the knowledge of her step-dad, or when she takes them shopping and charges the purchases on her own credit card.

Although Polly's step-dad is not as generous as her mother, he is a very savvy financier, always watching the market and the interest rate trends. He owns his own business, and appears to be doing very well, although the couple seems to be somewhat baffled by his financial success, and implied that he is not always forthcoming in disclosing all his sources of income (either to them or to the government). His contribution to the financial well-being of the P. household was serving as a co-signer on the mortgage note for Polly's first house, which allowed her to live in the house for free, while offsetting the mortgage with the rent payments for the spare bedrooms. Polly subsequently sold the house, and now she and Patrick rent an apartment. Polly and Patrick admit that they have a lot to learn about the financial world, and they take notice of how Polly's step-father arranges his financial affairs and learn from him.

In addition to relying on family members for monetary support, Patrick and Polly and their two children rely on the federal government for help in covering basic living expenses. They basically “live off of student loans,” and have already accumulated about \$15,000 in debt. Additionally, their three-bedroom apartment on a lakeshore, which probably rents for about \$900-\$1,000 per month, costs them \$16 per month because of Chapter 8 housing subsidy for which they qualified. They also receive Medicaid benefits and about \$450 in food stamps monthly. The spouses expressed some bewilderment that they were able to qualify for these support services, but they expressed positive feelings about these aid dollars.

Money Management and Gender Issues

As evident from the opening quote, Patrick is responsible for most of the money management in this household. Polly does not find this to be a hardship, because the spouses are most often together when purchase decisions are being made: “Most of the time I do not have a clue what we have, unless I go and write a check....Like if we are down to a couple of hundred bucks in the account, he will tell me, you know, and most of the time we are together. I would never just go out and buy the farm just by myself.”

The spouses have only one bank account, and both have full access to all the money in that account. Money management gives Patrick a sense of control, which he really likes: “I like to play with the numbers. To me, it is the knowledge thing – I know that I know how to do it, and I know that I can do it, and I feel smarter than her when I do it, and that does not happen very often.” When Polly

wants something that the spouses do not have money for, Patrick attempts to control her with guilt [get the item] “if you really need it” – but otherwise, he “does not say “no” often enough.” When a large purchase, such as a vehicle, needed to be made, they first decided jointly how much they could afford to spend, and then proceeded to walk out of several establishments that were not willing to accept their terms. Patrick believes that a large part of his job as a money manager is to hide, or perhaps shelter, a portion of their income in a savings account. Although this money is technically not hidden from Polly, the balance of that savings account comes as a pleasant surprise to her.

As discussed earlier, both spouses are very frugal with their income, always looking for the best possible prices on items they need. Although they shop without a list, they usually buy similar items from week and to week, and often have a high degree of agreement as to what they need. Budgeting is very difficult for them, since their incomes are very irregular, and they find that worrying about deviating from the budget that is not working well is too stressful for them. According to them when they had limited financial resources, they tended to agree about money issues. Interestingly, their major money fights occurred when both worked full-time and had “more money to fight over.”

Patrick agreed that he manages money for several reasons: he enjoys doing it, he is good at it, he believes it is a man's job and that Polly lacks the ability to manage funds appropriately. Traditional gender roles are important to the P. family. Patrick is feeling that not fully providing for his family is “eating him

alive." Polly seems amused by his attitudes and states that she is not against working while Patrick stays home with the children.

The Spousal Element

Both Patrick and Polly scored their marriage as very satisfactory. While working independently, they both scored 52 on the R-DAS (with the cut-off for distressed marriages at 42). Their strong relationship and the satisfaction they find in each other is evident in their frequent and easy laughter, their light-hearted teasing and in the attitude that they are united against the troubles in the world, including finances. Their plans for the future are considerate of each other, and they have a strong feeling that they complement each other's strengths and make up for each other's deficits. These young partners learned to rely on each other early in their marriage, and they have understood that communication is key to any successful relationship.

Communication about the relationship appears to be constant and sincere. The spouses express confidence in each other's commitment to the marriage and feel that they can broach delicate subjects with each other if those conversations are likely to lead to the improvement in the relationship quality.

Patrick: Yeah, it really confuses me why they do [why other people fight about the money], too, because I really see as not being that big of a deal, but... maybe it is just because we never had enough to fight about.

Polly: I think you definitely have to talk about it [money], just like everything else, you can't just have your view, and then have their view

and expect it to be okay, you definitely have to... I am sure we had different views when we first got married.

Patrick: Still do.

Polly: But one person would enlighten the other about the other side of it.

Patrick: We still have different views on a lot of things, you know, and sometimes we come to agreements, but it is not without talking about it.

Polly: And it is not going to get you anywhere to yell at the other person about it, because they just ignore you, you would have to just sit down with them, and go "Look, here, this is why it is better this way" and then they can go "Oh, okay." Rather than (Yells) "LOOK, IT IS BETTER THIS WAY" (laughs).

Researcher: So, it sound like it strengthens your marriage rather than weakens it.

Patrick: I think so.

Polly: Yes.

The strategy used most often for conflict resolution in this household seems to be humor. Spouses laugh easily and often. They find each other's company pleasant. Additionally, Patrick admits to being very easy-going, and on rare occasions when he does get mad, he finds that finding something to do around the house provides him with ample opportunity to calm down and put the current disagreement into perspective: "I would stop and think: is this really that big a deal, if not, let it go."

Money as an object of fights is very baffling to this young couple. They are at a loss as to why so many of their friends choose to fight over money issues.

Patrick: Money is a root of all evil, all it does is cause problems, if you let it. Money is there as a way for people to negotiate in society, and that is its fullest effect, that's all it does, and if you let it go beyond that, if you let to determine how you live your life, and what you are going to do with your life, and who you live your life with, and how you react to things, and all of the ... some kind of psychology case.

Polly: So many people do that. I do not get it.

Patrick: Yeah, what is it – number one reason for divorce?

Polly: I just think that it is the weirdest thing to fight about, because it has nothing to do with him or I, it has nothing to do with how we feel about each other, it's out of our element that we are fighting about, it would be like fighting about "It's snowing" – who cares! We have no control over the weather, why are we fighting? It has nothing to do with him or I, it is this thing.

Researcher: So it is the two of you against "it."

Patrick: Hmmm.

Polly: And even if you have it, who is to say tomorrow you are not going to lose your job? You don't have control over it. It, I mean, you can be stable, and you can have a job, and you can have a savings, and blah, blah, blah...that's great, and that means that you took control over it but, I do

not know I just do not think that it should be something that should even be in a marital relationship.

Patrick: It is one of those non-negotiable aspects of a relationship.

Polly: It should be something out of your relationship.

This couple seems to have a contradictory attitude towards money. On the one hand, they seem to enjoy it, on the other, they seem to minimize its importance. For example, after long awaited graduations, they are considering accepting low-paid Vista positions. The student status of this couple may be a factor in their attitude towards money. They seem to have a belief that their present actions are not as important as their attitudes and future actions, when they start their full-time careers.

Couple #2 – Adam and Abby A.

Abby: [describing Adam's parents' new house] They can bowl from one side of the house to the other!

Adam: It is not that big!

Abby: They could skate from one side of the house to the other. Sorry, I did not say that!

Adam: It is not THAT big! I mean it is like 2,500 square feet or something like that.

Abby: Their kitchen is as big as our downstairs.

Researcher: (to husband) It sounds like you are getting defensive about that. What's that all about?

Abby: I just pick on him a lot.

Adam: She likes to harass me about my parents.

Adam, 30, and Abby, 28, are a graduate student couple with a two-and-a-half year old son. On the afternoon when I visited their home, their son slept while we chatted in the kitchen. Adam and Abby are relatively new to our university town and have just started their second year of graduate studies. Both spouses are in Education, Adam specializing in Sciences and Abby in Special Education. Prior to starting her graduate education, Abby worked as a teacher for several years, while Adam has been a student all his life.

Prior to moving to the university community, they had a "real estate shopping blitz" and purchased a nice, although small, house close to school. The house has three bedrooms, an attached garage and a lovely kitchen with a view

of the backyard and a large city park beyond it. The furnishings are modest, and the kitchen has not been remodeled in a long time, but the house appears well-kept, and a piano occupies a place of honor in the living room. The interview took place on one of the coldest and snowiest days in February, and the walkways and paths around the house, as well as one of their two vehicles, were covered with snow and ice.

The spouses support themselves "quite well," according to Abby, by working for the University in various teaching and research capacities, in addition to fellowships they received as incentives to attend the graduate school they have chosen. Additionally, their son's expensive part-time day-care is covered by the University's support program for student-parents. Their annual income, including \$500 in interest income, is well over \$43,000 with Adam contributing about 40% and Abby about 60%, even though he works about 40 hours to Abby's 20 hours per week. This difference can be explained by Abby's fellowship funding. This couple is the only one in the sample where the husband earns significantly less money than does the wife. Abby and Adam are not the highest earning couple of this small sample, but they are the only couple who have indicated that they have enough non-retirement savings to receive interest income.

Spending and Saving Behavior

In the A. family, Abby is appears to be the saver, and Adam is a spender. The basic spending plan in the A. household seems to be "spend as little as possible, save as much as possible." Abby freely admits that this pattern is not

likely to change once the spouses begin their professional careers; as she puts it, “we will simply have more to be uptight with.” The most recent purchase that caused disagreements and even arguments between these two mild-mannered people was a purchase of a second vehicle.

Researcher: ... the car was a difficult choice, because it was whether to buy or not to buy. Who had which position?

Adam: I wanted to buy and Abby wanted to wait a year.

Abby: Yeah.

Researcher: How come you won?

Adam: That’s a good question.

Abby: Because I felt guilty because I am like the bad one (laughs). I felt guilty because I am uptight with the money, and I am always like “no, you can’t get that.”

Although the spouses had enough money to pay for the new vehicle out of their savings, they decided to take out a loan, partially because they did not want to empty their savings account, and partially because vehicle loan rates were very favorable at the time of purchase. However, Abby still feels that having another payment is a “set-back,” as she is always concerned about “getting ahead” financially, constantly putting money away into savings in order to have a bigger down payment on the next house, or to “just be secure if anything should happen.”

Abby: Adam [had good reasons for purchasing the car] because he knew that he had to have them, good kinds of reasons. I was like...it is a one-

car garage, and now he is scraping all the time, we are graduate students and we need to be saving our money, and we do not need another payment, you know, that kind of thing.

Researcher: So, you worry about it as an expenditure, whether or not you can cover it?

Abby: No...

Adam: No, we have the money in the bank to buy it, if we wanted to. We could have bought it outright.

Abby: Yeah, we could have bought it outright, we would not have money in our bank account any more, but... I do not know, I always have to feel like we are getting ahead ... in terms of money, and that to me is like a set-back. And I feel like, we are so young, we have one child, who needs two cars, you know, we live by the University, that kind of thing.

Unlike Abby, Adam appears to be comfortable spending money, although he never purchases items without prior discussion with Abby and extensive research. His favorite objects to research and purchase are technology items, such as computers, DVD players and Personal Digital Assistants (Palm Pilots and the like). Although Abby admits not knowing anything about technology and what is currently available on the market, she nevertheless feels that Adam's purchases are "wasted money" and wishes that he either refrain from buying altogether, choose something cheaper or slightly older, or avoid buying "all the bells and whistles." Adam feels that "buying back down the technology food

chain just does not pay off in the long run,” and that sometimes compromising with Abby on the purchase price of an item costs the family more in the long run.

The issue of what is necessary and unnecessary in the household is another issue that these spouses are still negotiating. Abby prefers repairing items that are broken, while Adam prefers replacing them with newer and better versions. While Abby expresses “righteous indignation” over other people’s decisions to be wasteful with their money, she freely admits that clothes are her big weakness, and that if she could, she would have “a closet full of petite suits.”

Family of Origin Issues and Receiving Help from Others

Both Adam and Abby come from intact homes and both have siblings. Their parents are professionals whose career choices influenced those of the couple. Abby’s parents are both professors, and Adam’s mother is a speech pathologist for a school district, his father an administrator with a background in Social Work. Both sets of parents are financially secure at the present time, although Abby and Adam report that while they were growing up, they never got absolutely everything they wanted.

Both spouses report receiving an allowance when they were little. Abby’s money was spent on school supplies and other “serious stuff,” as well as to offset a portion of expensive ballet shoes she needed. Since her father had a nine-month appointment at the University (her mother did not work while the children were little), the children did not get their allowance in the summer, which seemed very unfair to them at the time, although Abby reports that now she fully understands her parents’ reasons for making that rule. Abby feels that she

comes from a very privileged background, although she was required to contribute to the financial well-being of the household:

Researcher: What lesson did they [your parents] teach you by doing that [asking to pay for ballet shoes]?

Abby: That I can't just have whatever I want, you know, that I have to contribute to the house. I had to give 25% of whatever I earned on a job, which made me really mad, but now I am like "You go do it!"

Researcher: So, when you got a job, 25% of that went to the upkeep of the house?

Abby: Yeah, and until I moved out of the house, then I did that.

Adam also remembers getting a small allowance, which was "preciously hoarded until I got enough to get a Star Wars figure or something like that."

Adam reports that his parents "moved economic categories" and are now earning much more than they did when he was little, and family meals consisted of "tuna casserole a lot, and chicken more than meat and those sorts of things, like macaroni and cheese." Although there was no feeling of deprivation, Adam reports that his parents limited his spending because they believed that having everything is not healthy for children's growth and development. Both spouses agree with this parenting strategy for their toddler.

Abby: Certainly, you know your parents can afford [things], they just say "no."

Adam: ... I guess I just think that now there are a lot more things for kids to spend serious money on. So, you know, I did not have as many games for

the Atari as my friends did, that sort of thing, but I certainly had enough to keep glued to the thing for longer than was probably healthy.

Adam's parents' affluence seems to be a point of contention between spouses, as evident from the opening quote. Abby feels that they and affluent people like them need to contribute more heavily to charity, instead of living in ostentatious homes and overspending on unnecessary items.

Abby: I also feel like if you have that much money, you have a responsibility, I don't know, I think they can give like 50% of that stuff to charity. But, I don't know, it is hard for me to see this kind of spending and think "Wow, these people can do a lot of good with their money," but it is not my business, oh my gosh, see, I know it is not my business. I am just seeing all that, and it is like – what if that house was a little bit smaller, and I don't know, some homeless people could be housed. Something dumb.

