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TESTING THE ASSET-BASED THEORY OF AMERICAN SOCIAL WELFARE: DOES A FUTURE-ORIENTATION MEDIATE THE RELATIONSHIP BETWEEN ASSET-OWNERSHIP AND FINANCIAL RESPONSIBILITY?

A Dissertation
Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College in partial fulfillment of the requirements for the degree of Doctor of Philosophy

in

The School of Social Work

by
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This dissertation is dedicated to all asset-poor, low-income households and the researchers and policymakers who care about them.
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Figure 2 Structural Equation Model For The Entire Sample For The Father-Future-Orientation Observed Items That Comprised The Young Adults’ Future-Orientation Latent Mediator Variable .................................................................78
The ownership of financial assets protects American households from experiencing the struggles of income poverty. The asset-based theory of American social welfare, which was conceptualized by Professor Michael Sherraden in 1991 and amended in 2001 by other scholars, posited that social welfare programs diminish the prevalence of poverty by enabling households to save funds to purchase assets. This theory has been scantily tested—especially among American households—despite a great amount of funds being invested into programs designed to help low-income American households to build assets. The only previous study that examined the intermediary role of future-orientations on the effect of asset-ownership on a financial outcome operationalized assets as comprised primarily of farm animals (i.e., oxen, chicken, pigs, etc.), in a manner that deviates substantively from the original conceptualization of the asset-based theory of American social welfare.

This dissertation research endeavored to remedy this limitation within the asset-ownership literature by utilizing data from a representative survey sample of American households—namely the Panel Study of Income Dynamics and the accompanying Transition-to-Adulthood Supplement—to empirically test the theory using structural equation modeling analyses. Structural equation modeling analyses of the data suggested that young adults’ future-orientations positively partially mediated the effect of parental asset-ownership on young adults’ financial responsibility. Specifically, parental asset-ownership had an important direct effect ($\beta = -0.174, z = -6.91, p = 0.000$) on young adults’ financial responsibility, coupled with an important mediation effect of young adults’ future-orientations ($\beta = 0.012, z = 4.17, p = 0.000$) on the relationship between parental asset-ownership and young adults’ financial responsibility. The mediation effects implied that the design of asset-development programs should integrate
components into the structure of the programs that empower the low-income participants to think and talk about their future-orientations and plans.


**CHAPTER 1: INTRODUCTORY SECTION**

*Poverty*, in a general sense, refers to an individual’s or a household’s deficiency of access to the resources necessary to survive and thrive in everyday life (e.g., Beverly, 2001; Blank, 1997, 2003, 2008). Examples of those resources necessary for survival are defined in terms of three different types of poverty measures—income poverty, asset poverty, and consumption poverty (Beverly, 2001; Blank, 1997, 2003, 2008; Citro & Michael, 1995; Sherraden, 1991). To this end, poverty is generally hedged, in common parlance, in terms of income poverty and asset poverty (Beverly, 2001; Blank, 1997, 2003, 2008; Citro & Michael, 1995; Sherraden, 1991).

*Income poverty*, then, refers to an individual’s or a household’s deficiency of income necessary to afford the individual or household with a socially- or politically-defined minimally-adequate lifestyle (Beverly, 2001; Blank, 1997, 2003, 2008; Citro & Michael, 1995; Rank, 2004; Sherraden, 1991; Stoesz, 2013). In this concept of poverty, an individual’s or a household’s income must amount to less than a predetermined minimum level of income that is purported to be sufficient to afford the resources necessary for a minimally-adequate lifestyle (Blank, 1997, 2003, 2008; Citro & Michael, 1995). According to this income-based definition of poverty, approximately 15 percent of American households experienced income poverty in 2012 (United States Census Bureau, 2013).

*Asset poverty* refers to an individual’s or a household’s deficiency of the tangible or intangible durable resources necessary to live a socially- or politically-defined minimally-adequate lifestyle over a period of time (Birkenmaier & Tyuse, 2005; Brandolini, Magri, & Smeeding, 2010; Rank, 2004; Sherraden, 1991; Sherraden, 2013). Examples of *tangible durable resources* include physical goods, such as real estate, vehicles, and appliances, that individuals and households need for their survival and participation job market (Birkenmaier & Tyuse, 2005;
Intangible durable resources include access to the human capital, such as credit or higher education, which individuals and households leverage in the pursuit of the resources necessary to obtain tangible durable resources (Birkenmaier & Tyuse, 2005; Carneiro & Heckman, 2003; Hanushek & Somers, 2001; Karoly, 2001; Rank, 2004; Sherraden, 1991). Assets also encompass personal financial savings, or a stock of cash funds, that individuals or households can liquidate to purchase tangible or intangible durable resources or other basic necessities (Blank, 2008; Tufano & Schneider, 2008). Approximately 44 percent of American households had not accumulated enough liquid personal financial savings to enable them to finance unanticipated expenses or to survive a period of unemployment (Blank, 1997; Brooks & Weidrich, 2013; Tufano & Schneider, 2008).

To decrease the risk of income poverty and/or asset poverty, households need to achieve a degree of financial well-being, defined as a household’s command over and satisfaction with their own economic self-sufficiency (Consumer Financial Protection Bureau [CFPB], 2015). The CFPB’s broad conceptualization of financial well-being refers to a concept that holds that economically self-sufficient households enjoy both financial security and freedom-of-choice in both the present and in the future (CFPB, 2015). On the other hand, the concepts household economic stability and household economic strain hold that economically self-sufficient households are be able to afford only household consumables in the present (Ansong, Chowa, & Grinstein-Weiss., 2013; Christy-McMullin et al., 2009; Shobe & Boyd, 2005). Homeownership and savings account ownership serve as two of many examples of the assets and investments that contribute to financial well-being and a consequent decrease in the risk of experiencing income poverty and/or asset poverty (CFBP, 2015; Gerrans, Speelman, & Campitelli, 2014; Greninger, Hampton, Kitt, & Achacoso, 1996.; Joo, 2008; Porter & Garman, 1992, 1993; Sherraden, 1991).
To that end, according to a sample of financial planners, households’ stock of savings amount to at least 13 percent of a household’s net income (Gerrans et al., 2014). A large body of research includes extensive documentation about the manner in which asset-ownership enables households to decrease their risk of poverty (e.g., Sherraden) but that research has a few shortcomings that need to be addressed.

**Problem Statement**

All households—whether poor or not poor—leverage the use of their assets to help them accumulate income and more assets (Sherraden, 1991). For example, households benefit from owning homes because homeownership (a) enables households to accumulate equity, or financial value, to be leveraged against income shocks, (b) positions the households to think optimistically about the future, and (c) encourages the households to work to secure the American dream of homeownership, thereby earning higher incomes in the process in order to afford homes (Di, 2007; Sherraden, 1991). Thus, citizens and policymakers can appreciate the impact of assets in households’ financial portfolios because assets serve as bases from which households can secure various income-building and “anti-dependency” resources (Carneiro & Heckman, 2003; Midgley & Sherraden, 2009; Sherraden, 1991).

Despite the income-building and “anti-dependency” effects of assets in households’ financial portfolios (Carneiro & Heckman, 2003; Midgley & Sherraden, 2009), disparities in the level of asset-ownership exist between wealthy households and poor households (Corporation for Enterprise Development [CFED], 2013c; Sherraden, 1991). Wealthy households own more assets that can promote subsistence or generate more income (e.g., rent remittances) that can be invested robustly in order to secure greater levels of assets; poor households have fewer assets that can be invested marginally to obtain modest incomes and modest levels of assets (CFED,
That is, wealthy households have more assets to use to leverage towards endeavors to obtain income than do poor households (CFED, 2013c; Sherraden, 2015).

To illustrate this point, on the whole, about 65 percent of American households own a home (CFED, 2013b). When this statistic is decomposed by quintiles of the income distribution, almost 87 percent of households in the top income quintile owned a home, while only 38.7 percent of households in the bottom income quintile were homeowners (CFED, 2013a). This finding implies that the homeownership rate among households in the top income quintile was 2.25 times greater than the homeownership rate among households in the bottom income quintile (CFED, 2013a).

This dissertation research proposes and empirically tests a theoretical model, based on prior empirical research studies, to address how households become economically self-sufficient as a function of their assets and income. This empirical question encompasses the choice of dependent variables modeled in the prior research on how a future-orientation, described as a household’s outlook on its future life-circumstances (Seginer, 2009; Sherraden, 1991; Shobe & Page-Adams, 2001), mediates the relationship between asset ownership and various household economic self-sufficiency outcomes.

Previous research (Sherraden, 1991; Shobe & Page-Adams, 2001) has described the manner in which asset ownership imparts household economic self-sufficiency. Sherraden (1991) wrote, in the seminal work on asset-development, entitled *Assets and the Poor: A New American Welfare Policy*, that asset-ownership directly facilitates future household economic self-sufficiency. Shobe and Page-Adams (2001), then, extended Sherraden’s (1991) work by positing that asset ownership fosters a future-orientation, which then imparts future household economic self-sufficiency. In other words, the literature conceptually suggests that a future-
orientation mediates the effect of asset ownership on household economic self-sufficiency (Shobe & Page-Adams, 2001).

Subsequent research (Ansong et al., 2013; Kim & Sherraden, 2011) used structural equation modeling techniques to establish strong support for Shobe and Page-Adams’ mediation model. The household economic self-sufficiency outcomes analyzed in the two previous studies, however, were operationalized as variables related to enrollment in different sorts of post-secondary educational institutions (Kim & Sherraden, 2011) or perceived household economic stability, specifically the subjective perceptions of an ability to afford various basic necessities among a sample of Ugandan citizens (Ansong et al., 2013). Variables related to enrollment in different sorts of post-secondary educational institutions and to life necessity affordability outcomes among Ugandan citizens do not appear to align with the CFPB’s (2015) official definition of financial well-being. That is, the CFPB’s (2015) conceptualization broadly refers to a household’s financial security in the present and the future, as well as a household’s financial freedom of choice in the present and future, as opposed to household economic stability, which narrowly indicates current consumption (Ansong et al., 2013).

Research, thus, is warranted to analyze the intermediary role of a future-orientation on the relationship between asset ownership and various aspects of the CFPB’s (2015) conceptualization of financial well-being among a representative sample of American households, controlling for income groups. A test for mediation will inform researchers and policymakers how asset-ownership decreases the likelihood of households experiencing poverty. In other words, a test for mediation will inform researchers and policymakers about whether a future-orientation was a necessary ingredient—a full or a partial mediation effect—in bolstering the effects of asset-ownership on various economic self-sufficiency outcomes, as Shobe and
Page-Adams (2001) and Ansong et al. (2013) argued, or whether asset-ownership directly leads to various household economic self-sufficiency outcomes, as Sherraden (1991) had originally posited.

**Importance of the Problem**

Asset-ownership enables households to leverage the use of their assets to enable them to accumulate income and subsequent assets (Di, 2007; Sherraden, 1991), and research substantiates this proposition. For example, analyses of longitudinal data from the Panel Study of Income Dynamics suggest that homeownership, as compared to renting a home, were associated with two percent increases in income (Di, 2007). Among homeowners, doubling the amount of time of homeownership was also associated with an 11 percent increase in income (Di, 2007). The implication of Di’s (2007) research is that homeownership encourages homeowners to work in the labor market to earn enough income to own a home—the American Dream—and homes, in their own right, can also serve as generators of income in the event they are utilized as rental property, in addition to serving as a base from which consumers can subsist and participate in the economy.

The asset-development research, on the whole, consists of substantially fewer theory-building studies compared to the many evaluation studies. In other words, substantially fewer studies shaped the theory, namely the asset-based theory of American social welfare, which underpinned the interventions (implemented after the theory was originally posited) that aimed to provide investments that lower-income Americans leverage to decrease their chances of experiencing income- and/or asset-poverty among lower-income Americans. A substantial amount of theory-building and theory-testing research should be conducted prior to the implementation of interventions in order to provide (a) the vulnerable target population with the
most effective interventions and (b) the stakeholders the maximum return on investment for every dollar spent on the interventions (Branom, 2012; Finn, 1994; Jansson, 2008).

The theory-building research also consists of a couple of limitations. Most notably, the asset-based theory of American social welfare has not been tested on the financial well-being of a sample of American households, although this theory has been tested on a sample of Ugandan households (Ansong et al., 2013). Moreover, prior research has not tested the intermediary role of a future-orientation on the relationship between asset-ownership and financial well-being, as broadly conceptualized by the CFPB (2015), rather than the narrow, consumption-focused construct of household economic stability (Ansong et al., 2013). To that end, this dissertation research is the first attempt to test the asset-based theory of American social welfare with a broad conceptualization of financial well-being, as opposed to the narrow scope of the concepts of perceived household economic stability or self-sufficiency.
CHAPTER 2: LITERATURE REVIEW

This literature review chapter aims to achieve several objectives. Financial well-being will be explicated fully at the beginning of this chapter. A description of studies related to asset-development, categorized by study themes, follows the explication of financial well-being. A description of the limitations of the asset-development research and a discussion of the implications of those limitations will be presented near the conclusion of this literature review. The literature review concludes with a discussion of the proposed research’s research questions, hypotheses, and research rationale.

Financial Well-Being

The Consumer Financial Protection Bureau [CFPB] (2015) conducted extensive qualitative research to provide an official, all-encompassing definition of financial well-being. The CFPB (2015) interviewed 59 consumers and 30 financial planners to receive their feedback about what they thought comprised the concept of financial well-being. Qualitative analyses of the interviews led to a global definition of financial well-being (CFPB, 2015).

Financial well-being, in a general sense, refers to a household’s command over and satisfaction with their own economic self-sufficiency (CFPB, 2015; Gerrans et al., 2014; Greninger et al., 1996; Joo, 2008; Porter & Garman, 1992, 1993; Prawitz et al., 2006). Economic self-sufficiency, in this sense, refers to a household’s financial security in the present and the future, as well as a household’s financial freedom of choice in the present and future (CFPB, 2015). In terms of financial security in the present, households exert “control over [their] day-to-day, month-to-month finances” (CFPB, 2015, p. 19). In other words, households pay for their expenses in a timely manner without insurmountable shocks to their income (CFPB, 2015).
In terms of financial security in the future, households with financial well-being have the “capacity to absorb a financial shock” (CFPB, 2015, p. 19). Households, in that case, can secure enough funds to pay for unexpected expenses that may arise (CFPB, 2015). To achieve financial freedom of choice in the present, households have “financial freedom to make choices to enjoy life” (CFPB, 2015, p. 19). To that end, households can afford not only their basic necessities but also occasional discretionary items or pleasures that they want, such as dining out on occasion (CFPB, 2015). To achieve financial freedom of choice in the future, households find themselves “[to] be on track to meet [their] financial goals” (CFPB, 2015, p. 19). Households, in that case, can reach whatever economic goals they desire, whether their goal is to purchase an asset or to accumulate a retirement portfolio sufficient to maintain consumption in the retirement years (CFPB, 2015).

Financial Security in the Present

Financial security in the present, conceptualized as households’ “control over [their] day-to-day, month-to-month finances,” is one of the four pillars of the official definition of financial well-being (CFPB, 2015, p. 19). Extensive early research that has been conducted on financial well-being substantiates this pillar of the CFPB’s (2015) conceptualization of financial well-being (Strumpel, 1976). Specifically, the construct of financial well-being has been tested with factor analysis and was comprised of observed variables such as “satisfaction with present standard of living, the question of whether or not present income is enough to meet family expenses [and] the question of whether or not present income is enough for the family to live comfortably” (Strumpel, 1976, pp. 47–49).
Financial Security in the Future

Financial security in the future, conceptualized as households’ “capacity to absorb a financial shock,” is the second pillar of financial well-being (CFPB, 2015, p. 19). Research found that the ownership of various types of assets and investments accounted for approximately 30 percent of the variance in financial security in the future (Porter & Garman, 1992, 1993). Other important predictors of financial security in the future included, but were not limited to, the ownership of a savings account with funds deposited into it and the ownership of stocks and bonds because investments in savings accounts, stocks, and bonds ideally result in financial gains for the households in the future (Porter & Garman, 1992, 1993).

