

The Fundamentals of Family Finance: Marriage and Money

Barbara Andrews

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Family Structure and Family Income

- Married couples acquire more wealth
- Children in single parent households with no cohabiter have less income and are more likely to be poor than children in married parent families
- Cohabiting families are generally better off economically than lone-parent families, but worse off than married parent families

Financial Benefits of Healthy Marriages

- Checks and balances
- Pooling of resources
- Looking ahead, long-term

Why might married couples acquire more wealth?

- 2-parent families/ 2 potential earners
- Economies of scale
- Pooling of resources
- Built-in safety net
- Marriage raises the earnings of men and increases motivation to work longer hours
- Marriage changes how couples manage their finances

Questions to Ponder

- The selection issue- who is likely to marry?
- Does marriage yield affluence or does affluence yield marriage?
- Does economic stress lead to single parenthood?

Current economic conditions and the family

- SURPRISE! There seems to be a connection between the economy, stress, anxiety and the family condition
- Depression, suicide, domestic abuse (partner & child) appear to be on the rise.
- Increase in abandonment and desertion
- Increase in homelessness
- Impact on marriages
 - Historical record
 - Economic hardship decreases marital quality
 - For some, hardship can strengthen relationships
 - Divorce rates (mixed bag)

Hot Button issues

- Money
- Sex
- Children and parenting

MONEY:

#1 Issue of Conflict Across the Life Cycle

(Percent Reporting Listed problem Area When Asked About #1 Argument Starter)

	Engaged	1-8 yrs.	9-25 yrs.	26+ yrs.	All
	N=42	N=164	N=226	N=167	
Money	33.3	43.3	38.1	22.8	34.9
Children	11.9	8.5	22.1	10.2	14.4
Chores	2.4	5.5	2.7	0.0	2.7
Communication	4.8	2.4	2.7	1.2	2.3
In-Laws	0.0	4.3	3.1	0.6	2.5
Careers	7.1	0.6	2.2	2.4	2.3
None	7.1	13.4	11.9	39.5	19.7

Stanley, Markham & Whitton (2002) Communication, conflict and commitment: Insights on the foundations of relationship success from a national survey.

Cited by WC Bailey; Marriage and Financial Distress: NHMRC Webinar: 03/25/09

Why is money a source of conflict?

- Different expectations, attitudes, values
- Different ideas and styles if saving and spending
- Bringing pre-existing debt to the marriage
- Money often a “taboo” topic
- Money as a source of power and control
- Different levels of financial literacy

Tools for helping couples to reduce stress and anxiety associated with finances

- Marriage Education (“soft” skills)
 - e.g., communication skills, conflict resolution, joint decision making, stress reduction
- Financial Literacy (“hard” skills)
- Combining two skill sets

Resources

- ACF
 - <http://www.acf.hhs.gov>
 - Regional Healthy Marriage Staff
 - Staff developed resources
- National Healthy Marriage Resource Center
 - <http://www.healthymarriageinfo.org>
- Other government and non-government resources

For more information . . .

Barbara Andrews

212-264-2890, x101

Barbara.andrews@acf.hhs.gov