Adam feels somewhat defensive about his parents' money-related decisions, and appears quite proud of their financial success and their new \$400,000 house in an affluent suburb of a large metropolis. He insists that they don't spend "that much" and the house is not "that big." Although he does not know exactly what their salaries are, he does know that they are currently working with a financial consultant to help them invest wisely. His parents are generous with their gifts to all of them.

Adam: Well, Abby and my mother do not get along largely because my mother likes to give gifts and Abby does not like to receive gifts, and she does not like [our son] to receive gifts, I mean...

Abby: Well, there is reasonable and then there is unreasonable.

Researcher: [to Abby] So your mother-in-law and you disagree as to what is a reasonable and an unreasonable gift.

Adam: Right.

In order to resolve this difference between Abby and her mother-in-law, the spouses decided that their child will only be allowed to keep three toys per occasion, such as Hanukkah or his birthday. Any toys beyond that number will be donated to charity, no matter how expensive or nice the toys were (when Abby mentioned that she does not want her child to play with plastic toys, her mother-in-law started buying expensive wooden toys). The giver of the donated gifts is not to be informed of the gift's fate.

Researcher: What do you do [with the toys]?

Adam: Well, in order...

Abby: Appease me and his mother, poor Adam!

Adam: (laughs) in order to appease Abby what we did is we decided on three toy per holiday rule, which... So, first Abby tried to get my mother to back off, and my mother got hysterical and would not back off of doing gifts, and it was really rude of A. to even suggest such a thing. And so instead, without telling my parents or anybody else...well, I guess your parents know, right?

Abby: (nods).

Adam:... we basically either return or usually donate anything beyond three gifts, three toys that we get in one "sitting."

Abby believes that allowing her son to only have three toys and donating the rest of the gifts, will prevent him from growing up spoiled: "I am worried because I saw a lot of spoiled kids, and I saw how that happened, how they got everything they wanted, and their parents did not say "we really need to get a poor child something, and you have to realize that you have a lot of toys and you need to think about giving some away and I think that should start really early." Adam agrees with his wife on this issue, although he appears unhappy that his parents are kept in the dark about this decision and that they are unknowingly donating a lot of money to children's charities. There appears to be lack of parity, as Abby's parents, who do not place as much of a value on gift-giving, are familiar with the situation.

Researcher: Is [your son] the only grandchild?

Abby: Yeah, but my parents don't do the grandchild thing, and it is really hard to explain and it would take too long, so, but I still love them, and I still think that they are good parents.

Adam: (laughs)

Abby: So basically, like I said, one gift for the birthday and for them Hanukkah is a children thing.

Adam: For them usually it is not a toy or something, like they got him a quilt, right?

Abby: Well, one year, but they have given him some toys.

Adam: they have?

Abby: Like the toys from when I was little.

Adam: Those aren't gifts, those are like "Oh, you are visiting, and he likes to play with this one, so take this one with you."

Abby: My parents usually give some toy or another, just one gift.

Adam: I am just trying to think what birthday gifts they have given him...

Abby: Gosh, I don't know [sounds like she wants to move on to another topic].

As evident from the previous quotes, both spouses defend their parenting decisions and their parents' current financial choices. Despite the differences between the two set of in-laws, the spouses have worked out a strategy to remain united in their values. This matter will be discussed further in the section on the Spousal Element.

In addition to receiving generous and useful gifts (toaster/convection oven, VCR) from Adam's parents, the spouses used to receive generous financial gifts from Adam's grandmother. Before she became ill, she divested her estate on a yearly basis, giving away close to \$70,000 to children and grandchildren. Thus, Adam received several annual gifts of \$10,000. This money was spent to offset some of Adam's college expenses before he was married, and was used as a down-payment on the house and to help pay for vehicles after his marriage to Abby.

Both Adam and Abby report that they learned about trust and communication from their families of origin. Abby says that she learned to "stay off the credit cards, and consult with each other if it is a big purchase or, decide what kind of people you are, and know what kind of people you are." Adam

agrees and adds that although his parents do have separate accounts where they keep money from “extra” jobs, he firmly believes that “...relationships where the wife has her income and the husband has his, particularly where those are not equal, I don’t think ... it is probably disastrous.”

Money Management and Gender Issues

In the A. household, Abby manages the money on the day-to-day basis.

Researcher: Ok, tell me a little bit about management of money in the family: who writes checks, who balances the checkbook [husband laughs], who worried about money [he laughs again]?

Abby: I do all of those... Well, I am kind of the organizer, so I do all the money stuff, and figure out what has to go to what account, and that’s about it.

The decision to allow Abby to control the finances and worry about money was made because she is more organized and is “a worrier” by nature. When Adam was single, he admits that the bills were not always paid on time, and not because he did not have the necessary funds, but because he was not organized enough to pay the bills by their due date. He was so delinquent at one point, that his phone was disconnected. Now that Abby is in charge of the finances, the bills “go out early.” Abby admits that, just like her mother, she is “a control freak” and enjoys taking care of the family’s purse.

There is a high degree of agreement about everyday expenditures and how the money needs to be managed.

Researcher: If anybody wanted to make a purchase, is there an amount beyond which they cannot go without consultation or can they go ahead and spend whatever and then you talk about after it is done?

Abby: No, we don't talk about it after it done, but if it is like, what?

Adam: I would say...

Both: \$20! [laugh]

Adam and Abby use their credit cards frequently because of all the extra benefits they receive from using them, but the balance is never carried over from one month to the next. The A. family does not have student loan debt, but do have a mortgage on the house and a new car loan. Both spouses have access to all of the family accounts, including the currently poorly performing mutual fund accounts.

Researcher: [to Abby] So, you said that you figure out how much goes into checking and how much into savings, do you talk about it? Or do you just know?

Adam: No, she ... I trust her.

Abby: I just do it, and then I get out enough cash so that we can live for two weeks on the cash, and if something is coming up, I try to get enough for that.

Large and infrequent purchases are discussed and intensively researched before purchasing decisions are made. Both spouses, and especially Adam, are very knowledgeable about the financial world and take interest rates, rebate

offers, and the state of the economy into account when making personal financial decisions.

As discussed earlier, Adam and Abby donate many of their toddler's toys to charity. They also donate occasional small amounts of cash, such as \$10 or \$20 to various charities which happen to interest them.

The Spousal Element

Adam and Abby's five-year old marriage is characterized by shared values on money issues and parenting, mutual support and complementarity, high levels of trust, along with some competitiveness and conflict. They seem to have strong communication skills and agree with each other often. When disagreeing, which happens very infrequently, they use logic, persuasive arguments and tears to make the other person understand their point of view.

Abby: I don't think that we ever are going to agree on a point, I mean I really don't, I think we are just different like that, and I think part of that is really good.

Researcher: How do you negotiate that? You have very different perspectives on some things, but it does not seem to be interfering with your marriage. How do you work that out?

Abby: I felt that it was kind of starting to interfere with our marriage in the car thing, and that's why I was so upset about it.

Researcher: What did it mean to you marriage-wise? What meaning were you ascribing to it?

Abby: There was a big argument.

Researcher: "He does not love me any more?"

Abby: No, no, no! Just that I did not want to have a big argument in our marriage.

Researcher: So, it was something that was standing between the two of you, and you did not like that?

W: That's correct. I think I said exactly that.

Adam seems to be concerned with finding a win-win solution and an easier way to find solutions and compromises for future disagreements.

Adam: I am still trying to negotiate having some sort of general decision-making strategy, where you are not sort of fighting each fight in isolation, but it is a part of a larger strategy...

Abby: Because it is always the same thing, like I am always saying "I don't think we need it because we still have one that's good, and ..."

Adam: [I want us to] establish some norms as what counts as good evidence for your position...on a basic level.

The spousal complementarity seems to work best with these spouses' basic temperament. Abby seems to be a natural-born worrier, and Adam has a more laid-back attitude to life, such that Abby appreciates his view on events and his calming influence on her.

Abby: The thing is that I like to worry about everything from here all the way into the future, and there has to be a point at which Adam says "You know, we decided what we decide what we are doing, we have this gift rule, and we are just going to keep it like that, and as he matures, we will

deal with it, as it happens." Then, I try to calm down and say "yes."

Because I can't worry about everything, I mean I can try really hard to worry about everything...

Adam: My general theory is that most problems go away on their own accord, if you leave it alone long enough [everyone laughs].

Abby: That's not my theory. That's why I married someone to say that.

Researcher: Do you really believe that?

Abby: No, but I like it. It makes me feel better, I like it, I like it.

The spouses have divided household chores in a way that suits their interests. Each parents their toddler as their school and work schedule allows, and Adam usually cooks and Abby appreciates his culinary skills. Occasionally, when Adam knows that there isn't any ready-made food at home, he expresses an interest in going out to eat, but he usually has to overcome Abby's natural antipathy for spending money.

Adam is the only husband of the four men I interviewed who earned significantly less money than did his wife. There is a hint of competitiveness around the issue of salaries and fellowship funding received, although both spouses deny that gender differences are at the root of the problem.

Researcher: So, do you pretty much earn the same amount of money?

Adam: Not any more. We did the first year, actually I earned more the first year, but not anymore.

Researcher: How does that ...

Abby: How did you earn more the first year?

Adam: Because of that fellowship.

Abby: Ok, yeah, that's right.

Researcher: How does that work for you, does that bother you?

Adam: No.

Abby: I was always like that [earned more money], even before we moved here.

Adam: Right, she was working full-time and I stayed home with our son, and I taught a couple of nights, but basically, I did not have any income.

Abby: He does not do any cool macho-man money thing.

Researcher: So, it does not bother you, it is just not necessarily a gender thing.

Adam: Nope.

Their R-DAS scores are in the "satisfied" range – Adam scored 55, with a score of 53 for Abby. This score may have been somewhat lower, had R-DAS asked specific questions about the relationship with the in-laws. Most of the conflict in this marriage seems to be related to the issues with the parents-in-law on both sides. Both Adam and Abby criticize each other's parents, although Abby seems to be critical more often, and her comments are sometimes quite venomous (and she appears to be aware of this, as on several occasions she attempted to take back the harsh and critical words that had just left her mouth). Despite the differences in their backgrounds, both spouses seem genuinely loving towards their own extended family members and defend them valiantly in

front of their spouse. When it comes to confronting a parent-in-law on issues such as gift-giving, the partners present a very united front.

Although at first both were uncertain how sure how money issues worked to strengthen their marriage, the A.'s came to understand that they have managed to arrange their financial lives in such a way that their marriage prospers:

Abby: I don't know if [money] strengthens our marriage, but it does not hurt it.

Adam: Well, certainly does in a sense that say, if I handled part of the bills, you would be upset with me a lot of the time [laughs].

Abby: Oh, I see what you mean.

Adam: So, the day-to-day thing I think works well.

Abby: I see what you mean.

Both: [laugh].

This couple seems to have a common value about the importance of money in their lives. They believe in giving back to their communities, both by the fruits of their labor and by sharing the gifts their son receives from their families. Their only consistent area of disagreement is understanding the difference in their own and their parents' lifestyles. This is the second student couple in this sample, although their financial behaviors and attitudes are very different from Patrick and Polly's: this couple is not waiting to begin their careers to save large sums money or to plan for the future. Rather, they consider graduate studies to

be their career, and their actions now are not any different than they were before they began their studies or after graduate studies will be over.

Couple #3 – Ben and Barbara B.

Barbara: I transferred departments a number of times, ... and there was an opening there, so he got a job at the [same place]. He actually likes being able to go to lunch together every day and, you know, we don't do that stuff anymore because I work half-time, but he used to come down and say "Hi" in the office or we'd go to coffee or something.

Ben: Without having to call.

Barbara: Some people can't do that. Most people think we're nuts: "I couldn't stand having my wife that close," but we really like it.

Barbara and Ben, at 37 years of age, are the oldest couple in this sample.

Their only child, a 16-month-old boy, was born after years of unsuccessful attempts, expensive treatments and "lots of heartache." Both spouses are computer specialists at a local university, and they work in the same office. Although they are in the same family life cycle stage as the other couples in the sample (that of the first marriage with pre-school child[ren] in the home), they belong to a different cohort. The other couples in the sample talk about siblings finishing high school and entering college, this couple talks about siblings retiring from primary jobs and beginning second part-time careers. Several couples in the sample became parents at a very early age (and perhaps not entirely intentionally), but Barbara and Ben tried to conceive a child for many years. Their attitude towards their much-awaited son is very much colored by these facts, and their finances are affected by the expense of many years of infertility treatments.

Originally they planned to work almost full-time after the birth of their child and use day-care for the remaining three days per week. However, this arrangement left Barbara depressed and “miserable,” and after some re-arranging of their finances and work schedules, they decided that Ben would continue working full-time, and Barbara would switch to half-time employment. With this arrangement, Barbara is able to stay home with their son in the mornings and then drop him off at day-care for several hours in the afternoon, and Ben picks him up on his way home from work. Barbara appears very happy with this schedule because she is able to provide most of the parenting on the daily basis, relying on day-care only when absolutely necessary.

The B. family lives in a large contemporary house in the country, with spectacular open views and a variety of wildlife. They have recently begun a renovation project to continue finishing the basement to add another bedroom on the walk-out lower level, which is still in progress. Their house is full of toys and personal items, and a prominently displayed plaque: “This house is clean enough to be healthy, and dirty enough to be happy.” Although not at all dirty, the house was rather disorganized and chaotic, with lots of personal items on the surfaces of tables and chairs and overflowing kitchen cabinets.

On the weekend afternoon when I visited the family, their son was napping, and an 8-year-old “mother’s helper” from the house next door was watching TV (as one of the incentives for participation in this study, I offered to reimburse any baby-sitting costs, if the families chose to hire a baby-sitter). About an hour into our interview, the child woke up and demanded all of his

parents' attention. The spouses appeared quite used to the noise and the antics of their toddler. They proudly stated that their parenting philosophy is to "let him do whatever he wants unless it is basically dangerous." They stated that this relaxed attitude towards parenting works well in their family.

Spending and Saving Behaviors

Unlike the other study participants, Barbara and Ben profess remarkably similar spending philosophies – they are both very frugal people who do not consider themselves materialistic. The spouses have a high degree of agreement over what they believe to be necessities (groceries, clothing, items for the baby), and what they truly do not need. They own two vehicles: a very old van, which has not had air conditioning for several years, and a light truck. The vehicles were chosen for their utility, rather than their ability to impress the neighbors or co-workers.