Financial Freedom of Choice in the Present

Financial freedom of choice in the present, conceptualized as households’ “financial freedom to make choices to enjoy life,” is the third pillar of the CFPB’s conceptualization of financial well-being (CFPB, 2015, p. 19). Strumpel’s (1976) work provides substantiation for this pillar of financial well-being. Specifically, the construct of financial well-being was comprised of observed variables such as “satisfaction with financial changes in the recent past, the question of whether or not present income is enough for the family to live comfortably, [a lack of] concern about threats to future standard of living, satisfaction with [the head of household’s] main job, [and] the question of whether or not the person would continue to work at the same job if he [sic] did not need the income” (Strumpel, 1976, pp. 47–49).

Financial Freedom of Choice in the Future

Financial freedom of choice in the future, conceptualized as households’ ability to “[get] on track to meet [their] financial goals,” is the fourth pillar of the CFPB’s conceptualization of financial well-being (CFPB, 2015, p. 19). In one study, a sample of 500 respondents from a
sampling frame of approximately 1,500 randomly-selected Virginia households were asked to rate their own perceptions of their financial well-being on a scale of 1 to 11, with 1 representing “the worst possible financial situation” and 11 representing “the best possible financial situation” (Porter & Garman, 1993, p. 139). A frequency distribution of the respondents’ financial well-being ratings showed a mode financial well-being score of eight, implying a left-skewed distribution indicating “the best possible financial situation” (Porter & Garman, 1993, p. 139).

Porter and Garman (1993) modeled the households’ financial well-being scores based on a large number of independent variables to represent asset and investment ownership, as well as satisfaction with those assets and investments. Of the many independent variables in the model, an index of subjective financial well-being, to represent the households’ satisfaction with their financial situations and portfolios, demonstrated to be a positive, and the most important, significant predictor of financial well-being (Porter & Garman, 1993). An index of the households’ satisfaction with their daily lives was the second most important positive predictor of financial well-being (Porter & Garman, 1993).

The Difference Between Financial Well-Being and Economic Self-Sufficiency

Financial well-being is conceptually distinct from the conceptualizations of household economic stability and household economic strain. Financial well-being, a term broader than household economic stability and household economic strain, refers to household’s security in the present and the future, as well as a household’s freedom of choice in the present and future (CFPB, 2015). Household economic stability and household economic strain, on the other hand, refer narrowly to a household’s ability to purchase basic consumable goods without room for discretionary, enjoyable goods or services (Ansong et al., 2013; Christy-McMullin, Shobe, & Wills, 2009; Shobe & Boyd, 2005). To summarize, financial well-being measures more
comprehensively represent household economic self-sufficiency than household economic stability and household economic strain (Christy-McMullin et al., 2009; Shobe & Boyd, 2005).

**Theoretical Underpinnings of Financial Well-Being**

Sherraden's (1991) asset-based theory of social welfare underpins the interventions that promote financial well-being. A common thread between financial well-being and the asset-based theory of social welfare is that the ownership of assets—particularly the equity accumulated in a home’s value or the accumulation of human capital, like higher educational achievement—empowers the owners of those assets to garner future earnings, that result in positive welfare effects and economic self-sufficiency, as a direct benefit from the assets (CFPB, 2015; Porter & Garman, 1992, 1993; Sherraden, 1991). For example, assets, like homeownership, motivate consumers to work to secure the American dream of homeownership, thereby earning higher incomes in the process in order to afford homes (Di, 2007; Sherraden, 1991). This implies that, in the end, the asset-based theory of social welfare fosters financial well-being (Sherraden, 1991).

**The Asset-Based Theory of American Social Welfare**

The asset-based theory of American social welfare is an example of a broad normative theory, which is a type of theory that stipulates the values and principles that guide policymakers to implement numerous interventions to achieve a particular goal (Bishop, 2000). The asset-based theory of American social welfare, as a normative theory, describes the general principles and framework through which wealth-building investments targeted primarily towards poor households is an effective manner for the eradication of income- and asset-poverty (Sherraden, 1991). Thus, a description of this normative theory is warranted.
The United States has dealt with poverty by reluctantly providing cash or in-kind assistance to provide for poor households’ basic necessities and current consumption needs (Rank, 2004; Sherraden, 1991; Skocpol, 1995). Most contemporary policy responses to poverty strive to enable poor households to secure their basic necessities and to meet their current consumption needs (Rank, 2004; Sherraden, 1991). Future policy responses to poverty include the eradication of future struggles with poverty by investing in asset-ownership among poor households to enable them to achieve household economic self-sufficiency (Rank, 2004; Sherraden, 1991).

According to the opinions of Center for Social Development scholars Rank (2004) and Sherraden (1991), the U.S. must make a commitment to investing in its people, especially its poor households, in order to effectively combat the social problem of poverty. In this regard, investments can be targeted to enable the poor households to accumulate assets in order to help the households build a stable future and to garner positive welfare effects from the assets (Sherraden, 1991). Assets enable households to build stable futures, because, “Simply put, people think and behave differently when they are accumulating assets, and the world responds to them differently as well” (Sherraden, 1991, p. 148). Assets, then, enable households to insure against income shocks, to provide a secure base from which workers can subsist—to survive and thrive well—in order to fully participate in the labor market and consequently earn more income to use for consumption, to invest in further asset development, to insure against risky investments, to increase personal-, political-, and social-status, and to invest in offspring (Sherraden, 1991). Asset-ownership begets future asset-ownership: In other words, owning assets in the present lead to payoffs which then lead to even more subsequent payoffs in the
future (Sherraden, 1991). This implies that households become less likely to experience poverty due to the mounting accumulation of the many payoffs of asset-ownership (Sherraden, 1991).

**The Financial Well-Being Benefits of Income and Assets**

Research has found that income and assets both generate household economic self-sufficiency benefits (Birkenmaier & Tyuse, 2005; Rank, 2004; Sherraden, 1991). Research posits that increases in income lead to increases in the likelihood of developing (i.e., acquiring) assets (Birkenmaier & Tyuse, 2005; Rank, 2004; Sherraden, 1991). Growth in asset-ownership, moreover, leads to increases in income (Birkenmaier & Tyuse, 2005; Rank, 2004; Sherraden, 1991) because households bolster their labor market productivity in order to afford assets and grow their income potential even more in the future (Di, 2007). Thus, income and assets have a cyclical relationship: Increases in income lead to increases in asset development, and increases in asset development lead to increases in income (Birkenmaier & Tyuse, 2005; Rank, 2004; Sherraden, 1991). This cyclical relationship provides support for the observations that (a) households that earn great amounts of income tend to possess great stocks of assets (i.e., wealth) and (b) households with great stocks of assets tend to earn great amounts of income (Birkenmaier & Tyuse, 2005; Rank, 2004; Sherraden, 1991). These high income-earning, asset-wealthy households tend to experience financial well-being and economic self-sufficiency, and, consequently, avoid income- and asset-poverty as a result of their income- and asset-dense financial portfolios (Birkenmaier & Tyuse, 2005; CFPB, 2015; Porter & Garman, 1992, 1993; Rank, 2004; Sherraden, 1991). The opposite is also true, unfortunately: Households that earn low incomes and that lack wealth do not tend to experience financial well-being (i.e., tend to experience income and asset poverty) or economic self-sufficiency as a result of their income-

**Challenges Associated with Studying Financial Well-Being**

Researchers might experience difficulty in using secondary data sources to measure financial well-being because, although the CFPB (2015) recently conceptualized financial well-being as both financial security and freedom-of-choice both in the present and in the future, other scholars have conceptualized financial well-being differently. Parish and Cloud (2006) conceptualized financial well-being as in-cash and in-kind transfers that enhance access to basic needs. Other scholars have conceptualized financial well-being as income and savings level (Xiao, Tang, & Shim, 2009), financial security (Howell, Kurai, & Tam, 2013), and as a component of financial wellness (Gerrans et al., 2014). This discussion implies that financial well-being is a synonym of financial wellness that encompasses financial behaviors pertaining to “the individual’s perception of his or her ability to meet expenses . . . among other factors” (Gerrans et al., 2014, p. 146).

**Parental Assets and Child Well-Being**

Not only does asset-ownership lead to increases in income and subsequent growth in wealth but parental asset-ownership imparts subsequent privileges for the parents’ children in two ways (Sherraden, 1991). Parents who own large stocks of assets leverage their assets to benefit their children with various privileges (Sherraden, 1991). Examples of the various privileges include numerous educational opportunities that enable the children to experience financial well-being in adulthood (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009; Loke, 2013; Zhan & Sherraden, 2003), which increase their future income, lead to subsequent wealth ownership, and consequently decrease the children’s likelihood of experiencing income- and asset-poverty.
in adulthood (Sherraden, 1991). Parents who bequeath their assets to their children upon death leverage their assets to benefit their bereaved children with various privileges that enable the bereaved children to experience financial well-being in a similar manner (Sherraden, 1991).

Social capital is a process that drives the manner in which children in both aforementioned examples benefit from the privileges imparted from their parents’ assets (Sherraden, 1991). Coleman (1988), in the seminal article that conceptualized the process of social capital, defined social capital as the overt behavior of a person receiving privileges through their relationships with other persons. In the case of asset-ownership as a process of social capital, children overtly receive and benefit from the privileges that arise from asset-ownership through their relationships with their parents (Coleman, 1988; Sherraden, 1991; Zhan & Sherraden, 2003). To clarify the distinction between social capital and other forms of capital, Portes (1998) succinctly explained that,

“Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital, a person must be related to others, and it is those others, not himself, who are the actual source of his or her advantage” (p. 7).

Interventions that Establish Financial Well-Being

Numerous scholars (Birkenmaier & Tyuse, 2005; Beverly & Sherraden, 1999; Sherraden, 1991; Sherraden, 2013) have cited the ownership and use of a savings account to promote financial well-being among households, especially lower-income households. Theory-building research has cited that savings programs effectively empower households to own and use a savings account (Beverly & Sherraden, 1999). To that end, Beverly and Sherraden (1991) opined in their conceptual paper that households need easy access savings accounts in banking institutions, receive incentives to make saving (and, consequently, asset-building) a more lucrative option than consumption in the present, receive information and education about
financial products and asset purchases, and access the savings accounts through convenient depository procedures (Beverly & Sherraden, 1999).

In this line of theory-building research, institutions effectively service savings accounts for households because the institutions contain the capacity, or the resources, necessary to provide for all of the activities pertinent to savings account administration (Beverly & Sherraden, 1999). For example, institutions, as opposed to informal savings mechanisms, such as placing cash under one’s own mattress, contain the capacity to use households’ savings to loan to borrowers in order to draw interest from the borrowers to be paid as a premium to the savers for the exclusive use of the savers’ funds as loan funds (Beverly & Sherraden, 1999). In a similar vein, households effectively save in the event that they receive incentives to save their funds as opposed to applying their funds to their consumption needs (Beverly & Sherraden, 1999). In other words, the incentives (for example, the match rates and interest in an IDA program) outweigh the benefits of applying funds to present consumption needs (Beverly & Sherraden, 1999).

To save, households need to possess knowledge about financial products, the navigation of the traditional banking system, and assets (Beverly & Sherraden, 1999; Parker, 2013). Households, in the absence of knowledge about such phenomena, may feel lost in the traditional banking system and may resort to the use of alternative financial sector (AFS) products for their banking needs (Beverly & Sherraden, 1999; Birkenmaier & Tyuse, 2005; Sherraden, 2013). Moreover, the facilitation of savings refers to any type of mechanism that renders it easy for households to save funds (Beverly & Sherraden, 1999). For example, scheduled automatic withdrawals of funds from a household’s checking account into a savings account can render it convenient and virtually effortless for households to save funds (Beverly & Sherraden, 1999).
A Conceptual Framework of Facilitating Savings

Tufano and Schneider (2008) described the various social welfare policies that encourage individuals to save funds. The term *saving* refers to an individual’s behavior of acquiring and accumulating cash funds to finance future consumption needs (Sherraden, 1991; Tufano & Schneider, 2008). All policies that encourage individuals to save span a continuum based principally on volition to save (Tufano & Schneider, 2008). These policies range from mandating the individuals to save on one end of the continuum (i.e., volition based on external forces) to building excitement and fostering voluntary saving on the other end (i.e., volition based on internal forces, such as saving goals; Tufano & Schneider, 2008). Along this volition-based saving continuum, the policies range from “coercing people to save [to] making it hard not to save, making it easier to save, bribing people to save, leveraging social networks, and making saving exciting” (Tufano & Schneider, 2008, pp. 1–5).

Policies that “coerce people to save” (Tufano & Schneider, 2008, pp. 1–5) often include tax withholdings. Sometimes lower-income individuals do not have enough income in their budgets to concurrently finance their basic necessities and to save for future events, such as retirement (Tufano & Schneider, 2008). The federal government, in turn, coerces these individuals to save for their retirements by withholding Social Security income taxes from each of their paychecks (Tufano & Schneider, 2008). These individuals, regardless of their desire to save for their retirements, experience forced retirement savings through coercion, volition to save based on external forces (Tufano & Schneider, 2008).

Policies known for “making it hard not to save” (Tufano & Schneider, 2008, pp. 1–5) include programs that automatically enroll individuals into savings programs and from which individuals must engage in the overt behavior opt-out of, if they so desire (Tufano & Schneider,
In other words, the individuals must *go out of their way* to avoid saving, and, thus, the individuals are disinclined to avert saving. Examples of this type of savings abound, but the most popular of these savings programs are employer-provided retirement pension accounts (Tufano & Schneider, 2008). Employees become enrolled automatically into these pension accounts, have portions of their paychecks automatically deducted and deposited into their accounts, and must engage in the overt behavior of opting-out of automatic paycheck deductions if they so desire (Tufano & Schneider, 2008).

Policies that “make it easier to save” (Tufano & Schneider, 2008, pp. 1–5) provide the individuals with convenient avenues that foster saving behaviors (Tufano & Schneider, 2008). Such policies often provide a lump-sum of seed money from an external source that can be used as a base to establish a savings account for future consumption needs (Tufano & Schneider, 2008). The most popular of these programs is the Earned Income Tax Credit (EITC), which refers to an annual remittal of cash funds in a lump sum, less any income taxes due (Hoffman, 1990; Romich, Keenan, Miesel, & Hall, 2013; Stoesz, 2013; Tufano & Schneider, 2008). Survey research demonstrates that EITC recipients overwhelmingly plan to save their EITC refunds to finance their future consumption needs and to invest in asset-ownership (Mendenhall et al., 2012; Romich et al., 2013; Stoesz, 2013; Tufano & Schneider, 2008).

Policies known for “bribing people to save” (Tufano & Schneider, 2008, pp. 1–5) incentivize individuals to save their own funds (Tufano & Schneider, 2008). Specifically, these policies provide individuals with incentives for saving their own funds, often in the form of an amount of funds proportionate to the individuals’ deposits into a savings account (Tufano & Schneider, 2008). The most popular of this sort of policy response are Individual Development Account (IDA) programs (Tufano & Schneider, 2008). To encourage saving, IDA programs
provide interest-bearing savings accounts to lower-income individuals into which the individuals can deposit funds, accrue interest, and withdraw all of the funds (i.e., the principal, the interest, and the matched funds) (Grinstein-Weiss & Irish, 2007; Sherraden, 1991; Tufano & Schneider, 2008).

Policies that “leverage social networks” (Tufano & Schneider, 2008, pp. 1–5) encourage collectives of individuals to assist one another to save funds by pooling their funds and taking turns receiving the funds (Tufano & Schneider, 2008). Lower-income African American neighborhoods often engage in such social saving collectives in order to assist one another with unanticipated expenses (Tufano & Schneider, 2008). Policies known for “making saving exciting” (Tufano & Schneider, 2008, pp. 1–5) encourage individuals to save by playing on the human concept of luck to garner excitement about saving (Tufano & Schneider, 2008). Examples of such programs include state-sponsored lotteries that invoke and exploit the human desire to become fortunate enough to win a large sum of cash funds, provided that the lottery funds have been deposited into a savings account in a traditional banking institution (Tufano & Schneider, 2008).

This author thinks that policies that incentivize saving, especially policies that “bribe people to save” in matched-deposit savings accounts (Tufano & Schneider, 2008, pp. 1–5), are most likely to have the biggest impact on deferred, future consumption. The author based his opinion on the prior research that has found that lower-income individuals need and prefer to receive matched deposits on their savings, an incentive which increases the desirability or elasticity of saving (Beverly & Sherraden, 1999; Grinstead, Maulden, Sabia, Koonce, & Palmer, 2011; Moore et al., 2001). Individuals, in turn, become motivated to save for and finance their
savings goal (Beverly & Sherraden; Birkenmaier & Curley, 2009; Birkenmaier & Tyuse, 2005; Grinstead et al., 2011; Moore et al., 2001; Sherraden, 1991).

Description of Related Studies, Categorized by Study Themes

The research on asset-development, particularly in the social work literature, has focused primarily on only several themes: theory-building, the program analysis of IDA programs, the establishment of Child Development Accounts (CDAs), and the expansion of asset-development programs across international borders. The research on asset-development in the investment sciences, conversely, has focused predominantly on asset-development across the life-course. The primary purpose of this literature review, then, is to describe the research studies that comprise the several themes of the asset-development research. This description of related studies and categorization of study themes is followed by a description of the limitations of the asset-development research and a highlight of the implications of this literature review.

Theory-Building Research

Some studies of asset-development have focused on the theory-building mechanisms of saving, particularly saving in IDA programs. Sherraden’s (1991) *Assets and the Poor: A New American Welfare Policy* serves as the first work, albeit a conceptual work, on asset-development in the social work literature. Prior to this work, all traditional welfare policies have facilitated and maintained current consumption levels among lower-income American households, at the expense of social welfare policy for any programs that encourage saving for future consumption needs and for assets (Sherraden, 1991). To fill that void in social welfare policy, Sherraden (1991) proposed Individual Development Account (IDA) programs, targeted primarily toward lower-income Americans to encourage saving for future consumption needs and for asset development.
Attitudes and Behaviors

Several studies have described the basic theory—the scientific description of the theoretical pathways of real-world phenomena (Barnard, 2004)—to elucidate the effect of assets on behaviors. About five years after *Assets and the Poor*, the seminal longitudinal study (Yadama & Sherraden, 1996) of the effects of assets and income on various consumer attitudes and behaviors was published. Using the Panel Study of Income Dynamics (PSID) data from the late 1960s to the early 1970s, results of path analysis revealed the effects of (a) assets on attitudes, (b) assets on behaviors, (c) attitudes on assets, (d) behaviors on assets, (e) annual income on attitudes, (f) annual income on behaviors, (g) attitudes on annual income, and (h) behaviors on annual income (Yadama & Sherraden, 1996). In this work, assets were analyzed by two different variables: house value and the adequacy of a household’s savings (Yadama & Sherraden, 1996). Income was operationalized as total yearly income from employment earnings, transfers, earnings on real property, and income from interest (Yadama & Sherraden, 1996).

The primary attitudinal or behavioral variable in Yadama and Sherraden’s (1996) study relevant to the present research was *prudence*, defined as risk-aversion, which measured whether the household had purchased automobile and medical insurance and whether the household abstained from the use of tobacco products. [The risk-aversion variable also originally contained an indicator for the household having possessed a savings account, but the authors removed the savings component from the risk-aversion variable to avoid confounding risk-aversion with the savings independent variable (Yadama & Sherraden, 1996).] Households with higher levels of savings tended to be more risk-averse; households with higher levels of income tended to be more risk-averse (Yadama & Sherraden, 1996).
Basic theory analyses also suggest that households save and accumulate assets by using psychological and behavioral techniques for the reallocation, conversion, and maintenance of savings funds (Beverly, McBride, & Schreiner, 2003). Households use psychological reallocation techniques to save include goal-setting for asset purchases and seeking social support from peers to help them successfully save (Beverly et al., 2003). Behavioral reallocation techniques include methods, such as engaging in overt behaviors that result in shifting resources from consumption to saving, that households use to deposit funds into savings accounts (Beverly et al., 2003). Households use psychological conversion techniques to make a conscious decision to dedicate their reallocated funds to be deposited into a savings account, followed by behavioral conversion techniques to make depositing those reallocated funds an easy task to accomplish (Beverly et al., 2003). Psychological maintenance techniques include methods that households employ for averting the risk of using the saved funds for expenses other than their asset purchase goals. Households also use behavioral maintenance techniques, such as the employment of techniques that render withdrawals inconvenient or excessively-costly, to enable the households to avert the risk of using their saved funds for consumption as opposed to asset-development (Beverly et al., 2003).

Another basic theory study also describes how assets have positive effects on other attitudes. Analysis of data from the Community Advantage Program (CAP) study, derived from a cross-sectional sample of 1,090 low-income homeowners and matched to a comparable sample of 1,531 renters, suggests that homeownership is associated with increases in neighborhood satisfaction (Grinstein-Weiss, Yeo, Anacker, Van Zandt, Freeze, & Quercia, 2011). By neighborhood satisfaction, both subsets of the sample were asked questions that related to whether or not they felt safe in their neighborhoods and whether or not they would like to raise
their children in their neighborhoods (Grinstein-Weiss, Yeo, Anacker, Van Zandt, Freeze, & Quercia, 2011). The finding implies that the homeowners were more likely than the renters to have neighborhood satisfaction, controlling for gender, age, race, educational attainment, marital status, population size (as measured at the Census tract-level), and the random effects of the passage of time (Grinstein-Weiss, Yeo, Anacker, Van Zandt, Freeze, & Quercia, 2011).

Effects Of Parental Assets On Child Well-Being

When the adult members of a household use any array of techniques to successfully save funds to acquire assets, the household not only acquires assets to decrease their risk of experiencing poverty, but the household also positively affect their child members’ future educational attainment (Zhan & Sherraden, 2003). Regression analyses of National Survey of Families and Households data suggest that single-mothers’ expectations about their children’s future educational achievement partially mediates the positive relationships between (a) a single-mother’s homeownership status and her children’s future educational achievement and (b) a single-mother’s level of savings and her children’s future educational achievement (Zhan & Sherraden, 2003). [Similar research has found that greater levels of material hardship—a basic lack of access to the material goods that households need to subsist on a daily basis—also predict decreases in mothers’ perceptions of their own ability to finance their children’s college expenses (Kim, Huang, & Sherraden, 2014).] The results of this basic theory study imply that savings and asset accumulation not only enable vulnerable, low-income single-mothers to decrease their risk of poverty, but that savings and asset accumulation could also generate positive welfare effects for the households’ children, thereby enabling them to further decrease their risk of experiencing poverty in their adult years (Zhan & Sherraden, 2003).
A longitudinal regression analysis of Survey of Income and Program Participation suggests a basic theory which posits that parental net worth was positively associated with (a) parental expectations of their children’s future educational outcomes, (b) parental involvement in their children’s educational endeavors, and (c) the children’s actual educational achievement (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009). Additional structural equation modeling and regression analyses revealed a basic theory which posits that parental expectations about their children’s future educational achievement mediate the relationship between parental net worth and their children’s future educational achievement (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009). Such a finding implies that increases in assets translate into increases in parental expectations about their children’s future educational achievement, which, in turn, positively impact the children’s actual educational achievement in the future (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009). A similar basic theory study found that parental asset-building over the course of a child’s lifetime, termed asset accumulation trajectories, has a strong positive effect on children’s actual educational achievement in the future (Loke, 2013). Similarly, mothers’ expectations about their children’s future educational achievement mediate the relationship between asset accumulation trajectories and the children’s actual educational achievement in the future (Loke, 2013).

The previous three studies discussed in this section (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009; Loke, 2013; Zhan & Sherraden, 2003) tested the mediation effects of parental expectations of their children’s future educational outcomes. A slightly different study, however, tested the mediation effects of (a) parental involvement, (b) children’s educational expectations, and (c) children’s self-esteem on the relationship between parental assets and the children’s actual educational achievement in the future (Kim & Sherraden, 2011). Using data from the Child and Young Adult data supplement of the National Longitudinal Study of Youth of 1979, a series of
regression models, first and foremost, revealed a basic theory. One model demonstrated a positive significant effect of parental income on children’s future college attendance; another model, controlling for parental assets, demonstrated that the effect of parental income on children’s future college attendance becomes non-significant when controlling for parental assets (Kim & Sherraden, 2011). Thus, parental assets explain more of the variance in children’s future college attendance, controlling for the effect of parental income (Kim & Sherraden, 2011). As for the testing for mediation effects, parental involvement and children’s self-esteem did not mediate the positive relationship between assets and the children’s actual educational achievement (Kim & Sherraden, 2011). Increases in children’s educational expectations, on the other hand, did mediate the positive relationship between assets and the children’s actual educational achievement (Kim & Sherraden, 2011). This significant mediation effect could imply that parental assets furnish educational opportunities to children, which then embolden the children’s expectations about their educational futures (Kim & Sherraden, 2011).

Panel Study of Income Dynamics data analyses revealed that both households’ income and assets impart positive effects on their children’s future educational achievement (Huang, Guo, Kim, & Sherraden, 2010). This basic-theory study also revealed that households’ assets accounted for more of the variance than households’ income in the households’ ability to successfully finance their children’s future college educational endeavors (Huang et al., 2010). These results implied that income alone was not sufficient in explaining children’s future educational achievement, but that assets also impact educational achievement (Huang et al., 2010). Because assets significantly and positively impact children’s educational achievement, policymakers might consider programs that encourage and enable lower-income, financially-
vulnerable households to acquire assets to position the households to enable their children to acquire a college education (Huang et al., 2010).

Analyses of Panel Study of Income Dynamics and the Transition to Adulthood Supplement data from 2009 also revealed that young adults’ financial independence—young adults’ responsibility for earning their own income, paying their own mortgage or rent, paying their own bills, and managing their own money—as one aggregated outcome of various young adult-level and parental-level socioeconomic and education variables (Xiao, Chatterjee, & Kim, 2014). For all of the Panel Study of Income Dynamics households who had young adults participate in the Transition to Adulthood Supplement, logistic regression analyses showed a negative relationship between parental asset-ownership in log dollars (i.e., home value, vehicle value, etc.) and a dichotomous variable representing young adults’ financial independence (i.e., responsibility for own income, bills, rent, and money management; Xiao, Chatterjee, & Kim, 2014). Parental communication with mothers about future plans was [one control variable] positively related to young adults’ financial independence for the entire sample, and the same was found for the relationship between parental communication with fathers about future plans [a second control variable] and young adults’ financial independence (Xiao, Chatterjee, & Kim, 2014).

Because the authors had argued that young adults who attended college would place a moratorium—a temporary postponement of obligations (Côté, 2006)—on their adoption of financial independence, Xiao, Chatterjee, and Kim (2014) also ran separate logistic regressions for young adults with four types of educational attainment: who had never attended college, who had attended but dropped out of college, who were currently enrolled in college, and who had graduated from college. In the models for the young adults who had never attended college or
had dropped-out of college, Xiao, Chatterjee, and Kim (2014) found a positive relationship between parental asset-ownership and young adults’ financial independence. In the models for the young adults who were enrolled in college or had graduated from college, Xiao, Chatterjee, and Kim (2014) found a negative relationship between parental asset-ownership and young adults’ financial independence. The authors concluded that, “These results suggest that young adults with more affluent parents were less likely to report financial independence. Conversely, young adults from less affluent families may need to be financially independent sooner than their richer counterparts” (Xiao, Chatterjee, & Kim, 2014, p. 401). The authors, moreover, found positive effects of parental communication with fathers about future plans on young adults’ financial independence for all of the four types of educational attainment (Xiao, Chatterjee, & Kim, 2014). The authors also found positive effects of parental communication with mothers about future plans on young adults’ financial independence for all of the four types of educational attainment types except for a negative effect for the college graduates group (Xiao, Chatterjee, & Kim, 2014).

Analyses of data from the Community Advantage Program (CAP) study, derived from a sample of low-income homeowners and matched to a comparable sample of renters, suggest a basic theory elucidating that low-income homeowner parents engage in a few positive parenting behaviors that their low-income renter parent counterparts do not do (e.g., reading to their children, taking their children to participate in extracurricular activities, and minimizing television watching and video game playing; Grinstein-Weiss, Shanks, Manturuk, Key, Paik, & Greeson, 2010). Regression analyses of the CAP data revealed, specifically, that children of low-income homeowner parents were more likely than children of low-income renter parents to participate in extracurricular activities, such as dance lessons, organized sports, or Boy or Girl
Scouts meetings, controlling for age, gender, race, educational attainment, income, and financial well-being characteristics such as owning bank accounts, not having filed for consumer bankruptcy, not having obtained a payday loan, etc. (Grinstein-Weiss, Shanks, Manturuk, Key, Paik, & Greeson, 2010). The analyses also revealed counterintuitive findings. Specifically, low-income homeowner parents (i.e., parents whose income was less than 80% of the community-level median income) were less likely than low-income renter parents to read to their children and equally likely (i.e., no statistical difference between owners and renters) to be involved in their children’s schooling (Grinstein-Weiss, Shanks, Manturuk, Key, Paik, & Greeson, 2010).

Analyses of CAP data also suggest that adult children of parents who taught the children money-management skills subsequently had higher credit scores in one model, and lower credit card debt in another model, in adulthood than the adult children of parents who did not teach their children money-management skills (Grinstein-Weiss, Spader, Yeo, Taylor, & Freeze, 2011). In another study, an analysis of the CAP data revealed that neighborhood population density emboldens the positive relationship between homeownership and children’s pro-social behavior, controlling for the neighborhood rates of single parents, unemployment, public welfare receipt, and poverty (Grinstein-Weiss, Key, Yeo, Yoo, Holub, Taylor, & Tucker, 2012).

A Critique Of Prior Research And Call For Future Research

At the advent of the asset-based theory of social welfare, the research on asset-development called for significant testing of the mediation effect of a future-orientation on the relationship between asset ownership and material hardship. In this line of research, Sherraden (1991) had proposed that asset ownership directly leads to positive effects on various anti-poverty, financial well-being outcomes. About 10 years later, a subsequent conceptual work expanded Sherraden’s (1991) conceptualization by postulating that assets lead to a future-
orientation, or a positive outlook on one’s future, which then imparts positive effects on various anti-poverty, financial well-being outcomes (Shobe & Page-Adams, 2001).