The largest expense in this family by far is their mortgage. This couple is very proud of their home, even though they were not able to remain geographically close to their family members.

Ben: But on the flip side I would not trade that [being close to family] for what we have out here. I really do like being out here. I grew up in the city, and you know, where you lived in a subdivision and houses all looked the same, and they sat one on top of the other – we did not care for that. Both families in which Barbara and Ben grew up considered home ownership to be a marker for not only financial, but life success, as well. In that respect, the B. family is a great success.

Although frugal by nature, this family does occasionally have a difficult time covering all of their monthly expenses. When this occurs, they rely on credit cards, which are not always paid off monthly. Consequently this family carries a credit card balance, but there does not seem to be a great deal of worry about this or other debts, such as mortgage, home equity line of credit, personal loans. Rather, there is a sense that as long as their jobs are somewhat secure, they will climb out of the debt hole sooner or later.

Researcher: So it is the inconvenience and the stress that get to you sometimes more than the lack of money.

Barbara: Yeah. We have the credit card if we ever need it. If we have to use it a lot, we figure, well we'll get out of this someday.

Ben. Uh huh.

Researcher: So you're pretty secure that your jobs are going to be there and you will just pay for [expenses] as it comes.

Barbara: For the most part...

As evident from the previous quote, Barbara in particular is not overly concerned with credit card debt. The increased child-related expenses, accompanied by the reduction in Barbara's working hours, have caused the family to save very little. Even after taking into account saving about \$400 to \$500 monthly in day-care costs, the family experienced about a \$1,000 monthly shortfall after Barbara reduced her work hours. However, they are confident that the situation is temporary.

Despite their basic orientation towards not spending excessively, the family overspent on Christmas presents during the previous holiday season. Their justification for that was that they were not going to “drive the state” to see their extended family, and therefore they needed to spend more on presents for each other and their son. When they realized that they had gone over the allotted amount, Barbara’s only reaction was “Oh, well, don’t do it again next year.”

Ben is a little more cautious. He expresses a desire to have a larger savings account to provide a cushion of comfort in case of an emergency.

Barbara: If we have a \$20,000.00 loan, we might just put it in the bank because it might just make Ben feel better.

Researcher: You like to have a little cushion of comfort in the bank.

Ben: I do, yes.

Barbara: If we had \$10,000 or \$20,000 in the bank doing nothing, like an emergency fund. We don’t have that, but he would be happier.

Ben: I don’t know, but we had \$5,000.00 savings in the bank before [our son] was born, which was nice because we could use that when she was off and she wasn’t getting paid [alluding to the unpaid maternity leave].

Researcher: Uh huh.

Ben: So. That helped. Put us at ease...Well we still have it. We still have at least a house payment that we could use, you know, if things got tight.

Ben is particularly concerned about not being able to cover basic household expenses, as well as losing the house should they fail to make a mortgage payment on time.

Ben: For the most part, it [money] is here and gone, you know – it is nice to have, everyone likes to have money.

Researcher: You specifically mentioned that you like to have a cushion.

Ben: I do.

Researcher: What does that represent to you – having a cushion?

Ben: Just being able to meet our needs – whether it be food, pay the bills, you know. I am the one to think that if we cannot make the mortgage, our house will be gone the next day – that kind of thing. You know, that comfort. And even then, I would like to have a little more of a cushion than we have, but with finances the way they are, we are going to build on it.

The B. family compares their decisions to those that have been made by their friends in similar situations. Some of their family friends decided not to keep one parent at home while their children are young, but instead rely on day-care for help in parenting. Barbara and Ben think that these couples do not truly understand what a great gift was given to them and that their priorities are all wrong. One family in particular had a difficult time transitioning to parenthood because the husband “was not willing to give up his toys, and made his wife return to work full-time” over her protests and despite postpartum depression. According to Barbara, “she has never gotten over that or forgiven him.” The B. spouses chose not to associate with this family any longer.

In order to allow Barbara to work half of the time, the spouses rely on “hand-me-downs” from their families, and simply going without for as long as

possible. Although their home had a comfortable “lived-in” look, the furniture and the furnishings were not brand new or spotless.

Ben: Things that we bought most recently were the two appliances upstairs and the rocker and the futon were bought while we were together. We didn't have to have the latest and greatest. And if we buy something, we want it to last.

Barbara: And this wonderful couch is a hand me down from Aunt Kay.

Ben: We get a lot of hand me downs ... We bought our bed new but we'd been talking about buying a new bedroom set for eight years.

Once the decision to buy an expensive item is made, the family takes a long time to evaluate all the possible options and find the best price. The reputation of the manufacturer is the most important factor in the decision-making process, because Barbara and Ben hate to spend money over and over on the same item. Instead, they prefer to make a single expensive purchase that would last for generations to come, preferring quality over a brand name. They believe that they have enough life experience to know what quality merchandise looks like and how it should be put together to give years of productive use.

Barbara: ...when we buy something new we make sure it's something that we really want and looks like sure it's going to last. You don't change things around once you find something good.

Ben: We don't want to keep buying it...

Barbara: It's not necessarily a label as much as it's reputation. We spend a lot on it but we plan on keeping it for a long time and we don't plan on

replacing it.

Unlike some women for whom shopping is a pleasure and a form of recreation, Barbara does not enjoy shopping for clothing. It appeared to me that both spouses preferred comfort style: both wore old torn-up jeans with well-worn t-shirts, and their child was attired in a t-shirt, a diaper and was barefoot. Barbara discussed having to buy clothes because she changed sizes drastically after giving birth (she lost weight), and this occasion, which would send many new mothers on gleeful shopping binges, brought her nothing but headaches. Other kinds of expenses, such as on entertainment books, seem downright frivolous to her.

Barbara: Our *needs*? I think all of our *needs* get taken care of. My *wants* are..., like right now I very much *need* new clothes and I know...

Ben: Wants get put aside.

Barbara: I have catalogs lying right here to remind me that I need to order new clothes because I have lost so much weight since I had [our son] that they just hang on me... then I feel like we're just too broke and I can just hold on a bit longer. But that's my fault, that's not your fault. Right now there's some books I'd like to order and I'm putting that off because I feel books are kind of frivolous. I have other books I can read.

In conclusion, Barbara and Ben have a remarkable degree of agreement about their spending values. They prefer to spend on durable, quality goods, as well as family gifts and family occasions (such as having company over for dinner and card games). When they need to use credit to make ends meet, they feel

confident that they will be able to repay their debts in a timely manner. Finally, Ben is slightly more concerned about having a savings account and a “cushion of comfort” than Barbara.

Family of Origin Issues and Receiving Help from Others

As stated previously, Barbara’s and Ben’s extended family is much older than the families of other study participants. Barbara’s father is deceased, and her mother is 85 years old. Her siblings work in skilled blue-collar trades and are closely connected to the automotive industry. According to Barbara, her mother favors her sons and is very critical of her and her decisions, including her child-rearing practices. For that reason, the B. family does not associate with Barbara’s mother more than occasionally. Barbara was born “very late” to a hard-working farming family that was “in the Cold War” stage of their marriage. She rarely saw her parents either fight or kiss. This was a hard-working traditional family. Her father farmed and drove a school bus, and her mother kept the house. Male children were expected to help out on the farm, with girls helping their mother around the house. The money was always tight, or at least, that’s the impression with which that the children grew up. Although her parents were very frugal and “old-fashioned” in their spending attitudes, the children always got whatever they wanted, and when time came to borrow money for down payments on their own homes, the money was always available (although it had to be paid back with interest).

Barbara: Yeah, my parents always had the money. My dad’s parents grew up in the depression and they lost their farm in the depression so we

never went on vacations, we never left our house because my dad was afraid that he'd lose the farm if he left it, because his dad went away and they lost the farm... We watched our money tightly. Income wasn't steady or stable. We never went without. We always had what we needed. [We learned not to] spend money frivolously. Watch what you buy. You buy stuff that's good... My mother thinks we spend money just crazily. The way we've spent money, it's just nuts. She thinks we overspend and this house is just too big and you know, I think part of it's just jealousy that she didn't have it. She never really liked the house that they live in. Not that she'd sell it. She just liked to complain.

Although Barbara appears to resent some of her mother's complaining and criticizing, she admits learning a lot about money management and how to select quality goods from her parents. She also admits that all of her needs and occasionally, her wants, were satisfied.

Barbara: [I was taught] to get every dollar out of it. When you went to the store, you didn't buy brand name unless you really did have brand preference. You bought whatever was cheapest... You didn't buy pre-made stuff, you bought all the ingredients to make things... I never went without. I probably had a lot more than a lot of kids at my school in a lot of respect. It just did not seem like it at the time. When I needed braces, I got braces. If I needed clothes, I got clothes. If we went to the store and if I saw something I wanted, I usually got it. I did not have an allowance. My mom didn't really believe in allowances. I really didn't have assigned

chores but everybody was expected to help out.

In contrast to Barbara's mother who charges her children interest on home down payment loans, Ben's mother "loves to give gifts." She enjoys taking everyone out to dinner and gives her children and grandchildren generous gifts. It appears that she enjoys being able to be somewhat free with money now since the finances were very tight when the children were growing up. Ben reports that his parents divorced because his father was "too wishy-washy." After the divorce and his three younger brothers lived with their mother, who "rented" the trailer in which they lived from dad. Because of that rental agreement, his dad only paid \$50 a week for the support of his four sons. Of course, money was always very tight, although at times his dad resented even contributing that much to the upbringing of his children.

Ben: Oh yeah, money was tight and things like that... I think I remember one conversation my mom and dad had about the money and how it went and my dad thought my mom was just spending the money just kind of recklessly. So she made a deal. She said, you just sign the check and you take the kids for one week and I'll sign over the check that you give me for child support. And so after the deal, my dad came back and made the comment, "Boy, those kids sure eat a lot."

Barbara: Four boys, they sure do.

Ben: So he never complained after that. You know what he was like [to wife]. She would say, well you know the kids need shoes and things like that. He's like, so where are spending all the money on? So it was pretty

tough from that aspect. My mom would work whatever she had to make ends meet. I remember that. My dad was almost too laid back.

Now that all her children are grown with their own children, Ben's mother enjoys entertaining them and their wives and occasionally "the boys" would all go in on a large ticket item for her, such as a new television set.

In summary, Ben and Barbara learned their habits of thrift and choosing quality goods over the latest brand names from their families of origin. Both of their families struggled financially while children were growing up and every penny earned by every family member was important. Now, that Barbara and Ben are well-earning professionals, they rely of the same values of thrift in order to pursue their value of keeping Barbara at home parenting their son as much as possible.

Money Management and Gender Issues

In the B. household, Ben is in charge of the money management. All the financial records are kept in a roll-top desk, neatly organized by month on a computerized spread sheet.

Ben: What I do is to keep track of all the bills that come in. How much, when they are due, how much is owed, whether or not I paid them off. Check number, whether I wrote a check for it etc.

Researcher: Is this a software package that you use or is it...

Ben: Well, it's just a spreadsheet.

Researcher: Uh huh.

Ben: That gives me a glance of you know, what I've got for bills to pay for

the month and things like that - which major outgoing cash-flow kinds of things.

Barbara: And occasionally I do pay the bills, I just have trouble keeping up with it.

Researcher: It looks like a very well organized system. Check numbers and... How long would you keep something like that?

Ben: I haven't thrown any away.

[Laughter].

The family does not really have or follow a budget. Ben would simply tabulate all the expenses and say "Hey, we're out of money." Since both spouses get paid only once, this usually happens too early in the month for both Ben and Barbara. Major purchases (cars, furniture and others) are carefully deliberated by the couple, and the decision may take months, if not years. The purchase takes place as late as possible, such as when the previous vehicle broke down beyond repair. The B. family is not overly concerned about long-term savings, such as retirement and college funds: the retirement contributions are automatically deducted from their salaries and their son's college fund contains the monetary gifts he has received thus far. Generally, the money management attitude in this family seems to be: "as long as we keep our expenses reasonable, and make sure the bills are paid, we will be fine."

Barbara admits that she does not know much about the current state of family finances, although she is the one who spends the most money, mostly because she has some time during the week-days to run errands, buy groceries,

and the like. Both spouses reported that their mothers were in charge of paying the bills in the house, although it appeared that although Barbara's mother paid the bills, her father was really the one who made most of the money-related decisions. This does not appear to be the case in this family, where all the decisions and the outcomes of those decisions are shared.

Researcher: So, before you went out and shopped [for Christmas presents], you talked about the approximate limits on how much you can spend.

Barbara: I do not think we talked about limits for each other, and if we did, we both ignored it...

Ben: No...

Barbara: Cause I do not remember what it was. We spend a lot on [our son], too.

Researcher: I am just trying sort of think about when people agree to such as extent as you do, they must use some pretty nice persuasion strategies. How do you persuade each other to come to an understanding or do you just naturally agree?

Barbara: No, we don't always naturally agree. Usually, I would have something on my mind for a couple of weeks, you know, I would be thinking about it, and argue for six weeks in my head and then I will finally tell him about it about it and he would be like "yeah, that makes sense."

Because his mother always says that we think about stuff too much, because we would be making a decision about something and we will not

make our decision as quickly as she would make her decision and she always says “This baby is going to be in so much trouble! You people just do not want to make a decision.” If we need to make one quick, we make one quick, but if we have time, we certainly like to think about it, and there is really no hurry, you know.

The Spousal Element

As evident from the previous quote, there is a remarkable degree of agreement between Barbara and Ben. Not only do they work in the same office, they do the same job. They do not have a lot of individual friends, but rather have many friends with whom they socialize as a couple. They have similar interests: reading, travel, cooking, entertaining, taking care of their garden, and of course, being parents to their toddler. They rarely fight, and when their life gets too hectic, and tempers flare, they usually know to give each other time and space to cool off. Both spouses exhibited a high degree of trust in each other, as well as a lot of complementarity and mutuality. Barbara and Ben received the highest score on R-DAS among all the couples in the sample (56 and 57, respectively).

During over 12 years of marriage, they have overcome a lot of hurdles, including long-term infertility, several miscarriages, and dealing with deaths of family members. The spouses present a very united front to their families of origin, and Ben in particular is very supportive of Barbara's efforts to limit her mother's influence. Additionally, Barbara and Ben agree on their parenting philosophy, which may appear a little too laid-back to some. During my visit, they were both very involved with the child, playing, holding and feeding him. Money

issues in general, and money fights in particular, are not at all uppermost on their minds.

Couple #3 – Carl and Carol C.

Carol: [talking about how kids in nearby schools are very materialistic]

Yes. And I'm not, you know I think it has to do with the way you raise your kids. Um. There are some things that I am materialistic about but I, but I don't think, I am not bad, I mean ... if I was [more materialistic], I would not marry you [to husband].

Carl: [stunned silence] You wouldn't?

Carol: No, I would marry someone else and be a millionaire by now.

Interestingly, despite this statement, Carol's husband Carl is a Certified Public Accountant, with a salary of \$67,000 and fringe benefits adding up to tens of thousands of dollars annually (including a retirement plan, a medical insurance plan, and a brand-new company-purchased Sport Utility Vehicle). Carol is a Grant Administrator at a local university with a background in accounting, and her annual salary of over \$48,000 make Carol and Carl by far the best-earning couple in this sample.

Carol and Carl had a very difficult time scheduling the interview, as Carl works 60-70 hours per week during the tax season, in addition to the above mentioned commute to work. In the end, we met between 8 and 10 p.m. on a Friday night, and by that time both spouses appeared tired and ready for their week-end to begin. Their three-year-old son stayed up with the adults until close to 10 p.m. It seemed that it was very rare for Carl to be home before 8 p.m. on most week-nights. Since Carol also has a full-time job, their child attends full-time

child-care. Since no negative comments were made about this arrangement, the couple appears satisfied with their childcare choices.

The couple lives in one of the more affluent suburbs in the area in a spacious well-maintained home with easy access to the highway, which Carl takes to get to his workplace about 90 minutes away. Although the home has a large dining room, it was completely free of furniture, and was occupied instead by a large toy truck and other toys. The couple reported that they work so many hours, that they have very little time for entertaining, and do not use the dining room at all. After living in the neighborhood for over two years, they do not know any of their neighbors, and have never either had them over or been invited over to their homes. Other rooms on the first floor included: a large eat-in kitchen, with neat rows of shoes by the two doors, and clean and sparse cabinets and countertops; a family room with lots of pictures of family and friends, but no pictures of the couple themselves; and a formal living room with lots of open unfurnished space.

During our two-hour interview, the couple's three-year son watched a movie in the family room, and did not turn his head from the screen or speak for its duration. After the end of his favorite movie, he approached his mother with the request for bathroom help, and then sat at the kitchen table with us and drew for a while. Both parents were responsive to the boy, but it was his father who started the bed-time ritual by suggesting a race upstairs.

Spending and Saving Behaviors

The C. family fall squarely into the category of spenders. Although I did not ask specific and formal questions about the participants' net worth, incidental remarks demonstrated that this family is in debt. In addition to having a home equity loan on their own home, the spouses have also secured one on Carl's mother's house. She put a title to her home in both her name and his name (the precise reason for this transaction is unclear, but it appears that this was done to "shelter" the house from her newer husbands). The spouses then used that house to secure a line of home equity credit. Carol stated that her step-mother "wanted us to pay off the equity. Which we can't pay that off right now". Both lines of credit were taken out to pay off large credit card bills, and some of the outstanding student loans. It appears that on a month-to-month basis, the spouses are paying off the mortgage on their home and two home equity lines of credit. This strategy allowed them to take advantage of the lower tax deductible interest rates than those that are offered by the credit card companies.

The couple developed a credit card problem several years ago before they both began their well-paying jobs and were struggling to pay off credit card and student debt for Carl's undergraduate education. The couple had different ideas about how credit card debt should be paid off, with Carol wanting to pay off as much as possible each month, and Carl insisting that doing so would leave the family cash poor. Consequently, while Carol was in charge of the family finances, she paid the credit card companies great sums of money, but the family ended up charging again by the end of the month, because the expenses still needed to

be covered. When Carol got tired of never getting ahead, she gave up on taking care of the family's budget, and Carl took over. His philosophy was very different: he paid only the minimum amount required, but provided the family with the cash to cover all of their needs, and possibly some of their wants. He provided the justification for his methods of budgeting in the following way:

Carl: We were spending the money anyway. The difference was with you, we didn't have any cash to spend, so we were charging things that we wanted, which were ...

Carol: They were not things that we needed. (Laughter).

Carl: Well, some things you need. We need clothes. You gotta buy clothes.

Carol: Yes (Laughter).

Carl: But I mean, so there's a difference of, I mean, that particular thing, I would rather have pay down what we can, but not make it so much to the point that we don't have any cash to spend.

Carol: ... I would feel much more comfortable being out of debt and then being able to use cash for everything.

Carl has a much higher tolerance for being in debt than does Carol. When she gets ready to purchase a large ticket item, she looks for interest-free financing terms and tries to work the payments into the family's budget. The two exceptions to her discomfort with debt were reported by her to be a mortgage on a home and a car loan. At this time, with a mortgage and two different home

equity lines of credit, Carol feels somewhat comfortable about the family's debt load.

In addition to disagreements about the handling of debt, Carol and Carl disagree on what kinds of furnishings they like in their home. One of the longest-running arguments is the one about a set of furniture Carol bought many years ago without consulting Carl while knowing that he would not like what she chose.

Carl: All the furniture that we've got down in basement. That desk for him [indicating a new empty desk, implying that it is for his son]. She called me up before, we weren't even married yet. She called me up and said that I found some great... furniture. "You're not going to like it but it was a really good deal."

Carol: [Laughter]. \$1,000.00. A couch, a chair, coffee table.

Carl: So what? You knew ahead time I wasn't going to like it. You bought it anyway!

Carol: [Laughter]. You liked it. We just got this furniture what, just a year ago. We had the other furniture up until about a year ago.

Carol: I don't care. I never liked it!

Researcher: You actually did not like it.

Carl: NO.

Researcher: Because you weren't consulted or because you didn't like it?

Carl: It wasn't comfortable. I reminded me... I looked like it belonged outside on a patio [it was wicker furniture].

This pattern of Carol purchasing expensive items without consulting with Carl has continued to this day, as evident from the discussion about a new desk that she bought for their son. Carol thought that a \$400 desk is a good investment for a 3-year-old, who will be able to use it for several years to come, but Carl objected to both the expense and not being included in the decision-making process. He objects to the necessity of the desk, the price paid for it, and he does not consider the fact that it was sold with particularly good terms (such as 90-day interest-free) to be completely relevant.

Carol: [indicating the desk's temporary location] That's not where it's going to be sitting and we have a computer to put on it. His computer and he needed a desk and I didn't want to buy a cheap desk and then have to replace it in a couple of years. That's a good desk. It'll last. It fits him. Elementary school, middle school, high school. He can use it. It's a good desk. It's high quality.

Carl: We have a \$60.00 TV cart that we bought when we got married. Nine years ago.

Carol: [Laughter].

Carl: It still works. It's one of those little put together kits that you find for a three-year-old who's gonna get a marker, he's gonna start marking on it and he's gonna destroy that desk.

Carol: No, he's not.

Carl has several objections to the most recent large purchase that Carol made, but most of all he seems to object to the fact that the purchase was made while

Carol was out with her mother “just looking around.” He stated “You told me you were going to go with your mom to look for furniture. You'd never been to that store and you never said anything about I'm looking for a desk or a dining table.” He then attempts to “turn the tables” on Carol and ask her how she would feel if he was the one who made a large purchase without her knowledge.

Carl: So what if I go to a bike shop and get a really good deal on a mountain bike that's a \$1,000.00.

Carol: You have a bike. He didn't have a desk.

Carl: So? Even if he did...

Researcher: Let's go with that scenario. What would happen if you walk into a bike shop and you see this gorgeous \$1,000 bike?

Carl: I would not buy it!

Carol: [Laughter].

Researcher: Why not?

Carl: Because I feel that I should let her know, let her in that decision..

The previous quote summarizes the financial dilemma of the C. household: Carl feels that Carol should be “let in” on large purchases, but Carol does not feel that including Carl is necessary. Since he is not included on large purchases, Carl chooses to sabotage Carol's careful budget with frequent small purchases, such as music CD's.

Carol: It is annoying for me too at times when he buys CDs. See I get annoyed with little things, he gets annoyed with big things. [Laughter]. I mean those little things add up. How many CDs do you have over there?

[indicating an entertainment center] Couple hundred, two or three hundred...

Carl: No, there's not two or three hundred over there.

Carol: That's six hundred dollars. That's over a thousand dollars worth of CDs.

Carl: There's probably \$1,000 of CDs, no that's too much. There's not that many CDs over there. There's not 200. That thing doesn't hold 200.

Carol: We could count!

Carl: No there's probably about a hundred, a hundred... about a hundred. Maybe a little bit more than that.

Generally speaking, when choosing items for their house or their hobbies, the C. spouses want to pay as little as possible, getting the best service from the store, and the best performance from the item purchased. Occasionally, Carol decides to patronize the local stores and chains, although Carl objects to this practice.

When discussing previous purchases, Carl is very attentive to the usefulness of items. It sounded like he was displeased that the previous winter had not been more snowy, so he could get his money's worth out of a brand new snow blower! Additionally, any cooking-related item, such as a BBQ grill or the Pampered Chef articles, fall into a "useless" category for Carl, and he sounds very critical when he talks about Carol's decision to purchase them.

Carl: Anything that involves cooking is a useless purchase.

Carol: [Laughter]. I mean it's not, we used it.

Carl: We need to use it more... Your Pampered Chef stuff that comes out of your money.

Carol: [Laughter].

Carl: I will never use that. You barely use that.

Carol: I use them a lot.

Carl: No, you don't.

Family of Origin Issues and Receiving Help from Others

It is possible that differences in early experiences contributed to disagreements between Carol and Carl. Carl comes from a blue-collar family which has always struggled with money. When Carl was growing up, he remembers his friends and neighbors being very similar to him in their financial status. He played outside a lot, and as soon as he was old enough, he got a paper route. The money from the route and any he got as an allowance was his to keep, without obligations or strings attached. His father worked for one of the major auto manufacturers, and his mother stayed home with the children. Dad liked to play the lottery but this was not described as a gambling problem by Carl.

Carl: My Dad worked for Ford. My mom didn't work. She would do like hairdressing stuff on the side, every now and then. Once I think all of us kids got old enough and she went back like part-time, at hair salons not too far away from the house. Because my dad was in the auto industry, money was generally tight but you know, he played lottery. I don't know how much he spent but I mean, every night he'd do the lottery. And when he won, we'd go out to dinner. He'd tell us "Okay I got some extra money,

you know, let's go to the store, you guys can get an Atari game. You and your sister have to agree on it." So, but I mean it was always. . . It's not like we went without but it wasn't like we had a lot of money.

Researcher: Did your parents disagree a lot about the money issues?

Carl: I don't think so. I think my dad was in complete control.

Carl's father died when Carl was 14 years old, and his two younger siblings were 11 and 6. Although the official cause of death was stated as natural causes, his paternal grandfather hired a private investigator who concluded that the death was a suicide due to heightened stress surrounding money issues and the impending divorce. Carl stated: "... when I think back about it, I just remember thinking why he looked miserable a lot of the time. That's when he was really stressing over the money."

After the death of his father, the life insurance money was mishandled by his mother, who had been kept in the dark about money issues and was not savvy with finances.

Researcher: Was your mom okay [after her husband's death]? It sounds like she wasn't making a lot of financial decision while she was married.

How was she able negotiate that transition?

Carl: Life insurance. Which she blew... on stupid things. She could have been better off you know, he died, she got a new Camaro, Z-28.

Carol: She paid off the house.

Carl: Well, the house was automatically paid off, that was part of ... Well, the life insurance paid off the house. K., C. [his siblings] and I got some

set aside for us, which I'm sure was mandated by the will, because I don't my mom would have the foresight to do it.

After his mother “blew” the life insurance money, she remained irresponsible with money, and had a very difficult time covering her children's educational expenses. Carl remembers having to rely on credit cards to pay off his college expenses. He was not able to qualify for the necessary amount of student loans, because his mother still claimed him as a dependent, and the government expected her to cover some of his needs. He recalls somewhat bitterly that even the small sums of money that came his way had a high psychological price tag.

Carl: [her] Mom [Carol's] sent her \$400 a month. I may have got maybe \$300 a year out of my mom. And that always came at a mental price of having to listen to her bitch and scream and cry and all kinds of things. You know, it was a last resort. It was absolutely the last resort. Which probably explains something. I would rather go without than. . . because of my parents' situation through college, I just went without a lot.

To this day, Carl's mother and her financial situation is of great concern to Carol and Carl. Her newest husband has been reported to be abusive, and he is not allowed to accompany her to visit the grandchild. She loves to shop, frequently choosing quantity over quality, and often finds herself unable to cover her expenses. When she appeals to Carol and Carl for help, they usually provide advice (after all, they are both financial professionals), but do not give her any monetary assistance.

Carol's family is very different than Carl's. She grew up in an affluent suburb in a home with several siblings and a stay-home mother. She reports being different from her friends at school because she had to share a small car with her siblings in contrast to the rest of her peers who drove better cars. Ironically, she truly does not recognize how having a vehicle designated solely for the use of the children of the family makes her family rather privileged. Carol stated: " We drove a Chevette. My family, we had a Chevette - and that's for the three of us [her and her two siblings]. Most the kids around here, you go to the High School parking lot and they are driving BMW's..."

Carol's father worked at the local university, and her mother stayed home with the children until the couple divorced. After the divorce, Carol's mother began working as a dietitian, a career for which she trained before her three children were born. It appears that Carol's maternal grandparents were very well off, and left her mother a large sum of money, which she uses to offer Carol and Carl a way out of their credit card debt. Although she is not comfortable lending them the money they need, she does feel comfortable simply giving it, without an expectation of repayment. The spouses are very grateful for her financial help, although it appears to come with some conditions. For example credit card repayment is acceptable, whereas taking trips with it is not allowed.

Carol: My family never talked about money. My mom still won't. I know that she's got money, but she won't [talk about it]. I have no idea how much money she has. She won't even, she doesn't want to talk, she won't talk about it.

Researcher: But she knows about your financial situation enough to offer help?

Carol: Oh yeah. She's, she was financially able to retire. Both my grandparents, her parents, had a substantial amount of money and I don't know how much they had and so she got it.