To this point in the chronology of the research on asset-development, the concept of a future-orientation had not been clearly explicated. Sherraden (1991) alluded to the concept of a future-orientation in his arguments that the ownership of assets that “assets change the way people think and interact in the world. With assets, people begin to think in the long term and pursue long-term goals” (p. 6). Shobe and Page-Adams (2001) solidified a brief definition of future-orientation as “[a household’s] ability to think about and plan for the future” (p. 111). In other words, in owning assets, households begin to foresee and plan improvements in their future financial lives in order to acquire and maintain their assets and to maximize all of the benefits that those assets provide (Sherraden, 1991; Shobe & Page-Adams, 2001).

Subsequent research has explicated the exact overt behaviors that lead to a future-orientation as “active engagement in future thinking and future-related behavior that facilitates acquaintance with prospective events, experiences, and options and makes the future psychologically closer, more real, and amenable for planning” (Seginer, 2009, p. viii). A future-orientation can encompass both a household’s hopes and anxieties in regards to the future (Seginer, 2009). Future-orientations matter to household economic self-sufficiency, among other quality-of-life outcomes, due to their tendency to enable households to set goals for a point in time in the future and to take the necessary steps towards achieving those goals (Seginer, 2009). In terms of the research on the relationships between assets, a future-orientation, and household economic self-sufficiency, only one known study (Ansong et al., 2013) has tested this theory with cross-sectional data the mediation role of future orientation on the effect of assets on a set of perceived household economic stability, all measured at the level of the household head.
Using structural equation modeling to analyze household-level economic data on a sample of 401 purposively-sampled Ugandan citizens residing in Sub-Saharan Africa, three different types of models were tested—Sherraden’s (1991) original model of the direct effect of asset-ownership on various beneficial household economic outcomes, Shobe and Page-Adams’ (2001) model of the full mediation effect of future orientation on the relationship between assets and future material hardship outcomes, and a third model proposed by Ansong et al. (2013) which postulated that future orientation has a partial mediation effect on the relationship between assets and household economic stability (Ansong et al., 2013). Full mediation in the Shobe and Page-Adams (2001) model refers to the situation in which the independent variable asset-ownership exerts a significant effect on a dependent variable beneficial household economic outcomes only through, or in the presence of, a mediator variable future-orientations. In the full mediation model, the direct effect of the independent variable asset ownership on the dependent variable beneficial household economic outcomes is non-significant; the effect of the independent variable on the dependent variable becomes significant only through, or in the presence of, the mediator variable future-orientations. Partial mediation, such as that tested in the Ansong et al. (2013) study, refers to a situation in which an independent variable asset-ownership exerts a significant effect on a dependent variable household economic stability both independently and through, or in the presence of, the mediator variable future-orientations (Ansong et al., 2013).

The independent variable of interest, household assets, was operationalized as the sum worth value of all assets, including homes, land, farms, savings, and other durable resources; the dependent variable, household economic strain, was operationalized as a composite measure from a series of three questions that indicated material hardship, or the households’ lack of
access to food, medical care, and other necessities (Ansong et al., 2013). A standardized scale from the American Dream Demonstration project served as the measure of the mediation variable, future-orientation, in this study, by asking the households about how they view their personal finances in the future (Ansong et al., 2013). A composite measure from a series of three dichotomous questions relating to the households’ prospects about their present and future access to food, assets, and general quality of life represented the dependent variable in this particular study (Ansong et al., 2013). As evidenced by three separate structural equation model analyses, “The results support Shobe and Page-Adams’s (2001) full mediation hypothesis that assets may have direct effects on future orientation and future orientation may in turn affect economic stability of households. That is, ownership of assets may create an orientation toward the future, and this will in turn reduce the strain on households during economic shocks” (Ansong et al., 2013, pp. 154–155). In summary, asset-ownership does not lead directly to beneficial household economic outcomes as Sherraden had originally posited: Ansong et al. (2013) argue that asset-ownership “creates” a future-orientation, which then leads to household economic stability.

Despite a dearth of empirical theory-testing research, asset-development programs have been implemented to induce household economic self-sufficiency and to facilitate children’s college education pursuits. Because only a little theory-testing research has been conducted on the mediation effect of future-orientation on the relationship between asset ownership and a few household economic self-sufficiency outcomes (Ansong et al., 2013; Kim & Sherraden, 2011; Sherraden, 1991; Shobe & Page-Adams, 2001), research needs to be conducted to ascertain the effects of future-orientation on the relationship between asset ownership and financial well-being, as conceptualized by the CFPB (2015). Ansong et al.’s (2013) study contributed to the theory-building literature by establishing the mediation effect of future orientation on the
relationship between assets and household economic strain, operationalized from affirmative answers to three dichotomous questions—whether the household could afford the food, medical care, and necessities that the household wanted. To date, no research on how a future-orientation mediates the effect of asset-ownership on financial well-being has been undertaken. Prior research, moreover, has not described the mediation effect of a child’s future-orientation on the relationship between parental assets and the children’s household economic strain in a manner akin to the Zhan and Sherraden (2003) study.

Other Themes in the Research on Asset-Development

The asset-based theory of American social welfare is a normative theory that stipulates the values and principles that guide policymakers to implement numerous interventions to achieve a particular goal (Bishop, 2000)—in this case, the goal of facilitating asset-building among low-income households (Sherraden, 1991). Because the basic theories (i.e., relationships between variables) that comprise this normative theory (i.e., theories about how phenomena should work) have been described to this point, a description of the themes that encompass the intervention theories underpinned by the asset-based theory of American social welfare is warranted. All of the studies in this subsection have described the intervention theory—the scientific description of the theoretical pathways about how interventions elicit changes in social phenomena or vice-versa (Pick, Poortinga, & Givaudan, 2003)—to elucidate either (a) the effects of asset-building programs (i.e., IDA programs) on a couple of anti-poverty outcomes (e.g., enable participants to save funds) or (b) the effects of demographics on performance in an asset-building program. These descriptions are important because the findings of the present dissertation research of this basic theory will undoubtedly impact the intervention theories underpinned by the normative asset-based theory of American social welfare. Thus, the research
on asset-development contains other themes beyond the theory-building research, and the purpose of this subsection is to briefly describe the research that fits within those remaining themes.

Program Evaluation Research

A host of research articles have enumerated findings that IDA programs effectively enable participants to save funds and lead to various positive financial outcomes in the participants’ financial lives. IDA programs were established in the mid-to-late 1990s, and program evaluation research began shortly thereafter (Grinstein-Weiss & Irish, 2007). The purpose of this subsection, then, is to describe the program evaluation research in terms of two subtypes of studies, particularly (a) effectiveness in saving funds and (b) effectiveness in the promotion of positive financial outcomes in the participants’ financial lives.

A plethora of studies have demonstrated the effectiveness in saving funds in IDA programs. A study from the early days of IDA program implementation used binary multivariate logistic regression to model the predictors of IDA program enrollment among a non-random survey sample of low-income households (Reutebuch, 2001). The data suggested that education was the strongest predictor of IDA program enrollment, meaning that each one-unit increase in years of education was associated with a 2.4-fold increase in the likelihood of IDA program enrollment among the low-income households (Reutebuch, 2001). This study implies that IDA programs might be more appealing to households with more education and, thus, with a subsequently greater income-earnings potential than households with less education (Reutebuch, 2001).

Another study that used data collected by researchers at the Center for Social Development at the George Warren Brown School of Social Work, Washington University in St.
Louis corroborated the importance of education in successful saving in IDA programs (Ssewamala & Sherraden, 2004). Specifically, a lack of a high school diploma among the IDA participants was associated with saving $11.32 less per month as opposed to those participants who had graduated from high school (Ssewamala & Sherraden, 2004). Moreover, saving for a post-secondary education moderates (i.e., interacts with) the relationship between various demographic variables and saving performance in IDA programs (Zhan & Schreiner, 2005). For instance, female education savers (i.e., female IDA participants who saved for education) accumulated less savings (specifically, $9.05 less) than female non-education savings, and similar findings held for other combinations of demographics and savings goals (Zhan & Schreiner, 2005). Income mediated the relationship between educational attainment and amount of monthly net deposit (Zhan & Grinstein-Weiss, 2007).

Other studies have examined the role of other demographic characteristics as predictors of saving funds in IDA programs. Being married, as opposed to unmarried, was associated with higher amounts of monthly net deposit, as well as the frequency of deposits into a savings account (Grinstein-Weiss, Zhan, & Sherraden, 2006). When controlling for IDA program characteristics, Grinstein-Weiss, Wagner, and Ssewamala (2006) have suggested that households with children can effectively save funds in IDA programs. White households outperform black households when saving for a home purchase in IDA programs (Grinstein-Weiss, Irish, Parish, & Wagner, 2007), thereby further exacerbating the homeownership divide between white and black households. Middle-aged and older households (i.e., IDA program participants between the ages of 45 and 65 years of age) outperform younger households (i.e., IDA program participants between the ages of 25 and 44 years of age) in saving in IDA programs (Putnam, Sherraden, Zhang, & Morrow-Howell, 2008). Other research has shown that IDA program participation is
associated with increases in social inclusion, after controlling for various demographic characteristics (Lombe & Sherraden, 2008). A different study has found that owning a home, a car, or a checking account at a bank predicted significant decreases in saving performance in IDA programs (Curley, Ssewamala, & Sherraden, 2009), and another study found that IDA participation resulted in about $4,600 more in real (tangible) assets (i.e., home value and vehicle value) and about $5,200 more in total (intangible) assets (i.e., the value of all bank, investment, and retirement accounts) than non-participating households (Han, Grinstein-Weiss, & Sherraden, 2009).

The flagship survey study of a select number of IDA programs, the American Dream Demonstration (ADD), resulted in data that have been used to analyze IDA program enrollment and performance (Sherraden, Schreiner, & Beverly, 2003). Regression analyses of the early waves of the data revealed that increases in income did not predict significant increases in amount of monthly net deposit, a key metric of saving in IDA program evaluation (Sherraden et al., 2003). Higher incomes, moreover, barely predicted significant decreases in saving rates, operationalized as amount of monthly net deposit divided by monthly income (Sherraden et al., 2003). The authors posited that, but did not test how, the institutional factors of IDA programs—specifically the match rates, provision of direct deposit into savings accounts, savings targets, and the provision of financial educations—increase in saving performance variables in IDA programs (Sherraden et al., 2003). Another study that analyzed ADD data found that welfare receipt does not have a significant effect on saving in IDA programs (Zhan, Sherraden, & Schreiner, 2004). The results, as a whole, implied that income does not explain the variance in two IDA saving metrics (savings rate and the attainment of savings targets), and, therefore, that institutional determinants, such as higher IDA program match rates initiated by the program and
the provision of financial education courses unique to the needs of the communities in which each IDA program resides, must contribute to successful saving among participants in IDA programs (Sherraden et al., 2003; Zhan et al., 2004).

Research has been presented to this point in this subsection to describe the characteristics of households that participate in IDA programs. The remainder of this subsection presents research to describe the determinants that contribute to successful saving in IDA programs. A conceptual paper posited that saving in IDA programs is a function of four determinants: (a) access to deposit savings accounts at bank institutions, (b) financial information and education, (c) facilitation of saving through convenient and helpful saving mechanisms, and (d) incentives of saving funds and receiving matched deposits (Beverly & Sherraden, 1999). [Empirical research on these determinants is presented following this introductory paragraph.] To be able to successfully save funds, households need to have access to deposit savings accounts at bank institutions (Beverly & Sherraden, 1999). Otherwise, households would have to resort to either dissaving (i.e., spending) all of their funds on current consumption needs or saving funds in unsecured locations (e.g., under a mattress or in a hole dug in a household’s backyard; Beverly & Sherraden, 1999). Such saving techniques do not result in the accrual of a substantial amount of funds saved, nor do they result in interest earned on the funds that can be applied to asset-development and the interest’s consequent anti-poverty benefits (Beverly & Sherraden, 1999).

To benefit from the anti-poverty benefits of asset-development, households need to receive financial information and education (Beverly & Sherraden, 1999). The households need to understand the mechanics of money: how to use funds, create a budget, secure funds to be saved, and navigate traditional banking institutions and bank products (Beverly & Sherraden, 1999). Once the households have successfully learned about traditional banking institutions and
bank products, then the households can begin to benefit from the facilitation of saving through convenient and helpful saving mechanisms (Beverly & Sherraden, 1999). Examples of such convenient and helpful saving mechanisms, especially in light of IDA programs, include access to banks with (a) business hours extended beyond the traditional business-day hours predominant in the banking industry, (b) numerous locations that are convenient for the households to access, and (c) direct deposit services which automatically withdraw funds from a household’s checking account and deposit the funds to the household’s savings account (Beverly & Sherraden, 1999).

Once households have access to banks with convenient hours, locations, and direct-deposit services, the households could begin to feel excited about saving, especially if the banks provide incentives in the form of interest and matched-deposits (Beverly & Sherraden, 1999; Tufano & Schneider, 2009). To that end, IDA programs have been rather popular and successful because they provide interest accrued on the saved funds as well as a match on the saved funds, often on a dollar-for-dollar basis, upon withdrawal of the funds for an asset-development purchase (Beverly & Sherraden, 1999). The four determinants of successful saving in IDA programs, then, empower the households to accumulate assets and to decrease their likelihood of experiencing poverty (Beverly & Sherraden, 1999).

Empirical research supports the four determinants of successful saving in IDA programs. Analyses of ADD data revealed, through a hierarchical ordinary least squares multivariate regression technique, that individual characteristics were, on the whole, less important than institutional characteristics in explaining the variance in average monthly net deposit among IDA participants (Ssewamala & Sherraden, 2004). In terms of the variable access to deposit savings accounts at bank institutions, increases in the number of savings deposit locations—a proxy for access—were associated with significant increases in average monthly net deposit (Ssewamala &
For the institutional variable *financial information and education*, a proxy variable, participation in one to six hours of general financial education, was associated with significant increases in average monthly net deposit; participation in peer-group meetings also was associated with increases in the same dependent variable as well (Ssewamala & Sherraden, 2004). In terms of the variable *facilitation of saving through convenient and helpful saving mechanisms*, a proxy variable, the presence of direct deposit services, significantly predicted increases in average monthly net deposit (Ssewamala & Sherraden, 2004). For the institutional variable *incentives of saving funds and receiving matched deposits*, the data did not reveal an effect of the matched deposit rates proxy variable on the average monthly net deposit (Ssewamala & Sherraden, 2004).

In a subsequent study, data from the ADD determined which institutional-level attributes predicted amount of monthly net deposit, controlling for the effects of income, wealth, and sociodemographic characteristics (Curley, Ssewamala, & Sherradenm, 2009). The institutional-level, or IDA program-specific attributes, as defined in the literature, that predicted significant increases in this particular dependent variable included the presence of peer mentoring groups (financial information and education), one-to-six hours of financial literacy education (financial information and education), seven-to-twelve hours of financial literacy education (financial information and education), and monthly savings targets (Curley et al., 2009). The institutional-level attributes modeled with various individual-level attributes explained more of the variance in saving performance than the individual-level attributes alone in a hierarchical regression modeling procedure, suggesting that saving in IDA programs is a function of both institutional- and individual-level attributes (Curley et al., 2009). Several control variables also predicted increases in amount of monthly net deposit: the presence of various assets (e.g., home-
ownership, vehicle ownership, bank account ownership, etc.), living in rural areas, being a student, educational attainment, and being of any racial-ethnic background compared to being Caucasian (Curley et al., 2009).