When Carol was in college, she decided to take a year off her studies, during which she bought a new vehicle. During the next school year when she resumed her studies, she found that she was not able to come up with several hundred dollars per month to pay off the car loan. Instead of selling the vehicle, she turned to her mother for help, who proceeded to send her \$400 per month that Carol needed to cover her auto expenses.

Carol began working at an early age, and has continued working hard since then. Carol's childhood is one where there was always enough money to cover her needs, thus she developed a taste for the most expensive items in the store. She stated that "When I go to look at clothes, I don't tend look at the brands but ... the things that I find that I like tend to be the most expensive". This is perhaps the main difference between Carol and Carl: Carl believes that no matter how hard he works, or how lucrative or secure his job is, he will never have enough money with which to be frivolous. Carol, on the other hand, knows from previous experience, that there is plenty of money somewhere in the family, should she need help covering expenses that fall outside of her family's budget.

Money Management and Gender Issues

As mentioned earlier, both Carol and Carl are financial professionals. They are both well acquainted with budgets, financial statements, and the workings of the financial markets. They understand not only how to balance a checkbook, but why it is important to do so on a regular basis. Also, they are familiar with the intricacies of taxation, and they make sure that they do not pay a penny more in taxes than absolutely necessary, and that the federal government does not get an "interest-free loan" of their money due to their failing to withhold appropriate amounts of money from their paychecks.

Carl does not particularly enjoy his work as a Chartered Accountant, and he uses this as a reason to avoid participating in the money-related discussions at home. He states " that is what I do at work [accounting] and it's the last thing I want to do when home. It's just, it's not something that I thoroughly enjoy."

In this family, Carol is in charge of all the budgeting and money matters. She decided on the family budget, allowances that each member of the family gets and how much will go towards repayment of which debt. She uses several computer programs to help her keep track of the various accounts and many expenses that this family has.

This family has several checking and savings accounts, and everyone has access to all accounts, although Carl never has a need to access any of the accounts, since he either uses his debit card to pay for items of everyday use, such as gas and groceries, or uses his allowance for personal items, such as lunches and music CD's. There is evidently disagreement as to what \$35 per

week is supposed to cover and what it is not supposed to cover. Note how Carol refers to the change in the sum as "her upping it." In this family, consultation about appropriate spending simply does not happen.

Carol: We get an allowance.

Carl: We each get \$35.00 a week to spend on whatever we want. Just like free money, no questions, no...

Researcher: Is it like for lunches and that kind of thing?

Carl: Pretty much.

Carol: Pretty much for food.

Carl: Lunches...

Researcher: CDs?

Carol: Yeah, it's supposed to be.

Carl: No.

Carol: He is supposed to ...

Researcher: So that's on top of ...

Carol: I upped it

Carl: She wanted it to be ...

Carol: We had \$20 a week and I upped to \$35.

Carl: She wanted CDs but ...

Carol: He could save his money and hoard it...

Carl: Your Pampered Chef stuff that comes out of your money.

The only regular savings this family is able to do at this point in time is a small savings account for the Christmas spending and their vacations, and their

retirement funds. Both employers provide opportunity to withhold up to 10% of their salaries, and both encourage maximum withholding by matching some of the contributions. It is interesting to note that this family, with a combined income of \$114,000, does not indicate that they have *any* unearned or passive income. In other words, all of their income is earned on their jobs, rather than derived from investments, such as money market accounts, or stock and bonds. Surely, both spouses cannot fail to appreciate the importance of unearned income for the present and the future needs of their family. Therefore, I conclude that they have not taken advantage of the investment opportunities because they spend all of their income, without an opportunity to put any money away into savings and investments.

The Spousal Element

Carol and Carl exhibited the least amount of marital satisfaction among all study participants. Carol scored 44, and Carl scored 41 on the Revised Dyadic Adjustment Scale (R-DAS). Any score below 48 is considered to indicate poor dyadic adjustment (Crane, Busby & Larson, 1991). Although there was no major discrepancy between the spouses' independent scores on the items on the R-DAS, both lost significant number of points on two separate items when they indicated that they "almost always disagree" on items "sex relations" and "demonstrations of affection." Additionally, Carl noted on the open-ended written questionnaire that they "went to marriage counseling" nine years prior to the interview "and we went to counseling for sex problems in our marriage, they have never been resolved." His wife noted that they sought marriage counseling two to

three years after the date indicated by Carl, and noted that “it was very helpful to me. The first few years of marriage were very tough.”

Observational and interview data also confirm that this couple's marriage is not as satisfying as that of other interviewed couples. Carol and Carl did not touch each other at all during the two hour interview, and this lack of physical affection was in direct contrast to every other couple who may have touched each other's hands or upper arms or shoulders. However, these spouses were not against human touch: when their son joined us, his mother allowed him to sit on her lap for drawing, and his father was affectionate and playful with him. Another observation that somewhat “proved” that this marriage was not as strong as the other unions I have met was the absence of the couple's wedding or other photos in the family room, although pictures of family and friends were displayed very prominently.

During the interview, as evident from the quotes in the previous sections, Carol and Carl argued about their perceptions of the past events, and past instances of spending and money allocating. These events may have taken place many years ago, but in the mind of these spouses, they were fresh evidence of how “wrong” the other person really was. Although a lot of laughter is heard on tape, the interactions between Carol and Carl were not as light-hearted and playful as those between other spouses in this study. The resolution of their money-related conflict seems to be for Carl to contribute to the household financially, and then to distance himself from major purchasing decisions. He states that he is “very laid back” and does not care about what kind of furniture

and other household items Carol chooses. However, if this was true it seems contradictory that he brought the subject up repeatedly, even sometimes years after the purchase had taken place.

In summary, denial of the problem is one way this family deals with money-related conflict. Interestingly, when Carol was asked how she managed financial disagreements within her marriage, she replied that she kept expenses, especially those with which Carl disagreed, within the family's budget. This is of course a strategy based on a generous monthly budget of \$6,000 after taxed with high job security.

Cross-Case Analysis

The stories of the four couples who participated in this study and shared their views on money and marital satisfaction were presented in the previous section of this chapter. This section will analyze the collected data with respect to the original research questions. First, a summary of two aspects of the gathered data will be presented: the advice that participating couples gave to other married couples and the personal values that each participant holds with respect to money and its relative importance.

The four couples were similar to each other on many demographic characteristics. All eight participants were White, and all were raised in the mid-West. Three couples were Christian, and one couple was of Jewish faith. Two couples were still working on obtaining their educations, and two other couples have already begun their careers.

Data Matrix

The body of the matrix consists of direct quotes from the participants. The couples are arranged in descending order of marital satisfaction, beginning with the most satisfied couple (Ben and Barbara), and ending with the least satisfied couple (Carl and Carol). This arrangement was the most practical, as I had strong evidence of how satisfied the couples were with their marriages in the form of a R-DAS score, which was easily compared from spouse to spouse and from couple to couple. Additionally, in all four cases, the spouses rated their marriages very similarly, with the biggest difference of only three points occurring

between Carol and Carl. Thus, I was able to easily rank order the four couples according to marital satisfaction.

The column of quotes of advice given by the participants to other couples struggling with marital satisfaction or financial problems relates directly to the first research question: "What is the relationship between financial behavior and marital satisfaction?" Couples speak in their own words how they manage this tenuous relationship, and what attitudes and values helped them along. The next column presents each spouse's personal values on the subject of money and success. This section is tied directly to the second, third and fourth research questions: What are the linkages between values and the financial decisions made by families? What is the role of the family of origin in the transmission of the money values, attitudes and beliefs? How does society influence the spouses' values and the subsequent decisions about money issues?

As each participant expresses his or her personal values, one can occasionally hear the voices of their parents instructing them in what is important in life, what is to be valued and devalued, and to what one must aspire. For example, when Patrick discusses his strong desire to support his family financially, he is expressing a value that has been important to several generations of the P. family. When Barbara discusses frugality as a way of life, she is relying on her mother's teachings about how to look for bargains and make the family's dollar go as far as possible.

At other times, the voices of the media and societal values are more prominent in the opinions of the participants. For example, when the B. spouses

and Carl discuss the relative advantages and disadvantages of relying on child-care in order to continue working full-time to maintain an affluent life-style, they are continuing a debate that has been in the forefront of society for the past forty years, ever since women began entering the workforce in large numbers.

When Abby argues her values in regard to the rich donating large amounts of money to support the needy, and building smaller houses in order to house the poor, she echoes Polly's concern that not enough is being done in this society to increase volunteerism and services to the disadvantaged.

Who	Husband /Wife	Advice given on money and relationships (research question #1)	Personal Values- reflection on the origin of values (research questions 2,3,4)
Ben and Barbara (Most satisfied with their marriage)	Ben	I've heard people have separate accounts. For me, it's such a foreign idea that you know, you have to rely on one another. The common goal is that you got married for a specific reason. You have to have trust there, and all that other stuff. And if you can't have trust one another to keep the money together and not to spend it all, then all you have left - you really don't have much left, and [maybe then] you have to have separate accounts to be able to go out to do stuff.	But mostly we take it [money problems and unexpected expenses] in stride, I mean it's – you can't get bent out of shape about it! [family friend with a small child] has an in home business and she puts in a ton of hours. Something that we're not willing to give up.
	Barbara	Just spend money wisely basically. Don't spend money frivolously. Watch what you buy. You buy stuff that's good. My mom taught me to look at products from all sides and just because it was cheap, it did not mean it was the best thing, but sometimes it was. I have several friends who have problems with money in their marriages and they split the finances up. One person's income goes to these bills and one person's income goes to these bills. I guess whatever works for each individual couple is fine. They've got to find a way to get through it. I think trust is a big thing. You've got to learn to trust your partner.	They [friends who just had a baby and "bumped" him in day care to continue working full-time to maintain their life-style] don't really realize what kind of gift they have been given. We value our friends and friendships.

Adam and Abby (Next in marital satisfaction)	Adam	I think that it is important that the finance not become a power issue, so for example, the personal account versus joint account issue. I mean the way my parents do it is one thing, where you know they have this little discretionary thing on their own, and you know, that's alright, I don't know if I will do it, but if it works for them, I suppose. But relationships where the wife has her income and the husband has his, particularly where those are not equal, I don't think ... it is probably disastrous. Well, it is not a relationship, it is something else, where, you know, if you have... in severe cases, you split everything down the middle, and he makes three times as she does, or vice versa, and I mean, I can't imagine that being healthy. It has got to cause resentment.	My general theory is that most problems go away on their own accord, if you leave it alone long enough. [Success is] you know, self-satisfaction, self-actualization... ...hopefully, with success [will come] all sorts of things we are interested in, at least, you know, a living income. A comfortable income is a part of that package. And I think that having a strategy, and this is something that we, or at least I am still trying to negotiate, is having some sort of general decision-making strategy, where you are not sort of fighting each fight in isolation, but it is a part of a larger strategy...
	Abby	You have to pay off your credit card every month and you don't spend more than you can afford! Stay off the credit cards, and consult with each other if it is a big purchase ... decide what kind of people you are, and know what kind of people you are.	I always have to feel like we are getting ahead. I want to feel like we are putting money away, and we are not just treading water, but we are putting it away, so, I don't know, we can have a bigger down-payment on the house, or just be secure if anything should happen – that kind of thing. [Success] means that I am feeling like I am doing real things for real people, and ...that [the teachers whom I train] will go out there and be different somehow or better. I feel like if you have that much money, you have a responsibility, I don't know, I think they [her in-laws] can give like 50% of that stuff to charity. ... It is hard for me to see this kind of spending and think "Wow, these people can do a lot of good with their money. ...what if that house was a little bit smaller, and I don't know, some homeless people could be housed.

Patrick and Polly (Next in marital satisfaction)	Patrick	Life is a ride, you ride it until the wheels fall off and you can't do that when you are worried about things all the time. [It is] a matter of: you make sure that you [the husband] provide, you do what you have to do and make sure that your family has what they need. That's the biggest thing I learned from them [father and grandfather]— just make sure your family is taken care of. Don't let money run your life! Money comes and goes, you ain't gonna take it with you to your grave, you know, after you are dead, it goes to somebody else anyways. [You] need to think bigger, to take care of your family (gets distracted to help his daughter with a toy).	I have a very guilty conscious when it comes to spending money. I very rarely buy stuff for myself. I would say having a house [is success] ... and being financially stable, and not relying on credit cards, not relying on banks and loans... anybody else, you know. You have your debts paid off, you are free to do what you want with your own money. [Money represents] Freedom. Freedom to do, to go...
	Polly	Money is a root of all evil, all is does is cause problems, if you let it. Money is there as a way for people to negotiate in society, and that is its fullest effect, that's all it does. If you let it go beyond that, if you let it determine how you live your life, and what you are going to do with your life, and who you live your life with, and how you react to things, [you will turn into] some kind of psychology case.	[My husband] calls me "Volunteer America" because I volunteer everywhere, like presently I have four different places I volunteer for in a regular basis, like weekly or monthly, I just like to do that kind of thing, just because not many people do it, and I think more people need to. And even if you have it [money], who is to say tomorrow you are not going to lose your job? You don't have control over it. It, I mean, you can be stable, and you can have a job, and you can have a savings, and blah, blah, blah...that's great, and that means that you took control over it but, I do not know I just do not think that it should be something that should even be in a marital relationship. ... It should be something out of your relationship. I think we are successful in every other aspect, besides financially now. We do everything so that one of us is always here with the kids, so that part of it we have covered. As far as us, we are happy... [Money] represents happiness.

Carl and Carol (Least satisfied with their marriage)	Carl	Right, but if you are going to make that decision [staying home with children], you can't be going buying more expensive houses, new cars. It's not the attitude, it's the decisions that [have been] made. There is nothing wrong with staying home, but you got to follow through. If one of you is going to stay home, you are going to have to give up something. You can't go out and buy a new car.	[Success is] being happy. [Opinions of others] to me personally don't matter. I mean if you're happy, then more than likely you are successful. I mean, you might not be successful in somebody else's eyes but ... you know that's just a matter of personal opinion. I'm pretty laid back [about money issues]. In the system that other couple used, it's not fair the way, [they split financial responsibilities] because she buys groceries out of her money for both of them. I don't know how much she makes, but it sounds like he makes a lot more than her. .
	Carol	If you have budget problems, I mean if you have money problems, then you have to figure out what things you really need and kind of rank them as far as importance and work towards those needs. I would also suggest ...budgets have really helped us, setting a budget. But some people can't stick to a budget, and if you set a budget, you have to be able to be flexible within that budget.	Success is happiness. Yeah, I mean achieving what you set out to achieve. Not necessarily happiness but, if your goal is to graduate from college and you graduated from college, then I would say that you were successful in that. Well I mean if you're going to split things like that [disproportional to the earnings], it would seem only right that he's going to eat the groceries that she buys, then he should be kicking in some of his money.

Figure 4.1. Cross-case analysis matrix: advice and personal values.

Answers to Research Questions

Research Question #1: (Main research question under study)

What is the relationship between financial behavior and marital satisfaction?

As expected, the relationship between financial behavior and marital satisfaction is very complex. In this study, the three couples who had high marital satisfaction had the following financial behaviors in common:

- **Togetherness:** either checking in with each other before making purchase decisions, especially on large-ticket items, or shopping together;
- **Shared values:** sharing shared similar values with respect to materialism and spending (Ben and Barbara), or being able to negotiate their differences productively (Patrick and Polly);
- **Negotiation:** negotiating common values and beliefs that when extended families and others challenged their views, they responded by presenting a united front and articulating common goals (Adam and Abby);
- **United attitude:** an “us against it” attitude, choosing to blame money itself (as “the root of all evil”) or temporary financial set-backs, instead of blaming one another for financial problems (Patrick and Polly);
- **Comfort:** enjoying spending time with their spouses and children and found money issues to be an unpleasant nuisance, rather than an object of obsession (Ben and Barbara, Patrick and Polly);
- **Trust:** trusting one another to have the family’s best interests at heart, not to spend frivolously or foolishly, and not to sabotage each other’s goals or progress;

- **Mutuality:** agreeing that a family should have only one bank account with both spouses having full access to the funds. These happily married couples could not understand why other couples they knew chose to divide the expenses, or have an allowance system, or act in any way as less than united in the financial arena;

The only couple who scored in the distressed range on the Revised Dyadic Adjustment Scale (Carl and Carol) had some qualitatively different behavior patterns:

- **Separateness:** Carol did not feel that it was necessary to consult with Carl before making purchases, even expensive ones, such as furniture;
- **No time together:** The couple did not spend a lot of time together or as a family. This is a function of a demanding work environment, which may or may not have been chosen for its ability to keep Carl away from the home for extended periods of time;
- **Relevant marital problems:** This is the only couple who have indicated that they sought marital therapy for a dyadic issue, which was unrelated to the present research;
- **Larger income:** Carol and Carl are the highest earning couple in this sample. They earn almost 40% more (not including numerous fringe benefits) than the couple closest to them in earnings (Ben and Barbara). Their relatively high income isolates them from having to negotiate and agree upon every purchase: they simply can afford to have their own way.

Although it is difficult to make sweeping generalizations based on a small sample size, it appears that families who have successfully negotiated the

intersection of money issues with marital satisfaction, are couples with higher levels of relational trust and good communication and negotiation skills. These couples are not a homogeneous group with respect to age or income, however: they represent a full range of the youngest and the oldest couples in the sample, and their incomes range from under \$10,000 to over \$70,000 annually.

Research Question #2: What are the linkages between values and the financial decisions made by families?

Values that are held by family members have a direct bearing on the financial decisions they make, as well as on avoiding making decisions, when necessary. As evident from the data matrix, stated participant values vary dramatically from person to person and from couple to couple. Additionally, some money-related values may be so ingrained in individuals, that they are not aware of them, or choose not to disclose them to their spouses or relative strangers, such as the researcher. For example, it appeared to me that one of the participants may have considered herself as undeserving of affluence and possessions, but she did not disclose this as a value, possibly because she was not aware of it. Instead, she talked about the importance of supporting various charities and advocated a socialist approach to division of monetary possessions and property, where no one individual held too much money or power.

Perhaps the best example of the influence of personal values on families' financial decisions is the child-care arrangements that they were used by the families in this study. Although I did not specifically inquire into child-care arrangements, all families chose to share, and often in great detail, how they

were able to negotiate transition from couplehood to parenthood. Two of the couples (Ben and Barbara and Adam and Abby) were able to negotiate an arrangement where their child attended day-care part-time, while the parents either worked or attended classes. Adam and Abby's son went to day-care for about 10 hours per week, and Ben and Barbara's son attended daily, but only for a few hours at a time. The spouses divided the rest of the parenting time between themselves, alternating pick-up and drop-off times, as well as watching the child while the other parent worked or attended classes. Patrick and Polly arranged their schedule in such a way that their children were always with either one or the other parent. They did not rely on outside child-care on a daily basis, but instead used baby-sitters on the very rare occasions when both of them needed to be out at the same time. All three of these families suffered considerable financial hardship in order to provide primary parenting for their young children. Their personal values of the importance of family time and of the parents being present for their children superceded their desire to maintain a higher standard of living.

By contrast, Carol and Carl, the most affluent couple in this small sample, relied on full-time day-care for the care of their three-year old son. Carol dropped him off in the morning before she went to work, and picked him up right after her shift ended. I will estimate that their child spent about 50 hours per week at his day-care center. In the evenings, Carol would bring her son home, feed him supper, engage him in a playing and reading activity, and get him ready for bed. During most of the year, with the exception of the tax season, Carl would arrive

home just before the boy's bed-time. Although father and son seemed to be comfortable with each other and enjoyed playing a bed-time game on the evening that I visited, I would guess that Carl spends much less time with his child than do the three other fathers in this study.

Families make a decision to continue working full-time after the birth of their first child for a variety of reasons, including the need for income and/or benefits, and or mother's (or father's) desire to continue working. Both of these factors appeared to have played a role in the decision made by Carol and Carl: they felt that they needed both incomes to continue living in the life-style they enjoyed and continue paying down debt, and they both seem to enjoy the work that they do. By comparison, the other three families either did not have enjoyable jobs (Patrick and Polly), or were able to negotiate flexible (Adam and Abby), or part-time arrangements (Ben and Barbara). Obviously, the relative values of an affluent life-style and hands-on child-rearing dictated the choice of work and child-care arrangements.

Another value that has a direct relationship on financial decisions in families is the relative importance of having savings. Several participants (Abby, Ben, and Patrick) spoke at length about their strong need to save. Some have indicated that they were saving "for a rainy day", whereas others simply "had a need to save" or "to get ahead financially".

This proclivity to refrain from consumption, repair an item rather than buying new, borrow, share or simply go without, is evident in many American families. Indeed, a very strong trend towards frugal living re-emerged about a

decade ago. Strong proponents of this lifestyle are not hippies or other “fringe” groups, but mothers of young children, who are continually looking to keep their families’ expenses on or under the budget. In this sample, Adam and Abby could be considered representatives of this frugal movement, since Abby has a tendency to repair broken items or not purchase items at all. Also, both spouses expressed a strong inclination to pay for things in cash as much as possible, avoid credit card debt at all cost, and save as large proportion of their income as possible.

Ben and Barbara have a somewhat different attitude: they do not spend money on clothes or new furniture because they do not appear to enjoy the process of shopping. When the need arises, they do purchase long-lasting high-quality items, but they postpone the purchasing as much as possible.

The other two families in the sample appear to enjoy shopping and spending as a form of entertainment and leisure. Patrick and Polly often take their children to the mall after a difficult day. They often window-shop, rather than buy due to their constrained circumstances. Carol and Carl, on the other hand, are buyers: when they go out to window shop, they come home with purchases. Thus, the value that individuals place on saving vs. spending has a direct relationship on the financial decisions made by the families.

Research Question #3: What is the role of the family of origin in the transmission of the money values, attitudes and beliefs?

Perhaps the most startling finding of this study was the extent to which all couples relied on their extended families for monetary support. All four couples

had strong fiscal ties to their parents. These ties included loans for down payments on houses and debt reduction, outright monetary gifts (ranging from several dollars for gas to several thousand dollars), and expensive presents. In exchange, the parents and grandparents of the participants wanted to be consulted on major purchases, and some even included specific provisos with their gifts. For example, Patrick and Polly accumulated over \$12,000 in credit card debt, which was paid off in full by Patrick's grandparents on the condition that the couple do not use credit cards ever again. For several years, Patrick and Polly did not have any credit cards, and after they got one recently, they decided to use it for convenience purposes only and to pay off the balance monthly.

Other parents may not have been quite that vocal in expressing to their grown children on what types of expenses their loans of gifts can be used. Nevertheless, the couple knew that certain types of spending was acceptable (down payments on property and reduction of credit card debt), and certain types were not (vacations). Indeed, Patrick and Polly with enough savings to take their children to Disney World, felt guilty in front of the grandparents for choosing to spend their money in such a frivolous fashion.

In addition to monetary help, extended families offered advice on financial matters, and education in the matters of banking, real estate, and transportation. Many times this advice and guidance were welcome, but not always. Sometimes spouses felt criticized for their choices. For example, Barbara's mother thought that the spouses' house was too large, and that they spend too much on it. Barbara reported that her mother was critical because she was envious of her

daughter's success and because she had always disliked the house she lived in. On the other hand, Polly reported being very interested in her step-father's financial acumen, and wanted to learn from him. She seemed to resent the power he held over her, but she freely acknowledged that he was by far better at money management than she was.

Parental values with respect to saving and spending also have a strong influence on the couples' choices. Families who tended to live in poverty or near-poverty or who were frugal by choice, tended to produce frugal and careful children (Barbara, Ben, Abby, Patrick). Families who enjoyed spending money had children who were valuing consumption more than savings (Adam, Carol, Polly). Carl seemed to be the only exception to this trend. Although his parents were in the lower-middle class when he grew up, his father had always been obsessed with money and gambling. As a result, Carl adopted a very laid-back attitude towards money issues, never monitoring either his own or his wife's spending and never showing any interest in the bills or the budget. Interestingly, he chose a money-related career which allowed him to discuss money and spending with clients on a daily basis. Additionally, his career is rather lucrative, although he denied having potential income as a motive for choosing to become a CPA.

Parental attitudes also seemed to have crossed the generational boundary. Parents who do not value gifts and gift-giving (Abby), have children who dislike the idea of "excessive" giving, and define "excessive" in a much more stringent ways than do their spouses. Parents who sometimes hide expenses

from their spouses (Polly) have children who continually “forget” to record their own expenses in the check register. Those who are meticulous with record-keeping produce off-spring who are equally careful with their financial records, despite the fact that the rest of the house is less-than-pristine (Ben). Parents who use monetary success to evaluate which of their children is doing better in life, have children who are competitive with their siblings (Carl and Barbara).

Although this study treated the parental unit as monolithic and its influence as consistent from one parent to the other, this is usually not the case in families. Mothers and fathers disagree about what is important to them, and their values and attitudes are usually different than those held by the previous generation. More than half of the participants in this study experiences parental divorce, which may indicate that the parents had some key differences in values and attitudes. However, for the simplicity of interpretation of the findings, this study treated the values held by mothers and fathers as “family of origin values”.

In conclusion, strong parental influence was evident in the multitude of financial choices that the spouses make: from spending vs. saving decisions, honesty and disclosure within the dyad, use of borrowed or gifted funds, as well as financial planning for the future (college and retirement).

Research Question #4: How does society influence the spouses’ values and the subsequent decisions about money issues?

Although hypothesis generation is not appropriate in a qualitative study such as this one, I expected that societal influences (such as advertising, the media, and the behavior of friends and neighbors) would have a much stronger

influence on the fiscal behavior of the participants than was the case. In rare instances when someone mentioned financial choices made by friends, co-workers or siblings, the comments accompanying were negative (Carol, Carl, Ben, Barbara, Abby and Adam). The participants thought the other families were making financial mistakes by beginning renovation projects at inopportune times, purchasing vehicles that were too expensive, using ATM's too extensively, not having a budget, spending too much or on unimportant things, or not pulling their incomes together into a joint account. The behavior was criticized and not emulated.

Not one individual mentioned wanting a particular item because it had been extensively advertised or because their friends had one. Perhaps the only exception to this was Polly, who was the youngest person in the sample (and mother to the oldest child). She stated that she gets annoyed and angry at classmates who can afford new aerobics shoes and outfits, which are not in her family's budget. Several families showed the opposite behavior: they stated that they either did not know their neighbors (Carol and Carl), or did not care what kinds of cars they drove (Ben and Barbara), or what sort of toys they were buying for their children (Abby and Adam). It is possible that this lack vulnerability to the influences of a consumerist society is the result of mature choices made by knowledgeable individuals. It is also possible that the influence of advertising has become such a large part of the collective psyche, that the individuals are not even aware that they have fallen under the spell. The presence of certain less-than-necessary items (photocopies, hundreds of music CD's, rare cooking

utensils, hundreds of boxes of tea) in the homes of the participants indicate that the latter may be the case.

Research Question #5: How do issues of gender and power influence money-related values and decisions, as well as marital conflict and consensus?

Issues of gender and power were perhaps the hardest to assess. Many participants did not remember who managed and controlled money in their families of origin, either because they did not pay attention to such issues as children, or because their parents divorced early on. In general, the participants reported that their mothers managed the money in their households by writing checks, and giving allowances and lunch money and following or being concerned about following a budget. Fathers appeared to have controlled the money by deciding on major purchases and monitoring long-term spending (retirement, college funds). In one family, (Carl's parents) the father was not only responsible for making a living, but also about worrying about money. His mother was kept in the dark about the family's financial situation, and after his father's suspected suicide, she was not able to manage the life insurance proceeds in an intelligent manner.

Many couples reported that their mothers either did not work when they and their siblings were little, or worked only part-time. Issues of power due to large income differences in the previous generation were not discussed, possibly because stay-home mothers were more common 30 or 35 years ago than they are today. Almost all participants expressed surprise and disapproval of a

common current practice of having separate bank accounts for spouses in the same family. Many stated that this practice is unfair and would breed resentment, as it is highly unlikely that the spouses would earn exactly the same amounts of money. All participants chose to pool all of their funds into joint accounts. For them, doing otherwise would represent a power struggle and serve as a symbol of lack of dyadic trust.

Perhaps the most important contribution of gender and power issues to the family financial decision-making is the influence that they have on the child-care arrangement decision. Families with more traditional values are more likely to rely on mothers to provide most of the care, whereas more egalitarian couples rely either on both parents, or the parent who is most capable and willing to provide child care. In three families, fathers were as involved with the everyday care and parenting of their children as were the mothers. Only in one case (Carol and Carl), was the father almost peripheral to his child's development.