A different study also corroborates the importance of institutional attributes in IDA program performance. This particular study found that increases in incentives promote increases in saving performance (Han & Sherraden, 2009). Increases in financial information and education hours, moreover, also promote increases in saving performance (Han & Sherraden, 2009).

Research studies have documented the ways that IDA program participation promotes positive financial outcomes among the IDA participants. For the direct ways that IDA programs promote positive financial outcomes among the IDA participants, IDA program participation was associated with increases in financial assets (e.g., ownership of bank accounts, such as checking accounts, savings accounts, retirement accounts, et cetera) and with increases in the participants’ attitudes toward saving funds (Huang, 2010). A different study analyzed survey data to examine the predictors of long-term financial behavior changes among former IDA participants (Loibl, Grinstein-Weiss, Zhan, & Bird, 2010). Consistent with Huang’s finding, IDA participants had improved access to financial assets (Loibl et al., 2010). IDA participants also reported increased financial self-efficacy to handle income shocks and more optimistic future-orientations (Loibl et al., 2010). Children, moreover, often served as a motivating factor in IDA participants’ willingness to save funds (Loibl et al., 2010). In terms of credit outcomes, IDA participation was associated with increases (i.e., improvements) in the IDA participants’ consumer credit scores (Birkenmaier, Curley, & Kelly, 2012), resulting in greater access to lower-cost credit.
Several ways that IDA programs promote positive financial outcomes within the IDA participants’ financial lives have been documented in the literature. IDA program participation has a positive effect on post-secondary education enrollment among the IDA participants, which likely results in an improved socioeconomic status and a decreased likelihood of experiencing poverty among the IDA participants (Grinstein-Weiss, Sherraden, Gale, Rohe, Schreiner, & Key, 2013). Among a sample of low-income employed IDA participants of an IDA program in Tulsa, Oklahoma, male IDA participants (not necessarily heads of households), moreover, succeeded better than female IDA participants (also not necessarily heads of households) in post-secondary degree attainment (likely because males more-often withdrew funds for schooling than females), thereby more-sharply decreasing the males’ (relative to the females’) likelihood of experiencing income- and asset-poverty (Grinstein-Weiss, Sherraden, Gale, Rohe, Schreiner, & Key, 2013). A case-study of several IDA programs suggested that IDA programs could increase civic-engagement among IDA participants, and the increased civic-engagement potentially could lead the IDA participants, for example, to form alliances and grassroots efforts to advocate for policies that mitigate the impacts of income- and asset-poverty (Williams Shanks, Boddie, & Rice, 2010).

**Child Development Accounts Research**

Following the research on the success of IDA programs to enable participants to save funds and lead to various positive financial outcomes in the participants’ financial lives, research has begun to evaluate Child Development Accounts (CDAs), or “asset-building accounts created for children at birth” that enable children to reach an asset-development goal upon becoming an adult (Huang, Sherraden, & Purnell, 2014, p. 30). Research has found that, due to savings incentives and strict rules for withdrawing funds, CDAs promote greater savings and improved
access to assets as compared to a control group that consisted of households who saved funds outside of a CDA program (Nam, Kim, Clancy, Zager, & Sherraden, 2013). Saving in CDAs was associated with decreases in maternal depressive symptoms (Huang et al., 2014), likely due to the mothers’ increased hopefulness that stemmed directly from the improved financial outlooks for their children’s lives.

**International Expansion of Individual Development Accounts**

A host of research articles, as aforementioned, have enumerated findings that IDA programs effectively enable participants to save funds and lead to various positive financial outcomes in the participants’ financial lives. Following program evaluation research on the effectiveness of IDA and CDA programs in the United States, research began to investigate the effectiveness of asset-development programs in international communities. The purpose of this subsection is to describe briefly the research on the international expansion of asset-development programs.

Most studies on the international expansion of asset-development programs examine the effects of assets on community-wide poverty or prosperity. For example, research has discussed the manners in which asset-development interventions could alleviate poverty in Sub-Saharan Africa (Ssewamala, Sperber, Zimmerman, & Karimli, 2010) and Ethiopia (Yeneabat & Butterfield, 2012). Another example of research discussed the likely impacts of CDAs in China (Zou & Sherraden, 2010).

Two studies on the international expansion of asset-development programs examined the effects of assets on household-level poverty or prosperity. One study found that households’ personal savings of funds diminish the hardship predicted by asset-poverty among Chinese households (Huang, Jin, Deng, Guo, Zou, & Sherraden, 2013). For the other study, analyses of
Chinese Household Income Project data revealed that Chinese households’ assets were more important than household income in explaining the variation in girls’ educational endeavors (Deng, Huang, Jin, & Sherraden, 2014).

**Asset-Development Across the Life-Course**

The asset-development research in the investment sciences literature is predominantly comprised of research that investigated asset-development across the life-course. Some of the research focuses on the entire life-course, while the rest focuses on young-adulthood, assets and marriage or assets in older-adulthood. Two exemplary studies have analyzed assets across the entire life-course. One study, in particular, found support for the life-cycle hypothesis of consumption and saving (Kraft & Munk, 2011). The results suggested that young adults rented housing until they become financially-established and then buy a home once they become financially-established (Kraft & Munk, 2011). Once the financially-established adults reach retirement-age, they begin to prefer liquidation of their assets (Kraft & Munk, 2011). Other research, such as Halket and Vasudev (2014), has examined the elasticity of owning a home across various stages of the life-course.

Three other known studies in the investment sciences have focused on asset-development in young-adulthood. Two of the studies (Babiarz & Yilmazer, 2009; Elliott, Constance-Huggins, & Song, 2013) investigated the role of assets in predicting college-related outcomes. Federal financial aid regulations stipulate that assets encapsulated in retirement accounts and in home equity do not count against households in computing financial aid awards, and 2001 Survey of Consumer Finances data suggest that young-adults receive more financial aid in the presence of more assets encapsulated in retirement and housing assets (Babiarz & Yilmazer, 2009). Research
has also found that young-adults with savings accounts were more successful in their pursuits of a post-secondary education (Elliott et al., 2013).

**Financial Literacy and Asset-Development in Young-Adulthood**

Financially-savvy adolescents tend to become financially-savvy adults (Grinstein-Weiss, Spader, Yeo, Taylor, & Freeze, 2011). Data from the 1997 National Longitudinal Survey of Youth provide additional support for this thesis (Letkiewicz & Fox, 2014). Increases in financial literacy scores from adolescent to adulthood were associated with increases in (a) liquid assets and (b) illiquid assets (Letkiewicz & Fox, 2014).

**Assets And Marriage**

Various studies have analyzed the relationship between assets and marriage. One study found that married couples are more likely than single individuals to invest in risky assets (Bertocchi, Brunetti, & Torricelli, 2011). Another study found that assets were inversely related to household economic strain; debt, on the other hand, was directly related to household economic strain (Dew, 2007). Married couples who had cohabited prior to marriage paid-down their asset-related debt faster than married couples who had not cohabited, possibly due to the idea that married couples who had cohabited were more committed to the idea of uniting with their partners in marriage than married couples who had not cohabited (Painter II & Vespa, 2012). Marriage dissolutions and their impact on asset-holdings in older-adulthood, moreover, have also been studied (Ulker, 2009).

**Assets In Older-Adulthood**

Various studies have analyzed assets in older-adulthood. One exemplary study (James III & Sharpe, 2007) conducted time-series analyses of pooled Consumer Expenditure Survey data. The findings of that study suggest that housing renters nearing retirement did not save for their
retirement pensions as often as and/or as much as their home-owning counterparts (James III & Sharpe, 2007).

**Limitations and Implications of the Literature Review**

The asset-development research, as a whole, contains some global limitations. These global limitations reasonably lead to global implications for the entirety of asset-development research. The theory-building research also contains some limitations specific to the theory-building research. These limitations also reasonably lead to implications specific to the theory-building research. The global limitations, global implications, theory-specific limitations, and theory-specific implications will be discussed in the following subsections.

**Global Limitations of the Literature Review**

The asset-development research, as a whole, faces challenges based on one specific global limitation. On the whole, substantially fewer studies contributed to the theory-building theme compared to the many studies that comprised the program evaluation theme. This observation implies that substantially fewer studies shaped the theory, the asset-based theory of American social welfare, which underpinned the programs (implemented after the theory was originally posited) that aimed to decrease income- and asset-poverty among lower-income Americans.

**Global Implications of the Limitations of the Literature Review**

Due to the observation that substantially fewer studies contributed to the theory-building theme than the program evaluation theme and program implementation (Branom, 2012; Finn, 1994; Jansson, 2008), these observations imply that the asset-based theory of American social welfare should be further refined (Branom, 2012; Finn, 1994). As the knowledge-base continues to grow, theories should also continue to be refined (Branom, 2012; Finn, 1994). The asset-
development research, as a whole, is no different and, therefore, should also continue to be refined (Branom, 2012; Finn, 1994).

**Limitations Specific to the Theory-Building Research**

Limitations also specifically plague the theory-building research. The first observation is that the asset-based theory of American social welfare has not been tested on the financial well-being of a sample of American households, although this theory has been tested on a sample of Ugandan households (Ansong et al., 2013). While both Ugandan asset-ownership and American asset-ownership include home values, vehicle values, and bank account balances, Ugandan asset-ownership diverges because it includes the financial value of consumer durables, funds from family and friends, and livestock, such as “cattle, goats, sheep, donkey, pigs, chicken, and oxen” (Ansong et al., 2013, p. 152). The second observation is that prior research (i.e., Ansong et al., 2013; Sherraden, 1991; Shobe & Page-Adams, 2001) has not tested the intermediary role of a future-orientation on the relationship between asset-ownership and financial well-being as conceptualized by empirical qualitative research conducted by the CFPB (2015). This will help researchers to understand how a future-orientation mediates the relationship between asset-ownership and financial well-being, a broad concept that encompasses a household’s financial security in the present and the future, as well as a household’s financial freedom of choice in the present and future (CFPB, 2015). The final observation is that prior research (i.e., Ansong et al., 2013; Sherraden, 1991; Shobe & Page-Adams, 2001) has not tested the intermediary role of a child’s future-orientation on the relationship between parental asset-ownership and the children’s financial well-being as conceptualized by the CFPB (2015) in a manner akin to the Zhan and Sherraden (2003) study.
Implications of the Limitations Specific to the Theory-Building Research

The aforementioned limitations specific to the theory-building research reasonably lead to several implications. Relative to the first limitation, the asset-based theory of American social welfare needs to be tested on the financial well-being of a sample of American, as opposed to Ugandan, households. Asset-ownership helps households achieve economic self-sufficiency (Ansong et al., 2013; Christy-McMullin et al., 2009; Scanlon & Adams, 2009; Sherraden, 1991). To drive home this point about the importance of assets in the development of household economic self-sufficiency, research on a sample of 60 financially-fragile IDA participants found evidence that asset-development can decrease perceived household economic strain over the course of a couple of years (Shobe & Boyd, 2005). Extensive quantitative research on a large nationally-representative sample of American households is warranted to elucidate the effect of asset-ownership on various financial well-being outcomes.

The second observation implies that the theory-building research needs to contain research that reflects the CFPB’s (2015) recently-formed conceptualization of financial well-being. The CFPB’s (2015) conceptualization of financial well-being is broader than household economic stability or household economic strain. Financial well-being refers to a concept that holds that economically self-sufficient households enjoy both financial security and freedom-of-choice in both the present and in the future (CFPB, 2015). The terms household economic stability and household economic strain hold that economically self-sufficient households can afford only household consumables in the present (Ansong et al., 2013; Christy-McMullin et al., 2009; Shobe & Boyd, 2005).

The final observation implies that the theory-building research needs to contain research that tests the intermediary role of young adults’ future-orientations on the relationship between
parental asset-ownership and the young adults’ financial well-being as conceptualized by the CFPB (2015) in a manner akin to the Zhan and Sherraden (2003) study. Ansong et al. (2013) described the intermediary effect of household-level future-orientations on the relationship between asset-ownership and economic strain with the Ugandan household as the unit-of-analysis. That finding disregarded any description of the social capital role of parental asset-ownership on their children’s financial well-being (Coleman, 1988; Sherraden, 1991; Zhan & Sherraden, 2003). A study of the intermediary role of a child’s future-orientation on the relationship between parental asset-ownership and their children’s financial well-being will serve as evidence to further substantiate that parental asset-ownership serves as a social capital mechanism that imparts subsequent benefits to the parents’ children later in life (Sherraden, 1991; Zhan & Sherraden, 2003).

Research Objectives, Hypotheses, and Rationale

The major purpose of this dissertation research is to test the asset-based theory of American social welfare using a theoretical model testing technique. This model will determine whether communication with parents about the young adults’ future plans (Xiao, Chatterjee, & Kim, 2014)—a proxy for young adults’ future-orientations—is a mediator of the relationship between parental asset-ownership and the young adults’ financial well-being among a representative sample of American households. This study is a replication of Ansong et al. (2013) coupled with some of improvements. However, Ansong et al. (2013) predicted perceived household economic stability among a sample of Ugandan households, whereas this dissertation research will predict financial well-being among a sample of American households. Whereas Ansong et al. (2013) analyzed the intermediary role of Ugandan households’ future-orientations on the relationship between asset-ownership and perceived household economic stability with
the Ugandan household as the unit-of-analysis, this dissertation research will analyze the intermediary role of young adults’ future-orientations on the relationship between parental asset-ownership and the young adults’ financial well-being. The author hypothesized that young adults’ future-orientations fully mediate, or partially-predicts (MacKinnon, Krull, & Lockwood, 2000), the relationship between parental asset-ownership and the young adults’ financial well-being to reach statistical significance, based on Shobe and Page-Adams (2001) conceptual article and Ansong et al.’s (2013) empirical support for the role of a future-orientation as a full mediator.

Social workers, according to the opinion of Rank (2004) and Sherraden (1984, 1991), should be concerned about households’ financial lives. Income- and asset-poor households are often blamed for their poverty due to a purported lack of foresight into the future (i.e., the culture of poverty theory; Mead, 1992; Sherraden, 1984). Such income- and asset-poor households, due consequentially to their lack of resources, have little political power to challenge such assertions (Sherraden, 1984, 1991). Upon acquiring financial assets, income- and asset-poor households change the way they think about their own future financial lives, despite struggling with the challenges that arise from a lack of income and assets relative to more financially-prosperous households (Christy-McMullin et al., 2009; Scanlon & Adams, 2009). To illustrate this point, several studies found evidence that suggests that income- and asset-poor households think about and feel concerned with their future financial lives. For instance, a quantitative relational study found that rural low-income, home-owning IDA participants from Arkansas were more likely than their rural low-income, non-homeowner counterparts to have a future-orientation due directly to the present and future economic advantages of owning a home (Christy-McMullin et al., 2009). A qualitative study comprised solely of youth from income-poor households in a
college savings program found that the act of depositing funds into a savings account helped the participants think about their own future life outcomes and to engage in behaviors congruent with their future college aspirations (Scanlon & Adams, 2009). The direction of influence, the authors claimed, was from asset-development to behaviors because, anecdotally, the data suggested that “asset effects were perceived by youth as outcomes of participation in the SEED program” (Scanlon & Adams, 2009, p. 42).
CHAPTER 3: RESEARCH METHOD

Prior research has theorized (Shobe & Page-Adams, 2001) and empirically tested (Ansong et al., 2013) amendments to Sherraden’s (1991) conceptualization of the asset-based theory of American social welfare. Specifically, Ansong et al. (2013) tested Shobe and Page-Adams’ (2001) proposition that a future-orientation mediates the positive effect of asset-ownership on various household economic self-sufficiency outcomes. The purpose of this dissertation research is to replicate Ansong et al.’s (2013) study, including the use of structural equation modeling, with a few key improvements to the limitations inherent in their study.