In the four couples studied, two women (Abby and Carol) and two men (Patrick and Ben) managed the everyday financial transactions in the household. Three families (other than Carol and Carl) consulted each other on all or most non-routine purchases, or went shopping together. It appeared that the division of money-related tasks occurred because some spouses were better in math, enjoyed working with numbers, liked the element of control that budgeting sometimes delivers, or simply because it was their turn to manage money. In all cases, all spouses had full access to bank statements, check books, and PIN numbers for all of family's accounts and sub-accounts.

In conclusion, although issues of gender and power have a strong influence on the financial decisions of the families, they are rather difficult to attend to during direct questioning. It is possible that more observation, testing or examination of artifacts (check registers, budget statements) would need to occur to make conclusive remarks about the extent to which gender and power influence financial decision-making.

CHAPTER 5

Discussion

Overview

The purpose of this study was to understand: (1) the influence of financial decisions made by married couples on marital satisfaction, and (2) the influence of marital satisfaction on financial decisions. Additionally, individual values and their influences on fiscal behavior, as well as the origin of these values were explored. Two basic origins of values and beliefs were discussed: those stemming from the family of origin and those stemming from society. The elements of gender and power differences received special attention in this study.

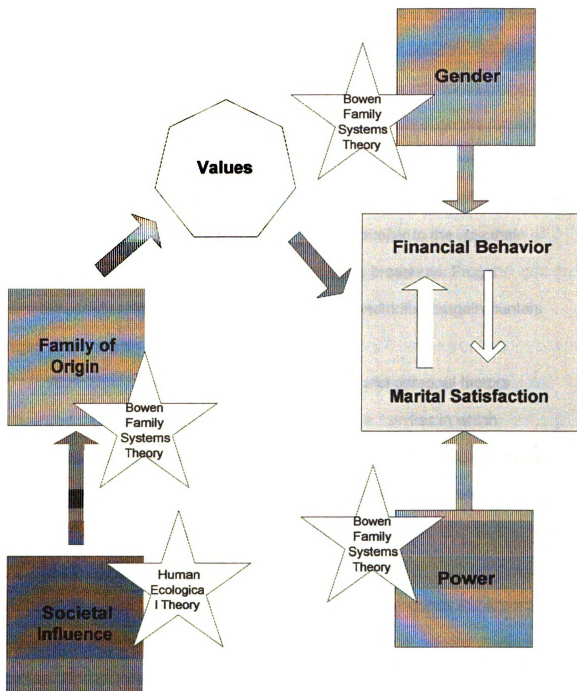
Four couples in their first marriage with young children in the home participated in this collective case study. They were interviewed conjointly in their homes over the period of about two hours. The participants' responses mostly supported the theoretical underpinnings of this research. Discussion of the findings will be divided into two sections: the first section will address the theoretical foundations of this research and will present the revised conceptual map; the second section will discuss key findings. The rest of this chapter will present methodological issues, study limitations, implications for clinicians and other professionals, and directions for future research.

Key Findings

Theoretical Foundations

Questionnaires and interview questions were constructed and the participants' responses were analyzed using Human Ecological Theory (Bubolz & Sontag, 1993), with special attention paid to Decision-Making Theory (Pennartz & Niehof, 1999) and Family Systems Theory (Bowen, 1966), viewed through a Feminist framework (Knudson-Martin, 1994). Power Approach to decision-making (Pennartz & Niehof, 1999) was not found to be used in a systematic manner by the study participants. Although gender differences in making decisions were present, they did not seem to be crucial in how couples made decisions or discussed them afterwards.

When the original concept map (Figure 1.1) was created and discussed (Chapter 1), these three theories were given equal weight in their influence on the relationship between marital satisfaction and financial behavior. However, this equality of influence was not substantiated by the research findings. Specifically, the influence of the family of origin on the values held by the participants was found to be the strongest among the three possible influences: family, society and gender/power differences. The families in which participants grew up helped shape and form their values more so than did the societal messages or the gender and power differences that occurred in their families. This finding necessitates the revision of the conceptual map.



Legend:

Arrows denote influence

Stripes denote Bowen Family Systems influence

Cross-hatch denotes Human Ecological Theory influence

Figure 5.1. Revised Conceptual Map

The revised conceptual map (Figure 5.1) reflects the finding that the family of origin had the strongest influence on the values that shaped the relationship between marital satisfaction and financial behaviors. The influences of the society in which the participants functioned were filtered through the family of origin lens.

For example, participants reported that the way they deal with pressures to purchase advertised goods and services is very similar to the way their parents and even grandparents dealt with the same pressures. Frugal parents reared careful savers; spenders raised spendthrifts; bargain-hunters begat other bargain-hunters.

Additionally, socio-economic, demographic, and personal factors influenced the financial and marital functioning of the families in which participants spent their formative years. These influences were not postulated in the original research question, but rather emerged from the gathered data. For example, five out of eight participants reported parental divorce when they were growing up. Divorced individuals, especially women, generally do not fare as well economically as do married couples (Waite, 2000). Their children are more often raised in impoverished circumstances than are children of married couples (Waite, 2000). Three participants reported feeling that their families' financial resources were extremely limited because of the divorce, and that their needs were often unmet due to their parents' inability to cover the necessary expenses.

Factors other than parental divorce that influence the children's values

include the quality of their parents' relationship and the level of their conflict. Two participants specifically mentioned high levels of marital dissatisfaction that permeated the households in which they grew up. Conflicts, both money-related and non-money-related, were constant. Thus, children may learn that fighting, arguing and unhappiness are a normal part of marriage and may bring this value into their family of procreation. Since these factors of socio-economic, demographic, and personal variables are so influential in the development of values, an additional building block was added to the conceptual map to indicate their significance.

Another change in the conceptual map can be found within the relationship between marital satisfaction and financial behaviors. The original concept map presented two equal arrows linking these two concepts, signifying an equally strong influence of the marital satisfaction on financial behaviors, and of financial behaviors on the marital satisfaction. Research data did not substantiate this equal influence, but rather indicated that the influence of marital satisfaction on financial behaviors is stronger than the reciprocal relationship. In other words, satisfied spouses are able to make sound financial decisions that promote the well-being of the family without jeopardizing the mutual trust and commitment between them. Patrick and Polly, Adam and Abby, and Ben and Barbara demonstrated consistently that their love for one another, mutual respect and high satisfaction with their marriage (and desire not to jeopardize the relationship they hold dear), made them consult with one another on important purchases, put each other's interests ahead of their own, and compromise with

one another. Carl and Carol, on the other hand, demonstrated that when spouses are not very satisfied with their marriage, they are more likely to make financial decisions that are inconsiderate of the needs of the other person, and less likely to take the opinions and needs of the other person into account.

The reverse influence, that of financial behaviors on marital satisfaction, although present, was not as strong. Certainly, sustaining satisfying relationships in the face of constant money troubles is difficult. But Patrick and Polly, as well as Ben and Barbara showed that it was not impossible. Despite adverse financial circumstances, these couples were able to maintain a strong sense of connectedness to one another and commitment to both the relationship and their children. They chose to see money as a negative external influence that they both could rally against, and had a strong “us against it” attitude. If financial behaviors and the subsequent financial stability had a strong influence on marital satisfaction, Carl and Carol’s marriage should have been one of the strongest, since this couple earned almost 40% more than the couple with the second highest earnings. In fact, they had the lowest marital satisfaction of all couples in this small sample. Thus, the revised conceptual map is demonstrating the inequality of influence of marital satisfaction on financial behaviors (stronger) and of financial behaviors on marital satisfaction (weaker).

Other Findings

The key finding of this study, that of the strength of the influence of the family of origin on the values and subsequent financial behaviors of adult members, has been discussed in detail in the previous section. This section will

discuss other important findings, including the influences of gender and power issues on the family decision-making process, the importance of child-care arrangements in the lives of the modern American family, and the ever-present financial aid between the generations.

Gender and power.

Perhaps the most challenging area of inquiry was in the area of gender and power differences. Direct questioning about gender roles and power inequalities did not produce fruitful results: couples either professed that their relationships were perfectly egalitarian with no differences based on their gender, or had little to say in response to the questions. When I attempted to ascertain the gender differences in their families of origin, two patterns of responses emerged. Some participants described their families in perfectly traditional gender terms, with mothers being responsible for child-care and the housekeeping chores, while fathers worked outside of the home and were responsible for money management. Other participants stated that they simply did not remember the gender role distribution in the families or origin, either because their parents divorced early, or because they were too little to pay attention to these adult concerns.

Possibly, the younger generation may have become more “progressive” than their parents, and they do share household tasks and decision-making power more equally. The observations and inferences that I drew from the collected data led me to believe that although most couples were not as traditional as their parents in their orientation, there was still evidence of gender

differences. Most women were still responsible for child-care and household chores, and several men stated that providing for their families financially was more important to them than anything else.

Additionally, it seems that there is some uncertainty and even incongruence with respect to gender roles in some of the couples I interviewed. For example, Patrick spent as much time parenting his two children as did Polly, in addition to doing most of the household cleaning, which would make him a rather non-traditional husband. On the other hand, he stated unequivocally that not providing for his family financially was “killing him” and that he could not wait to start working full-time. His wife, although outwardly claiming that she would like to work full-time, while Patrick took care of the children (egalitarian orientation), seemed pleased and flattered that someone stronger and more capable expressed an interest in supporting her (traditional orientation). Thus, the issues surrounding power differences and gender roles are multi-dimensional and sometimes difficult to assess.

Receiving Help from Others.

An unexpected finding of this study was that everyone in this sample received financial aid from their parents or grandparents. This financial aid included cash gifts, large loans (both interest-bearing and interest-free), expensive household appliances or electronics, or repayment of debts. I originally expected to find younger couples whose earning capacity is limited by their school attendance to receive these gifts. In fact, *all* families reported

receiving aid from their families of origin, even though four participants were at or near the peak of their earning capacity.

This finding is consistent with Stanley and Danko's (1996) finding of the existence of substantial monetary gifts that are given by American's affluent to their (usually grown and married) children. The researchers found that 46% of the American wealthy gave at least \$15,000 annually to their adult children and grandchildren (Stanley & Danko, 1996, p. 143). The implications of these "acts of kindness" were found to be far-reaching for both donors and recipients. Parents who provide money "have significantly less wealth than those parents within the same age, income and occupational cohorts whose adult children are economically independent" (Stanley & Danko, 1996, p. 142). The adult children who habitually receive large gifts of money tend to accumulate wealth more slowly than those who do not receive financial aid (Stanley & Danko, 1996). This finding may appear counter-intuitive on the surface, but in fact is quite logical: if large sums of money are provided whenever needed, adult children never feel the need to budget their spending or to save for long-term goals or emergencies. Their children's tuition (private school and college) is often paid by grandparents, and they usually do not worry about saving for retirement, as they are likely to inherit large sums of money before the retirement occurs.

Another problem with relying on parental economic support is its inherent unreliability. When the aging parents need medical care, their contributions to their adult children and grandchildren are likely to diminish (as was the case with Adam); when taxation laws change, it may cease to be profitable to divest estates

of cash on an annual basis (as happened with the new Estate Tax Laws in 2001); when families quarrel or go through divorce, support may be withdrawn; and when parents eventually die, their estates may be smaller than expected or may be bequeathed to charities or other family members.

The study participants may not have come from the population of the adult children of American millionaires, as did participants in several studies done by Stanley and Danko (1996), but the mechanism of inter-generational giving seems to be very similar. This financial dependency encourages emotional dependency between the generations: if parents or grandparents pay off a couple's debt, they feel entitled to dictate their children's spending behaviors (Patrick and Polly); if parents provide gifts or loans towards down payments on the home, they feel free to criticize the housing choices their children make (Barbara and Ben); if the older generation gives large monetary gifts, they may also dictate what kinds of expenses may and may not be covered with "their" money (Carl and Carol).

The ambivalence and anger with which some participants described receiving financial aid from their parents may be indicative of lack of differentiation (Bowen, 1966) that the participants manifest with respect to their families or origin. They feel at once trapped by the need for aid dollars, and the hatred of the dependency that receiving this aid entails. They may feel that their parents' gifts and loans cause disagreements with their spouse, or that this contributes to spoiling of their children. They also may feel that they owe something back to their parents, and that their parents (along with everyone else) owe *them*. This emotional reactivity and ever-present anxiety are further

evidence of lack of differentiation, as the participants' responses were more likely to be emotional and irrational, rather than well-thought out and calm. This is particularly evident in the case of Patrick and Polly who gratefully receive thousands of tax-payer dollars while working only a few hours per week.

Child-care arrangements.

Child-care arrangements, although not the focus of this study, were mentioned and discussed in detail by all participants. Arranging for the care of children inside or outside the home, by parents or by professionals has far-reaching implications on both family finances and marital satisfaction. The cost of child-care is often so prohibitive that a parent (usually mother) finds that after paying for child-care, she sometimes works for only a few dollars per hour. Perhaps that is the reason why the two families who chose to provide child-care themselves were on the lower end of the earning scale. Some women choose to continue their employment because the family budget requires that they do, or because they need benefits (such as medical insurance or retirement contributions), or because they enjoy their jobs. Several participants mentioned that the decision to continue with employment was made jointly between the husband and wife, and both acknowledged all the advantages and disadvantages of an employed spouse. Several others who chose to stay home to take care of their young children discussed the scheduling difficulties this arrangement entails. These families operated as strong teams when providing child-care, switching between employment and care-taking roles as the circumstances dictated.

Occasionally, a participant mentioned a female family member or a friend who had been struggling with parenting choices. Specifically, there appears to be some male partners/husbands who are not ready or willing to lower their standard of living in order to keep one parent in the home. Their wives are frequently resentful of the husbands' perceived selfishness and immaturity, with marital dissatisfaction often being the end result. All eight participants in this study acknowledged that they are pleased with the child-care arrangements they have made, and were prepared to face the financial consequences of those decisions.