Data Source

The data sources for this dissertation research were the 2011 Panel Study of Income Dynamics (PSID) for the parental-level variables and the accompanying 2011 Transition-to-Adulthood Supplement (TAS) for the young adult-level variables. PSID data were utilized in this study for two primary reasons. Most notably, prior asset-development research (e.g., Huang, Guo, Kim, & Sherraden, 2010; Yadama & Sherraden, 1996) and financial capability research (Xiao, Chatterjee, & Kim, 2014) utilized the PSID as a data source. The PSID, however, did not contain all of the variables necessary to replicate Ansong et al.’s (2013) study. Because the TAS contained all of the variables necessary to replicate Ansong et al.’s (2013) study with a representative sample of American households, the 2011 PSID and the accompanying 2011 TAS were merged to conduct this dissertation research.

The Panel Study of Income Dynamics

The PSID is a panel survey established in 1968 that has collected detailed data on the income, assets, and deprivation among a representative sample of approximately 9,000 American households (Institute for Social Research, University of Michigan, 2013; McGonagle, Schoeni,
Sastry, & Freedman, 2012). The PSID contains a high survey response rate and a low rate of survey item non-response (McGonagle et al., 2012). Although the PSID began with data on over 18,000 individuals from 2,930 households, the sample size of the PSID continues to increase as the individuals in those households age and establish their own households (Institute for Social Research, University of Michigan, 2013; McGonagle et al., 2012). To illustrate this point, the PSID began collecting data on a representative probability sample of American households in 1968 but has evolved since that time to represent essentially a stratified sample of households (Institute for Social Research, University of Michigan, 2013; McGonagle et al., 2012). The stratified sample of households consists of (a) the original households surveyed in 1968, (b) the households added to the panel as the individuals in those original households aged and established their own households, and (c) the households that participated in the current year survey as well as the survey from four years prior (Institute for Social Research, University of Michigan, 2013; McGonagle et al., 2012). [This third group, in other words, represents households who formerly participated in the PSID but skipped the previous survey administration due to survey non-response (Institute for Social Research, University of Michigan, 2013; McGonagle et al., 2012).]

**The Transition-to-Adulthood Supplement**

Because the PSID does not contain all of the variables necessary to test the asset-based theory of American social welfare on a sample of American households, additional data from the 2011 Transition-to-Adulthood Supplement was joined at the household-level with the 2011 PSID (Institute for Social Research, University of Michigan, n.d.). The TAS participants range from 18 to 28 years of age and must meet specific survey inclusion criteria: The participants (a) must be no longer enrolled in a high school, (b) must have participated in the PSID Child Development
Supplement, and (c) must be from a PSID household (Institute for Social Research, University of Michigan, n.d.). The TAS questions have been designed to quantitatively triangulate upon the manner in which the young adults make critical life decisions that may impact the young adults for the remainder of their lives (Institute for Social Research, University of Michigan, n.d.). Topics covered by the TAS questions include time use, responsibilities (both financial and personal), personal conceptualizations of the self, relationships, employment, income, wealth, education, health, social environment, religiosity, race/ethnicity, and outlook on life (Institute for Social Research, University of Michigan, n.d.).

**Explanation of the Observed Variables**

The purpose of this subsection is to describe the dependent-, mediator-, and independent-observed variables. Ansong et al.’s (2013) dependent latent variable was perceived household economic stability; this dissertation research’s dependent latent variable was young adults’ financial responsibility which serves as a one of many components of financial well-being (Gerrans et al., 2014). [Recall that financial well-being is a synonym of financial wellness that encompasses financial behaviors pertaining to “the individual’s perception of his or her ability to meet expenses . . . among other factors” (Gerrans et al., 2014, p. 146).] The mediator latent variable was future-orientation (Ansong et al., 2012; Seginer, 2009), and the independent latent variable was asset-ownership (Ansong et al., 2013; Sherraden, 1991; Shobe & Page-Adams, 2001).

**Dependent Observed Variables**

A series of dependent observed variables were included in the analysis to load onto the dependent latent variable, young adults’ financial responsibility. [Young adults’ financial responsibility served as a proxy for financial well-being because financial well-being
encompasses behaviors pertaining to “the individual’s perception of his or her ability to meet expenses . . . among other factors” (Gerrans et al., 2014, p. 146).]

Four ordinal-level dependent observed variables—responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money—varied on a scale from zero, no responsibility, to four, complete responsibility (Institute for Social Research, University of Michigan, 2011).

As enumerated in the Results chapter, all four of these observed variables demonstrated strong internal consistency as well as strong factor loadings greater than 0.50 in a confirmatory factor analysis. Note that whereas Xiao, Chatterjee, and Kim (2014) referred to these variables as young adults’ financial independence, this dissertation refers to the same variables as young adults’ financial responsibility. This is due to the observation that each of the four individual observed items, as well as the corresponding Likert-response scales, each contains the term “responsibility” (Institute for Social Research, University of Michigan, 2011).

**Mediator Observed Variables**

A series of mediator observed variables were included in the analysis to load onto the mediator latent variable, young adults’ future-orientation, with communication with parents about the young adults’ future plans (Xiao, Chatterjee, & Kim, 2014) serving as a proxy for this construct. Considering that future-orientation is characterized as an “active engagement in future thinking and future-related behavior that facilitates acquaintance with prospective events, experiences, and options and makes the future psychologically closer, more real, and amenable for planning” (Seginer, 2009, p. viii), the mediator observed variables strategically targeted this conceptualization of future-orientation. The first four of these eight ordinal-level variables—the
frequency of a young adult talking to their mother about future educational plans, frequency of talking to their mother about future work plans, frequency of talking to mother about future family plans, and frequency of talking to mother about future work-family conflicts—varied on a scale from zero, never, to six, daily (Institute for Social Research, University of Michigan, 2011). The second four of these eight ordinal-level variables—the frequency of a young adult talking to their father about future educational plans, frequency of talking to their father about future work plans, frequency of talking to father about future family plans, and frequency of talking to father about future work-family conflicts—varied on a scale from zero, never, to six, daily (Institute for Social Research, University of Michigan, 2011). As enumerated in the Results chapter, all eight of these observed variables demonstrated strong internal consistency as well as strong factor loadings greater than 0.50 in a confirmatory factor analysis.

Separate analyses were conducted for the subset of TAS respondents who answered the mother-future-orientation questions and for the subset who answered the father-future-orientation questions. Separate analyses by mother versus father, moreover, is a substantively sound decision due to the differences in influence that mothers as opposed to fathers exert on their young adults’ future-orientations. Most notably, Xiao, Chatterjee, and Kim (2014) analyzed the young adult future-orientation questions, termed parental communication with father and parental communication with mother, as two separate variables as opposed to one aggregated parental communication variable. Previous research on young adults’ future-orientations, moreover, has focused only on mothers’ influences, as opposed to (a) fathers influences only and/or (b) mothers and fathers’ joint influences, on their young adults’ future-orientations (Seginer & Shoyer, 2012) due to two reasons. Young adults tend to spend more one-on-one time with their mothers than with their fathers: “Time spent with mother only remained stable across
grade at approximately 3.0% of waking time; time spent with father only remained stable at approximately 1.6% of waking time” (Larson, Richards, Moneta, Holmbeck, & Duckett, 1996, p. 747). Young adults also tend to more-frequently disclose personal details to their mothers than to their fathers (Smetana, Metzger, Gettman, & Campione-Barr, 2006). Because mother-young adult dyads, as compared to father-young adult dyads, spend more time together (Larson et al., 1996) and disclose to one-another a greater quantity of personal details (Smetana et al., 2006), this dissertation will evaluate the mother-future-orientation observed variables in separate structural equation modeling analyses from the father-future-orientation observed variables.

**Independent Observed Variables**

A series of independent observed variables were included in the analysis to load onto the independent latent variable, parental asset-ownership. Considering that asset-ownership is characterized as the ownership of tangible or intangible durable resources necessary to live a socially- or politically-defined minimally-adequate lifestyle over a period of time (Birkenmaier & Tyuse, 2005; Brandolini, Magri, & Smeeding, 2010; Rank, 2004; Sherraden, 1991; Sherraden, 2013), the independent observed variables validly and strategically targeted this conceptualization of asset-ownership in a manner consistent with prior research (e.g., Di, 2007; Sherraden, 1991; Yadama & Sherraden, 1996). Six ratio-level variables that were originally hypothesized to load onto the independent latent variable asset-ownership were operationalized as the dollar value of six assets that hold monetary value: homes, other real estate (e.g., farms, hunting camps, etc.), vehicles, other physical assets (e.g., boats, private aircraft, etc.), farms and businesses, and the sum of cash in the respondents’ checking and savings accounts (Institute for Social Research, University of Michigan, 2013). A subsequent factor analysis revealed that, through factor loadings greater than or equal to 0.50, only home value, other real estate value,
vehicle value, and the sum of cash in the respondents’ checking and savings accounts loaded onto the assets factor. A log sum total of these four assets, therefore, served as the sole observed exogenous variable in this study.

**Control Observed Variables**

To control statistically for two theoretically-relevant variables that have an effect on parental asset-ownership, two direct effects were evaluated. Sherraden (1991) posited that increases in both income and age of household heads predict increases in the value of a household’s stock of assets. Thus the direct effect of 2010 household income (log dollars) on parental asset-ownership served as a method of controlling statistically for the theoretically-positive effect of income on assets (Sherraden, 1991). Similarly, the direct effect of age of household head on parental asset-ownership served to control statistically for the theoretically-positive effect of age on assets (Sherraden, 1991).

**Data Analysis**

The Institutional Review Board (IRB) at Louisiana State University approved this study for exemption from institutional oversight because the 2011 PSID and 2011 TAS were publicly-available data sets on the Internet. [See the Appendix for the IRB documentation.] All data were managed, statistically described, and statistically analyzed using Stata/SE 13 and Stata/SE 14.1. The researcher first merged the 2011 PSID and 2011 TAS using the variable 2011 family identification number common to both data sets. The researcher then verified that the 2011 PSID and 2011 TAS were correctly merged and then analyzed the data for descriptive statistics. Frequencies and percentages were computed for the ordinal-level observed variables and means and standard deviations for the interval- and ratio-level observed variables. Cronbach’s alpha coefficients were also computed to measure the reliability, or internal consistency, of the
observed variables in measuring the constructs that the variables purportedly measure (Cronbach, 1950, 1951, 2004).

The theorized structural equation models were statically analyzed with SEM Builder, a graphical structural equation modeling drawing suite, built into Stata/SE 14.1. Two separate structural equation models were then analyzed: (a) a model utilizing the mother-future-orientation observed mediator variables for the entire sample and (b) a model utilizing the father-future-orientation observed mediator variables for the entire sample. To control for differences in income and age of household head, the direct effects of both of those variables on parental log assets were evaluated. In both of the structural equation models, the direct effect of parental log assets on young adults’ financial responsibility, as well as the indirect mediation effect of young adults’ future-orientations on the relationship between parental log assets and young adults’ financial responsibility, were computed to test for the hypothesized mediation effects.

Because structural equation modeling was employed, goodness-of-fit measures were reported to indicate how the data fit within the theoretical structural framework (Baron & Kenny, 1986; Kline, 2005; McQuitty & Wolf, 2013; Schreiber, Nora, Stage, Barlow, & King, 2006; Schumacker & Lomax, 2004). Goodness-of-fit measures were reported to indicate the likelihood that the models hold plausible in the population (MacCallum, Brown, & Sugawara, 1996). The specific goodness-of-fit measures reported in this dissertation research included the likelihood ratio $\chi^2$ test statistics that exceed the critical value for this study’s degrees-of-freedom to indicate the model’s plausibility in the population (MacCallum et al., 1996), root-mean-square error of approximation values lower than 0.10 but preferably lower than 0.05 to indicate low levels of measurement error (MacCallum et al., 1996), and comparative fit indices greater than 0.90 also to indicate the model’s plausibility in the population (Bentler & Bonett, 1980). Factor loadings
were computed, and path diagrams also were graphed to visually present the theoretical paths of
the asset-based theory of American social welfare (Baron & Kenny, 1986; Kline; McQuitty &
Wolf, 2013; Schreiber et al., 2006; Schumacker & Lomax, 2004). Standardized beta coefficients
for all mediation effects were reported in order for the effects of all of the observed variables to
be reported on congruent scales.

**Structural Equation Modeling**

A structural equation model is essentially a tapestry, or patchwork, of numerous
regression models (Bollen & Hoyle, 2012; Brown & Moore, 2012; Hair Jr., Anderson, Tatham,
& Black, 1998; Hoyle, 2012; Kline, 2005; Schumacker & Lomax, 2004). Structural equation
modeling simultaneously combines confirmatory factor analysis, path analysis, and regression
into one statistical analysis procedure (Hair Jr. et al., 1998; Hoyle, 2012; Schumacker & Lomax,
2004). Researchers can also test for mediation effects using structural equation modeling,
meaning that the researchers can test for direct and indirect effects between variables
(MacKinnon, 2008; Schumacker & Lomax, 2004) as described later in this subsection.

**Confirmatory Factor Analysis**

Prior to running a structural equation model analysis, the computerized structural
equation modeling software performs a confirmatory factor analysis to estimate the measurement
model (Bollen & Hoyle, 2012; Brown & Moore, 2012; Hair Jr. et al., 1998; Hoyle, 2012). The
researcher uses a confirmatory factor analysis to discern which observed variables load onto the
overarching latent variables (Bollen & Hoyle, 2012; Brown & Moore, 2012; Hair Jr. et al., 1998;
Hoyle, 2012). To begin, in a data spreadsheet consisting of columns representing observed
variables and rows representing survey respondents, a factor—defined as the sum of the
observed variable scores for one particular latent variable—is computed for each respondent
Then a multivariate regression equation is computed by regressing all of the theoretically-relevant observed variables (posited to represent a particular latent variable) on the factor (Bollen & Hoyle, 2012; Hair Jr. et al., 1998).

The standardized beta coefficients from this multivariate regression equation represent factor loadings (Bollen & Hoyle, 2012; Hair Jr. et al., 1998). Factor loadings vary between zero and one, with acceptable factor loadings should meet or exceed a magnitude threshold of 0.50 (Hair Jr. et al., 1998). These factor loadings are then used in multivariate regression equations to compute a factor score for each participant by summing the products of each of their observed variable scores and the corresponding factor loadings (Bollen & Hoyle, 2012; Brown & Moore, 2012; Hair Jr. et al., 1998; Hoyle, 2012). These factor scores are then analyzed in the subsequent phases of the structural equation modeling analysis (Bollen & Hoyle, 2012; Hair Jr. et al., 1998; Hoyle, 2012).

Model Identification

The computerized structural equation modeling software manipulates the data to compute a matrix of variance and covariance values—a variance-covariance matrix—between all pairwise combinations of the observed variables (Byrne, 2001). This process enables the researcher to determine whether or not their structural equation model can be estimated and the path analysis and regression parameter estimates computed (Byrne, 2001). That is, this process informs the researcher whether their model is just-identified, over-identified, or under-identified (Byrne, 2001).

A just-identified model refers to structural equation models in which “the number of data variances and covariances equals the number of parameters to be estimated” (Byrne, 2001, p. 60).
meaning that the number of standardized beta coefficients form the confirmatory factor analysis equal the number of variance and covariance values in the matrix. Structural equation modeling is unproductive for just-identified models because the values in the matrix represent the very structure of relationships between the observed variables (Byrne, 2001). An under-identified model is also unproductive because “the number of parameters to be estimated [in the researcher’s specified structural equation model] exceeds the number of variances and covariances” in the matrix (Byrne, 2001, p. 35). In other words, under-identified models lack enough information in the variance-covariance matrix to estimate the number of parameters that the researcher specifies in their structural equation model (Byrne, 2001).

Researchers should strive to produce a model that is over-identified, meaning that “the number of estimable parameters is less than the number of … variances, covariances of the observed variables” (Byrne, 2001, p. 35). Over-identified models contain enough information in the variance-covariance matrix to estimate the number of parameters that the researcher specifies in their structural equation model (Byrne, 2001). Once a researcher specifies an over-identified model, one of the factor loadings for each latent variable is “constrain[ed] to a value of 1.0,” or held constant at a value of one, to define the scale of measurement for the corresponding latent variable (Byrne, 2001, p. 36). The constraint in this step implies that the scale of measurement of the corresponding latent variable is one-to-one with the scale of measurement of the constrained observed variable factor loading (Byrne, 2001). Once one of the factor loading parameter estimates has been constrained to 1.0, the researcher may continue with the subsequent steps of the structural equation modeling analysis—namely, path analysis and regression (Byrne, 2001).
Path Analysis And Regression

In the path analysis and regression analyses of the structural equation modeling process, the researcher estimates the structural model by drawing a path diagram to map the theorized causal effects between the independent latent variable, the mediator latent variable, and the dependent latent variable (Bollen & Hoyle, 2012; Hair Jr. et al., 1998; Hoyle, 2012). To ascertain the parameter estimates of the direct and indirect effects between the latent variables (see the subsequent paragraph for a discussion of mediation analysis in structural equation modeling), regression analyses are conducted between the factor scores of the independent latent variable on the dependent latent variable, as well as between (a) the independent latent variable and the mediator latent variable and (b) the mediator latent variable and the dependent latent variable (Bollen & Hoyle, 2012; Hair Jr. et al., 1998; Hoyle, 2012). The coefficients from these regression analyses comprise the path analysis portion of the structural equation model analysis and represent the direct effect of the independent latent variable on the dependent latent variable, as well as (a) the direct effect of the independent latent variable and the mediator latent variable and (b) the direct effect between the mediator latent variable and the dependent latent variable (Bollen & Hoyle, 2012; Hair Jr. et al., 1998; Hoyle, 2012).

To test for mediation effects in structural equation modeling, several effects must be computed (Bollen & Hoyle, 2012; MacKinnon, 2008). First, the direct effect of the independent latent variable on the dependent latent variable, controlling for the indirect relationship of the independent latent variable on the dependent latent variable through the mediator latent variable, must be computed (MacKinnon, 2008). Then, the direct effects of (a) the independent latent variable on the mediator latent variable and (b) the mediator latent variable on the dependent latent variable must be computed (MacKinnon, 2008). To compute a mediation effect (i.e., to
compute the indirect effect of the independent latent variable on the dependent latent variable through the mediator latent variable), the researcher multiplies the coefficients of the direct effects of (a) the independent latent variable on the mediator latent variable and (b) the mediator latent variable on the dependent latent variable (MacKinnon, 2008). A mediator latent variable mediates the relationship between the independent and dependent latent variables in the event that the standardized regression coefficient of the indirect effect is stronger or larger than the standardized regression coefficient of the direct effect (MacKinnon, 2008; P. Allison, personal communication, May 8, 2015). Renowned scholar Paul Allison opined that full mediation is rare, meaning that partial mediation is more often the case in testing for mediation effects in structural equation modeling (personal communication, May 8, 2015).
CHAPTER 4: RESULTS

This chapter of the dissertation presents the empirical statistical results of the analyses described in the previous chapter, research method. Descriptive statistics were presented first for the entire sample. Then descriptive results were presented for only the subset of respondents in the mother-future-orientation structural equation models and then for those in the father-future-orientation models. Cronbach’s alpha coefficients then were presented to describe the reliability, or internal consistency, of the various observed variables in this study. Full descriptions of the structural equation modeling analyses conclude this chapter.

Descriptive Statistics

Table 1 contains the descriptive statistics of the assets of the overall sample.

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Household Income</td>
<td>$63,732.10</td>
<td>$77,401.03</td>
</tr>
<tr>
<td></td>
<td>$43,100$</td>
<td></td>
</tr>
<tr>
<td>Age of Head of Household (Years)</td>
<td>39.25</td>
<td>14.71</td>
</tr>
<tr>
<td></td>
<td>42$</td>
<td></td>
</tr>
<tr>
<td>Parental Assets (Total)</td>
<td>$131,871.50</td>
<td>$271,003.20</td>
</tr>
<tr>
<td></td>
<td>$22,500$</td>
<td></td>
</tr>
<tr>
<td>Home Value</td>
<td>$95,949.80</td>
<td>$178,875.90</td>
</tr>
<tr>
<td>Other Real Estate Value</td>
<td>$5,544.11</td>
<td>$42,363.67</td>
</tr>
<tr>
<td>Vehicle Value</td>
<td>$12,000.47</td>
<td>$19,272.17</td>
</tr>
<tr>
<td>Sum of Cash in Respondents’ Checking and Savings Accounts</td>
<td>$13,769.94</td>
<td>$69,283.57</td>
</tr>
</tbody>
</table>

* Denotes median values.

The overall sample (N = 1,907) had a mean and median 2010 household income of $63,732.10 (SD = $77,401.03) and $43,100, respectively. The mean and median ages of the household heads were 39.25 (SD = 14.71) and 42 years, respectively. The mean and median of the sum value of parental assets (i.e., home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts) was $131,871.50 (SD = $271,003.20) and $22,500, respectively. Means for the variables home value, other real estate
value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts were $95,949.80 ($SD = $178,875.90), $5,544.11 ($SD = $42,363.67), $12,000.47 ($SD = $19,272.17), and $13,769.94 ($SD = $69,283.57), respectively.

**Mother-Future-Orientation Subset**

Table 2 contains the descriptive statistics of the assets of the mother-future-orientation subset—the subset of the TAS respondents who provided answers for the mother-future-orientation questions. [This subset consists of all of the TAS respondents who furnished answers to the mother-future-orientation items.]

Table 2
Descriptive Statistics of the Assets of the Mother-Future-Orientation Subset ($n = 1,713$)

<table>
<thead>
<tr>
<th>Variable</th>
<th>$M$</th>
<th>$SD$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Household Income</td>
<td>$64,654.12$</td>
<td>$79,686.73$</td>
</tr>
<tr>
<td>Age of Head of Household (Years)</td>
<td>39.05</td>
<td>14.63</td>
</tr>
<tr>
<td>Parental Assets (Total)</td>
<td>$133,712.90$</td>
<td>$279,911.90$</td>
</tr>
<tr>
<td>Home Value</td>
<td>$96,780.71$</td>
<td>$182,452.90$</td>
</tr>
<tr>
<td>Other Real Estate Value</td>
<td>$5,223.92$</td>
<td>$41,047.39$</td>
</tr>
<tr>
<td>Vehicle Value</td>
<td>$12,124.23$</td>
<td>$19,838.63$</td>
</tr>
<tr>
<td>Sum of Cash in Respondents’ Checking and Savings Accounts</td>
<td>$14,090.87$</td>
<td>$72,446.94$</td>
</tr>
</tbody>
</table>

* Denotes median values.

The subset of the sample included in the mothers-future-orientation structural equation models ($n = 1,713$) had a mean and median 2010 household income of $64,654.12 ($SD = $79,686.73) and $43,112, respectively. The mean and median ages of the household heads were 39.05 ($SD = 14.63$) and 41 years, respectively. The mean and median of the sum value of parental assets (i.e., home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts) was $133,712.90 ($SD = $279,911.90) and $22,500, respectively. Means for the variables home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts were $96,780.71 ($SD = $
$182,452.90), $5,223.92 (SD = $41,047.39), $12,124.23 (SD = $19,838.63), and $14,090.87 (SD = $72,446.94), respectively.

Table 3 contains the descriptive statistics of the young adults’ financial responsibility observed variables for the mother-future-orientation subset of the sample.

Table 3
Frequencies and Percentages of the Young Adults’ Financial Responsibility Observed Variables of the Constructs in the Mother-Future-Orientation Subset (n = 1,713)

<table>
<thead>
<tr>
<th>Observed Variable</th>
<th>Response Option</th>
<th>n</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility for Earning One’s Own Income</td>
<td>0</td>
<td>64</td>
<td>3.74</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>168</td>
<td>9.81</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>231</td>
<td>13.49</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>428</td>
<td>24.99</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>822</td>
<td>47.99</td>
</tr>
<tr>
<td>Responsibility for Paying One’s Own Mortgage or Rent</td>
<td>0</td>
<td>459</td>
<td>26.80</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>133</td>
<td>7.76</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>163</td>
<td>9.52</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>169</td>
<td>9.87</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>789</td>
<td>46.06</td>
</tr>
<tr>
<td>Responsibility for Paying One’s Own Bills</td>
<td>0</td>
<td>220</td>
<td>12.84</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>128</td>
<td>7.47</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>176</td>
<td>10.27</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>267</td>
<td>15.59</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>922</td>
<td>53.82</td>
</tr>
<tr>
<td>Responsibility for Managing One’s Own Money</td>
<td>0</td>
<td>33</td>
<td>1.93</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>41</td>
<td>2.39</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>80</td>
<td>4.67</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>293</td>
<td>17.10</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1,266</td>
<td>73.91</td>
</tr>
</tbody>
</table>

Note. Response options ranged from zero, no responsibility, to four, complete responsibility.

For the subset of the sample included in the mothers-future-orientation structural equation models, the four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) varied on a scale from zero, no responsibility, to four, complete responsibility. In general, about half of the respondents were responsible for earning their own income, paying their own mortgage or rent, and for paying their own bills, while three-fourths were responsible for managing their own money.

Specifically, in terms of responsibility for earning one’s own income, 64 (3.74%) of the 1,713 respondents in the mothers-future-orientation subset reported a value of zero, 168 (9.81%) a value of one, 231 (13.49%) a value of two, and 428 (24.99%) a value of three, while almost half (n = 822, 47.99%) responded with a value of four. For responsibility for paying one’s own mortgage or rent, 459 (26.80%) reported a value of zero, 133 (7.76%) a value of one, 163
(9.52%) a value of two, and 169 (9.87%) provided a value of three, while almost half of the respondents in this subset \((n = 789, 46.06\%)\) responded with a value of four. In terms of responsibility for paying one’s own bills, 220 (12.84%) reported a value of zero, 128 (7.47%) a value of one, 176 (10.27%) a value of two, and 267 (15.59%) provided a value of three, while a little more than half of the respondents in this subset \((n = 922, 53.82\%)\) responded with a value of four. For responsibility for managing one’s own money, 33 (1.93%) reported a value of zero, 41 (2.39%) a value of one, 80 (4.67%) a value of two, and 293 (17.10%) provided a value of three, while almost three-fourths of the respondents in this subset \((n = 1,266, 73.91\%)\) responded with a value of four.

Table 4 contains the descriptive statistics of the young adults’ future-orientation observed variables for the mother-future-orientation subset of the sample.

Table 4
Frequencies and Percentages of the Young Adults’ Future-Orientation Observed Variables of the Constructs in the Mother-Future-Orientation Subset \((n = 1,713)\)

<table>
<thead>
<tr>
<th>Observed Variable</th>
<th>Response Option n(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talking to Mother about Future Educational Plans</td>
<td>153 (8.93) 148 (8.64) 151 (8.81) 236 (13.78) 359 (20.96) 309 (18.04) 357 (20.84)</td>
</tr>
<tr>
<td>Talking to Mother about Future Work Plans</td>
<td>176 (10.27) 172 (10.04) 192 (11.21) 269 (15.70) 327 (19.09) 292 (17.05) 285 (16.64)</td>
</tr>
<tr>
<td>Talking to Mother about Future Family Plans</td>
<td>267 (15.59) 226 (13.19) 220 (12.84) 244 (14.24) 308 (17.98) 215 (12.55) 233 (13.60)</td>
</tr>
</tbody>
</table>

Note. Response options ranged from zero, never, to six, daily.

For the subset of the sample included in the mothers-future-orientation structural equation models, the four observed variables (the frequency of a young adult talking to their mother about future educational plans, frequency of talking to their mother about future work
plans, frequency of talking to mother about future family plans, and frequency of talking to mother about future work-family conflicts) varied on a scale from zero, never, to six, daily. In general, a fifth of the respondents talked to their mothers daily about their future educational plans and work plans. Approximately 17% talked to their mothers daily about future family plans. About 14% talked to their mothers daily about future work-family conflicts.

Specifically, in terms of the frequency of a young adult talking to their mother about future educational plans, 153 (8.93%) reported a value of zero, 148 (8.64%) a value of one, 151 (8.81%) a value of two, 236 (13.78%) a value of three, 359 (20.96%) a value of four, and 309 (18.04%) a value of five, while 357 (20.84%) responded with a value of six. For frequency of talking to their mother about future work plans, 101 (5.90%) reported a value of zero, 123 (7.18%) a value of one, 150 (8.76%) a value of two, 247 (14.42%) a value of three, 409 (23.88%) a value of four, and 326 (19.03%) a value of five, while 357 (20.84%) responded with a value of six. In terms of the frequency of talking to mother about future family plans, 176 (10.27%) reported a value of zero, 172 (10.04%) a value of one, 192 (11.21%) a value of two, 269 (15.70%) a value of three, 327 (19.09%) a value of four, and 292 (17.05%) with a value of five, while 285 (16.64%) responded with a value of six. For frequency of talking to mother about future work-family conflicts, 267 (15.59%) reported a value of zero, 226 (13.19%) a value of one, 220 (12.84%) a value of two, 244 (14.24%) a value of three, 308 (17.98%) a value of four, and 215 (12.55%) a value of five, while 233 (13.60%) responded with a value of six.

**Father-Future-Orientation Subset**

Table 5 contains the descriptive statistics of the assets of the father-future-orientation subset—the subset of the TAS respondents who provided answers to the father-future-orientation subset—...
questions. [This subset consists of all of the TAS respondents who furnished answers to the father-future-orientation items.]

Table 5
Descriptive Statistics of the Assets of the Father-Future-Orientation Subset \((n = 1,582)\)

<table>
<thead>
<tr>
<th>Variable</th>
<th>(M)</th>
<th>(SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Household Income</td>
<td>$66,627.70</td>
<td>$80,786.08</td>
</tr>
<tr>
<td>Age of Head of Household (Years)</td>
<td>39.07</td>
<td>14.72</td>
</tr>
<tr>
<td>Parental Assets (Total)</td>
<td>$139,564.00</td>
<td>$282,840.00</td>
</tr>
<tr>
<td>Home Value</td>
<td>$101,292.90</td>
<td>$185,585.30</td>
</tr>
<tr>
<td>Other Real Estate Value</td>
<td>$6,094.32</td>
<td>$44,269.77</td>
</tr>
<tr>
<td>Vehicle Value</td>
<td>$12,495.51</td>
<td>$20,167.22</td>
</tr>
<tr>
<td>Sum of Cash in Respondents’ Checking and Savings Accounts</td>
<td>$14,739.68</td>
<td>$74,640.28</td>
</tr>
</tbody>
</table>

\(\Box\) Denotes median values.