Methodological Issues

From the very beginning of this research project I wanted to interview couples conjointly. As a Marriage and Family Therapist, I was anxious to use my clinical interviewing skills of empathy, neutrality and curiosity in a new arena - that of social research. I wanted to interview couples together in order to assess their marital complementarity, satisfaction and the comfort and joy they experienced in each other's company. Also, I wished to allow the conversations to emerge between them, to facilitate exploration and growth of new ideas, and to assist in the development of new dialogues and understandings. I was looking for the spouses to hear each other's childhood stories, and the genesis of their individual values and attitudes. In addition to sharing their own stories, I wanted couples to arrive at mutual understandings in the areas of power and gender differences, budgeting and planning, and common values and beliefs. Thus, my purpose was to create a dialogue between the spouses in my presence, a

dialogue I could gently direct with probing questions and some directed activities. Overall, I was very pleased with the way these dialogues worked out. Couples reported enjoying participating in the study and expressed an interest in this research project and my other professional endeavors. In particular, all of the participants were eager to share advice, hints, and tips with couples for whom money issues constitute a major problem.

One of the methodological difficulties I encountered was having young children in the home during the interviews. I specifically wanted to interview parents of young children and offered to reimburse the costs of baby-sitting for the duration of the two-hour interview. Unfortunately, three out of four families chose not to hire a baby-sitter, and the fourth family hired a very young “mother’s helper”. Consequently, the children were a constant distraction, and I appreciated an opportunity to assess how couples functioned as parents. Although I was able to obtain good data during all four interviews, I would recommend that other researchers prepare for the noise and the distractions if they wish to work with parents of young children.

In this study, I wanted to encourage the participants to tell their own stories. Occasionally, I struggled with balancing the need to have their narratives heard and the need for honest and complete data analysis. I wanted to remain respectful to the participants, and yet not get inducted into their family systems to the extent that I was not able to ask probing questions and seek alternative explanations.

Limitations

Limitations of this study were two-fold. First and foremost, a sample size of four cases although the usual maximum for collective case studies (Creswell, 1998), is very small. Reaching saturation in data gathered was not the goal of this study. Rather I wanted to explore in greater detail the few cases that I collected. Additionally, this sample was self-selected. Although several hundred advertising flyers were distributed, only six couples contacted me with requests for more information. Four out of six were included in the final analysis. All couples found out about the study from the list serve maintained by the University's Child and Family Care Resources office, and all were either student-parents or employee-parents. All couples who were willing to spend two hours with a researcher describing their financial decision-making and their marital satisfaction did not have severe relationship or money problems. Although some couples did describe difficulty making ends meet on a monthly basis, while others complained about high levels of debt, all participants were well-adjusted and did not participate in either marital or debt counseling.

Another limitation of this study is the use of a specific life cycle stage, that of first-time married couples with pre-school children. I deliberately excluded couples with no children, as well as remarried couples, or those with step-children. As discussed in Chapter 2, remarried couples tend to view their joint financial lives differently than do those who are married for the first time. Parents often have more money-related concerns than do non-parents, both because of increased expenses and reduced work hours. I made every effort to find couples

who were in the same life cycle stage to facilitate cross-case comparisons. This decision makes generalizations to other populations, including multi-ethnic and multi-racial, populations invalid.

Recommendations for Future Research

More research is needed into how today's families perceive the challenges of living in and raising children in today's consumerist society and how marriages withstand or crumble under the weight of these pressures. I believe that a large-scale longitudinal study that will compare marital satisfaction across different socio-economic, racial and age groups would be beneficial. It would also be beneficial to track family decision-making across family life-span: do couples learn better decision-making skills as they grow older? Can these skills be taught? How do financial decisions affect marital satisfaction?

Another aspect of family financial life that requires further study are the times of hardship, such as unemployment, sudden illness of a breadwinner, business setbacks, or large debts. How do families cope with these hardships? What makes some couples survive the temporary setbacks and thrive in their aftermath, and other couples collapse under the weight of these pressures? All of this research needs to take into account participants' race, age, sexual orientation, the presence of children, and their socio-economic status, as I believe that all of these factors will contribute significantly to the outcome.

Issues of gender and power differences in the family and their influence on financial behaviors and marital satisfaction need to be explored in more detail. As discussed previously, this is a methodologically difficult area to investigate, but

our knowledge in this field is an yet inadequate, and further research in this area is crucial.

Implications

Implications of this study for clinicians are two-fold: first, clinicians need to understand the complex nature of marital satisfaction with all its antecedents and consequences. Some individual decisions and actions have implications on marital satisfaction, because in a marital system an action taken (or not taken) by one member has a direct effect on all other members. Conversely, marital satisfaction can and does affect individual decisions: couples who are satisfied with their relationship are less likely to act in ways that would jeopardize that relationship. On the other hand, less than satisfied couples may act out of jealousy, spite, or desire for revenge.

Secondly, clinicians need to get further training in how family financial decisions and problems relate to marital functioning and satisfaction. It is rare to find a clinician who is not familiar with signs of eating disorders or spousal violence, and yet very few can assess adequately for signs of credit abuse, gambling problems, or compulsive consumption. Yet, these problems are probably more prevalent in the population an average therapist serves than eating disorders or spousal abuse.

This study has implications for researchers and educators, as well. I was surprised to find out how different the four couples I interviewed were from one another. And yet, all were first time married couples with pre-school children. With today's medical technology, child-bearing can be postponed until

convenient for both spouses, and first children are often born to couples in their 30s – something that would be unthinkable even one generation ago.

Additionally, with advances in reproductive medicine, couples in their 40s (even late 40s) can and do bear children. Families who appeared similar to researchers twenty or thirty years ago because they were parenting children of the same age, are now a very heterogeneous group. The main difference among these families is probably their ability to access resources: emotional, cognitive, financial, social. Younger couples may have more familial support, but not as much money or credit history to secure money if needed. Older couples may have better decision-making skills and social support other than their families of origin. Additionally, they may be more financially secure. Thus, when choosing populations for study, researchers need to take into account the advances in both medical technology and reproductive norms and mores. The educators need to be mindful of the cohort effects that may be very different even in the families in the same life cycle stage.

Summary

This collective case study examined the relationship between financial behaviors in families and marital satisfaction. It represented a first small step in answering qualitative questions about financial behaviors in marriages.

Although the scope of the study was limited, marital satisfaction was found to be important in how couples made money-related decisions in that those who were satisfied with their marriages exhibited qualitatively different behaviors. For

example, satisfied couples either checked in with each other before making purchase decisions, especially on large-ticket items, or they shopped together; either shared similar values with respect to materialism and spending, or were able to negotiate their differences productively. Additionally, they negotiated common values and had an “us against it” attitudes, choosing to blame money itself, instead of blaming one another for financial problems. They trusted one another to have the family’s best interests at heart, not to spend frivolously or foolishly, and not to sabotage each other’s goals or progress. All couples in this study had joint bank accounts, although only one family member was responsible for budgeting and paying of bills.

This study demonstrated that being in debt or in constrained financial circumstances, although stressful both on individuals and on marriages, is not necessarily an indicator of marital dysfunction. Participants’ values surrounding money issues was also the focus of this study. The findings clearly indicate that, at least at this stage of the family life cycle, family of origin has strong influences on how young couples deal with money. Societal values and pressures, as well as gender and power issues, were found to be mitigated in their influence by the values of the families in which spouses spend their formative years. More research is needed in order to more fully understand the complex interaction of marital satisfaction and financial behaviors in families.

APPENDICES

APPENDIX 1

Interview Guide

Research Question #1: (Main research question under study)

What is the relationship between financial behavior and marital satisfaction?

1. How would you characterize your marriage: happy? Unhappy? Somewhere in between? What makes you say that?
2. Can you describe the process of money management in your family? Who pays the bills, makes deposits, checks balances in checking accounts?
4. Do you follow a budget? How was this budget created? If you don't, what other money management strategies do you use?
5. How do you make less frequent decisions, such as how much money to allocate to savings, retirement, credit card debt, which stocks or mutual funds to buy?
6. Who earns more money in your family? How do you both feel about this?
7. Do you have money-related disagreements and fights? If you do, what do you usually fight about? Are you able to talk freely about money with your spouse?
8. What persuasion strategies do you use? Do you usually agree with the way your spouse handles money?
9. Can you take turns describing your most recent money fights? What happened?
10. Do you see the connections between your money arguments and problems and the way you feel about your spouse? In what way?

***Research Question #2: (informed by Human Ecological and Bowen Family
Systems theories)***

***What are the linkages between values and the financial decisions made by
families?***

- 1. What are your values with respect to money?**
- 2. Are you a saver or a spender? Do you worry a lot about money or does it take care of itself?**
- 3. What does having money mean to you? What could you accomplish or have if you had money?**
- 4. What would happen if you were broke? Discuss the emotions that accompany your thoughts.**
- 5. Would you consider yourself a money-wise individual? Is learning about money important to you?**
- 6. How do your values work with or against those of your spouse?**

Research Question #3: (informed by Bowen Family Systems theory)

What is the role of the family of origin in the transmission of the money values, attitudes and beliefs?

- 1. What did you learn about money from the family in which you grew up?**
- 2. What were your first money-related experiences?**
- 3. How do these early experiences influence you today?**
- 4. What was your family's socio-economic status?**
- 5. What were your family's attitude about saving and investing?**
- 6. Was love ever expressed through money in your family? Denied through money?**

Research Question #4: (informed by Human Ecological theory)

How does society influence the spouses' values and the subsequent decisions about money issues?

1. Do you feel pressure from society or friends and co-workers to buy certain things, or have a certain life-style? If you do, how do you deal with that pressure?
2. Was the family in which you grew up materialistic? In what ways? What about your siblings or friends?
3. How do or did family members respond to each other's requests for financial support?
4. How did your family evaluate success – by possessions, education, prestigious jobs, happiness, social status?
5. Are you satisfied with your current income? What about expenses and level of debt? Are you anticipating any changes in the future?
6. How do you feel about debt? Home ownership?
7. Do you and your spouse agree on dealing with societal and peer pressure?
8. Describe a purchase or an expenditure that you are particularly proud of or happy with? Describe a purchase or an expenditure that you are particularly unhappy with?

***Research Question #5: (informed by Human Ecological and Bowen Family
Systems theories)***

***How do issues of gender and power influence money-related values and
decisions, as well as marital conflict and consensus?***

1. What kinds of roles were assigned to men and women in you the family in which you grew up?
2. Who was responsible for earning money? Saving money? Spending money?
Saving money?
3. Who had more control and power in decision-making: your mom or your dad?
What makes you say that?
4. Who had more control power in decision-making: you or your spouse? What
makes you say that?
5. Do you feel that your needs and desires are as important as your spouse's
and children's or is there inequality?
6. On a scale of 1 to 10, with 1 being "completely solitary" and 10 being "a perfect
team," how would say rate yourselves when it comes to money?

APPENDIX 2

Written Questionnaire

This questionnaire needs to be completed separately from your spouse, and handed back to the researcher in a sealed envelope. I would appreciate as much detail as possible, feel free to use the reverse side of the page if you need it.

The contents of this questionnaire will not be disclosed to your spouse under any circumstances.

- 1. What is your name and age?**
- 2. What is your spouse's name and age?**
- 3. What are your children's names and ages?**
- 4. How long have you been married?**
- 5. What is your income before taxes? (Specify per hour, per month or per year and break down by sources of income, such as primary job, secondary job, income-earning assets, etc.)**
- 6. What is your occupation?**
- 7. How many hours do you work in a typical week?**

8. What is your spouse's income before taxes? (Specify per hour, per month or per year *and* break down by sources of income, such as primary job, secondary job, income-earning assets, etc.)

9. What is your spouse's occupation?

10. How many hours does he or she work in a typical week?

11. What is your highest level of education?

12. What is your spouse's highest level of education?

13. Have you or your spouse ever participated in marriage counseling? When?
Can you tell me a little about that experience?

14. Have you or your spouse ever participated in credit counseling? When?
Can you tell me a little about that experience?

15. Have you ever or do you currently hide *income* from your spouse?

15. Have you ever or do you currently hide *expenses* from your spouse?

16. To the best of your knowledge, does your spouse hide income or expenses from you?

17. How did you feel about participation in this study?

18. Is there anything that you want me to know about yourself, or your family, or your money situation that you did not want to share earlier?

19. Any final comments or thoughts?

APPENDIX 3

Informed Consent

The purpose of this collective case study is to understand the relationship between couple's financial behavior and their marital satisfaction. Financial behaviors may include any earning or spending that a person does, as well as gambling, hoarding, overspending or over-reliance on credit. You are being asked to discuss your family's financial situation, as well as your feelings, thoughts and values about money issues and the satisfaction you feel with your marriage with the researcher and your spouse. After the interview is complete, you will have an opportunity to write down answers to sensitive or personal questions that you did not want to discuss with your spouse present. Your spouse will *never* have access to the questionnaire you have completed.

- Your participation is totally voluntary and can be discontinued at any time. You may also refuse to answer any question or share information. If one spouse decided to discontinue their participation, the whole couple unit will be released from further questions.
- All information obtained will be kept confidential and any written reports will not use name or other identifying data. Your privacy will be protected to the maximum extent allowable by law.
- Questions for the researcher can be asked at any time during the process. Additional questions about the study can be addressed to Natasha Kendal, M.A. at (517) 355-4506 or Dr. Marsha Carolan (517) 432-3327. If you have any questions or concerns about your rights as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact – anonymously, if you wish - be asked of Ashir Kumar, M. D., Chair of the University Committee on Research Involving Human Subjects (UCRIHS) at (517) 355-2180.
- All sessions will be audio taped, and all tapes will be erased after this project is complete. Only the researcher will retain the transcripts of the interviews, which will be kept locked at all times.
- If you were referred to this study by your therapist, your doctor, or another helping professional, they will not be informed of your participation, and the services you are receiving from them will not be affected by your participation, non-participation, or withdrawal from this study.
- Within a week after the interview, the researcher will call your home to share the preliminary data analysis, to confirm the information obtained at the interview, or to ask any follow-up questions.
- We foresee no psychological or emotional trauma from participation in this project, but you are encouraged to ask questions about this study or your participation in it at any time. We will also be happy to supply names of psychological and/or financial professionals in this area, should you feel that you need further consultation.
- To show our appreciation for your time and energy, we will present you with a copy of a recently published book about family financial issues, entitled "You Paid How Much for That?". We will be happy to do so, even if you or your spouse decide to discontinue participation part-way through the project.

Your signature below indicates that you have read, understood and voluntarily agreed to the above statements. A copy of this consent form will be made available to you for your records.

Signature of participant _____

Name _____

Date _____

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