The subset of the sample included in the fathers-future-orientation structural equation models \((n = 1,582)\) had a mean and median 2010 household income of $66,627.70 \((SD = $80,786.08)\) and $44,763, respectively. The mean and median ages of the household heads were 39.07 \((SD = 14.72)\) and 41 years, respectively. The mean and median of the sum value of parental assets (i.e., home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts) was $139,564.00 \((SD = $282,840.00)\) and $25,100, respectively. Means for the variables home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts were $101,292.90 \((SD = $185,585.30)\), $6,094.32 \((SD = $44,269.77)\), $12,495.51 \((SD = $20,167.22)\), and $14,739.68 \((SD = $74,640.28)\), respectively.

Table 6 contains the descriptive statistics of the young adults’ financial responsibility observed variables for the father-future-orientation subset of the sample. For the subset of the sample included in the fathers-future-orientation structural equation models, the four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own
mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) varied on a scale from zero, no responsibility, to four, complete responsibility.

Table 6
Frequencies and Percentages of the Young Adults’ Financial Responsibility Observed Variables of the Constructs in the Father-Future-Orientatio

<table>
<thead>
<tr>
<th>Observed Variable</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility for Earning One’s Own Income</td>
<td>60</td>
<td>157</td>
<td>220</td>
<td>398</td>
<td>747</td>
</tr>
<tr>
<td>Responsibility for Paying One’s Own Mortgage or Rent</td>
<td>433</td>
<td>128</td>
<td>147</td>
<td>153</td>
<td>721</td>
</tr>
<tr>
<td>Responsibility for Paying One’s Own Bills</td>
<td>212</td>
<td>121</td>
<td>159</td>
<td>251</td>
<td>839</td>
</tr>
<tr>
<td>Responsibility for Managing One’s Own Money</td>
<td>28</td>
<td>40</td>
<td>76</td>
<td>272</td>
<td>1,166</td>
</tr>
</tbody>
</table>

Note. Response options ranged from zero, no responsibility, to four, complete responsibility.

In general, about half of the respondents were responsible for earning their own income, paying their own mortgage or rent, and for paying their own bills, while three-fourths were responsible for managing their own money.

Specifically, in terms of responsibility for earning one’s own income, 60 (3.79%) of the 1,582 respondents in the fathers-future-orientation reported a value of zero, 157 (9.92%) a value of one, 220 (13.91%) a value of two, and 398 (25.16%) a value of three, while almost half subset (n = 747, 47.22%) responded with a value of four. For responsibility for paying one’s own mortgage or rent, 433 (27.37%) reported a value of zero, 128 (8.09%) a value of one, 147 (9.29%) a value of two, and 153 (9.67%) a value of three, while almost half of the respondents in this subset (n = 721, 45.58%) responded with a value of four. In terms of responsibility for paying one’s own bills, 212 (13.40%) reported a value of zero, 121 (7.65%) a value of one, 159 (10.05%) a value of two, and 251 (15.87%) a value of three, while a little more than half of the respondents in this subset (n = 839, 53.03%) responded with a value of four. For responsibility for managing one’s own money, 28 (1.77%) reported a value of zero, 40 (2.53%) a value of one,
76 (4.80%) a value of two, and 272 (17.19%) a value of three, while almost three-fourths of the respondents in this subset \( n = 1,166, 73.70\% \) responded with a value of four.

Table 7 contains the descriptive statistics of the young adults’ future-orientation observed variables for the father-future-orientation subset of the sample.

Table 7
Frequencies and Percentages of the Young Adults’ Future-Orientation Observed Variables of the Constructs in the Father-Future-Orientation Subset \( (n = 1,582) \)

<table>
<thead>
<tr>
<th>Observed Variable</th>
<th>Response Option</th>
<th>( n(%) )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talking to Father about Future Educational Plans</td>
<td>0</td>
<td>16.12</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>11.82</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>12.14</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>17.00</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>21.49</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>10.75</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>10.68</td>
</tr>
<tr>
<td>Talking to Father about Future Work Plans</td>
<td>0</td>
<td>11.95</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>10.75</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>16.12</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>21.18</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>22.44</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>8.91</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>8.66</td>
</tr>
<tr>
<td>Talking to Father about Future Family Plans</td>
<td>0</td>
<td>21.43</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>17.70</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>16.56</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>15.68</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>15.04</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>6.32</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>7.27</td>
</tr>
<tr>
<td>Talking to Father about Future Work-Family Conflicts</td>
<td>0</td>
<td>27.24</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>16.88</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>14.66</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>15.23</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>13.83</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>6.32</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>5.82</td>
</tr>
</tbody>
</table>

Note. Response options ranged from zero, never, to six, daily.

For the subset of the sample included in the fathers-future-orientation structural equation models, the four observed variables (the frequency of a young adult talking to their father about future educational plans, frequency of talking to their father about future work plans, frequency of talking to father about future family plans, and frequency of talking to father about future work-family conflicts) varied on a scale from zero, never, to six, daily. In general, a tenth of the respondents talked to their fathers daily about their future educational plans and about 9% talked to their fathers daily about their future work plans. Approximately 7% talked to their fathers daily about future family plans. About 6% talked to their fathers daily about future work-family conflicts.

Specifically, in terms of the frequency of a young adult talking to their father about future educational plans, 255 (16.12%) reported a value of zero, 187 (11.82%) a value of one, 192
(12.14%) a value of two, 269 (17.00%) a value of three, 340 (21.49%) a value of four, and 170 (10.75%) a value of five, while 169 (10.68%) responded with a value of six. For frequency of talking to their father about future work plans, 189 (11.95%) reported a value of zero, 170 (10.75%) a value of one, 255 (16.12%) a value of two, 335 (21.18%) a value of three, 355 (22.44%) a value of four, and 141 (8.91%) a value of five, while 137 (8.66%) responded with a value of six. In terms of the frequency of talking to father about future family plans, 339 (21.43%) reported a value of zero, 280 (17.70%) a value of one, 262 (16.56%) a value of two, 248 (15.68%) a value of three, 238 (15.04%) a value of four, and 100 (6.32%) with a value of five, while 115 (7.27%) responded with a value of six. For frequency of talking to father about future work-family conflicts, 431 (27.24%) reported a value of zero, 267 (16.88%) a value of one, 232 (14.66%) a value of two, 241 (15.23%) a value of three, 219 (13.83%) a value of four, and 100 (6.32%) a value of five, while 92 (5.82%) responded with a value of six.

**Reliability of the Observed Variables**

All of the observed variables for each construct demonstrated acceptable reliability, or internal consistency, as evidenced by Chronbach’s alpha coefficients. The four young adults’ financial responsibility observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) had a strong degree of internal consistency (Cronbach’s α = 0.83). The four mother-future-orientation variables (the frequency of a young adult talking to their mother about future educational plans, frequency of talking to their mother about future work plans, frequency of talking to mother about future family plans, and frequency of talking to mother about future work-family conflicts) demonstrated strong internal consistency (Cronbach’s α = 0.86). The four father-future-orientation variables (the frequency of a young
adult talking to their father about future educational plans, frequency of talking to their father about future work plans, frequency of talking to father about future family plans, and frequency of talking to father about future work-family conflicts) also demonstrated strong internal consistency (Cronbach’s α = 0.85). The four parental asset observed items that eventually comprised the parental log asset-ownership observed exogenous variable also demonstrated moderate internal consistency (Cronbach’s α = 0.56).

**Structural Equation Modeling**

Table 8 contains a summary of the direct and indirect effects analyzed in the two structural equation models.

<table>
<thead>
<tr>
<th>Young Adults Talking to Mothers or Fathers about Future Plans</th>
<th>Young Adults’ Mother-Future-Orientation</th>
<th>Young Adults’ Father-Future-Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct and Indirect Effects</strong></td>
<td>Model 1</td>
<td>Model 2</td>
</tr>
<tr>
<td>(Standardized Beta Coefficients)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income → PAO (Direct Effect)</td>
<td>0.444**</td>
<td>0.439**</td>
</tr>
<tr>
<td>Age HH → PAO (Direct Effect)</td>
<td>0.187**</td>
<td>0.184**</td>
</tr>
<tr>
<td>PAO → YAFR (Direct Effect)</td>
<td>-0.174*</td>
<td>-0.176**</td>
</tr>
<tr>
<td>PAO → YAFO (Direct Effect)</td>
<td>-0.107*</td>
<td>-0.021</td>
</tr>
<tr>
<td>YAFO → YAFR (Direct Effect)</td>
<td>-0.109*</td>
<td>-0.077*</td>
</tr>
<tr>
<td>PAO → YAFO → YAFR (Indirect Effect of PAO on YAFR through YAFO)</td>
<td>0.012*</td>
<td>0.002</td>
</tr>
<tr>
<td><strong>Type of Mediation</strong></td>
<td>Partial Positive Mediation</td>
<td>None</td>
</tr>
</tbody>
</table>

**Note.**
Income: 2010 Household Income (Log Dollars)
Age HH: Age of the Household Head (Years)
PAO: Parental Asset-Ownership (Independent Variable).
YAFR: Young Adults’ Financial-Responsibility (Dependent Variable).
YAFO: Young Adults’ Future-Orientation (Mediator Variable).
*p < 0.05  ** p < 0.01
This subsection contains the statistical results for two structural equation models. The first model to be reported was for the entire sample who answered the mother-future-orientation questions in the TAS; the second model to be reported was for the entire sample who answered the father-future-orientation questions in the TAS. For each structural equation model, the descriptions of each model contain goodness-of-fit statistics, descriptions of the factor loadings, and the direct- and indirect-effects. To compute the indirect effects, although presented in both Figures 1 and 2, multiply the direct effects of (a) parental asset-ownership on young adults’ future-orientations and (b) young adults’ future-orientations on young adults’ financial responsibility (MacKinnon, 2008).

**Mothers-Future-Orientation Observed Variables Model**

Figure 1 depicts the structural equation model for the entire sample who answered the mother-future-orientation questions in the TAS. For the structural equation model utilizing the mother-future-orientation observed mediator variables for the entire sample who responded to the mother-future-orientation questions \((N = 1,713)\), the overall model fit well with the data, as evidenced by a significant chi-square test-statistic, a root-mean-square error of approximation (RMSEA) value relatively close to 0.10, and a comparative fit index (CFI) close to the recommended level of 0.90 \((\chi^2 = 858.40, p = 0.000; \text{RMSEA} = 0.108; \text{CFI} = 0.893)\).

For the measurement model and the young adults’ financial responsibility dependent latent variable, all four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) demonstrated strong factor loadings on this particular latent variable \((\beta = 0.805, z = 71.57, p = 0.000; \beta = 0.798, z = 71.88, p = 0.000; \beta = \ldots)\).
0.889, \( z = 97.62, p = 0.000 \); \( \beta = 0.536, z = 28.42, p = 0.000 \), respectively for each of the observed variables).

Figure 1. Structural Equation Model For The Entire Sample For The Mother-Future-Orientation Observed Items That Comprised The Young Adults’ Future-Orientation Latent Mediator Variable. In this figure, the indirect effect of 0.012 was the multiplied product of the direct effects of (a) parental asset-ownership on young adults’ future-orientations and (b) young adults’ future-orientations on young adults’ financial responsibility.

For the young adults’ mother-future-orientation mediator latent variable, all four observed variables (the frequency of a young adult talking to their mother about future
educational plans, frequency of talking to their mother about future work plans, frequency of talking to mother about future family plans, and frequency of talking to mother about future work-family conflicts) also demonstrated strong factor loadings on this particular latent variable ($\beta = 0.822, z = 79.97, p = 0.000; \beta = 0.893, z = 98.73, p = 0.000; \beta = 0.686, z = 44.47, p = 0.000; \beta = 0.676, z = 42.54, p = 0.000$, respectively for each of the observed variables).

For the structural model, all direct effects reached statistical significance. For the control variables, 2010 household income and age of household head both had significant positive direct effects on parental asset-ownership ($\beta = 0.444, z = 23.07, p = 0.000$ and $\beta = 0.187, z = 8.70, p = 0.000$, respectively). Parental asset-ownership had a significant negative direct effect on the young adults’ financial responsibility latent variable ($\beta = -0.174, z = -6.91, p = 0.000$) and a significant negative direct effect on the young adults’ mother-future-orientation latent variable ($\beta = -0.107, z = -4.20, p = 0.000$). The young adults’ mother-future-orientation latent variable had a significant negative direct effect on the young adults’ financial responsibility latent variable ($\beta = -0.109, z = -4.03, p = 0.000$).

For the test of the mediation effect of the young adults’ mother-future-orientation latent variable on the relationship between parental asset-ownership and young adults’ financial responsibility, a future-orientation is a partial positive mediator of the relationship. This finding was evidenced by a significant indirect effect of future-orientation on the relationship between parental asset-ownership and young adults’ financial responsibility that is weaker than the significant negative direct effect between parental asset-ownership and young adults’ financial responsibility ($\beta = 0.012, z = 4.17, p = 0.000$ for the indirect effect; $\beta = -0.174, z = -6.91, p = 0.000$ for the direct effect). [The indirect effect of 0.012 is the multiplied product of the direct effects of (a) parental asset-ownership on young adults’ future-orientations and (b) young adults’
future-orientations on young adults’ financial responsibility (MacKinnon, 2008).] A noteworthy finding about this partial mediation effect is that the indirect effect was positive while the direct effect was negative, meaning that young adults’ future-orientations reversed the negative effect of parental asset-ownership on young adults’ financial responsibility into a positive effect.

**Fathers-Future-Orientation Observed Variables Model**

Figure 2 depicts the structural equation model for the entire sample who answered the father-future-orientation questions in the TAS. For the structural equation model utilizing the father-future-orientation observed mediator variables for the entire sample who responded to the father-future-orientation questions \((N = 1,582)\), the overall model fit well with the data, as evidenced by a significant chi-square test-statistic, a root-mean-square error of approximation (RMSEA) value relatively close to 0.10, and a comparative fit index (CFI) close to the recommended level of 0.90 \((\chi^2 = 886.76, p = 0.000; \text{RMSEA} = 0.114; \text{CFI} = 0.876)\).

For the measurement model and the young adults’ financial responsibility dependent latent variable, all four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) demonstrated strong factor loadings on this particular latent variable \((\beta = 0.794, z = 65.40, p = 0.000; \beta = 0.799, z = 68.45, p = 0.000; \beta = 0.884, z = 90.42, p = 0.000; \beta = 0.528, z = 26.47, p = 0.000, \text{respectively for each of the observed variables})\). For the measurement model and the young adults’ financial responsibility dependent latent variable, all four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) demonstrated strong factor loadings on this particular latent variable.
Figure 2. Structural Equation Model For The Entire Sample For The Father-Future-Orientation Observed Items That Comprised The Young Adults’ Future-Orientation Latent Mediator Variable. In this figure, the indirect effect of 0.002 was the multiplied product of the direct effects of (a) parental asset-ownership on young adults’ future-orientations and (b) young adults’ future-orientations on young adults’ financial responsibility.

For the young adults’ father-future-orientation mediator latent variable, all four observed variables (the frequency of a young adult talking to their father about future educational plans, frequency of talking to their father about future work plans, frequency of talking to father about future family plans, and frequency of talking to father about future work-family conflicts) also demonstrated strong factor loadings on this particular latent variable ($\beta = 0.818$, $z = 72.52$, $p =$
0.000; β = 0.878, z = 85.84, p = 0.000; β = 0.682, z = 41.14, p = 0.000; β = 0.658, z = 37.81, p = 0.000, respectively for each of the observed variables).

For the structural model, four of the five direct effects reached statistical significance. For the control variables, 2010 household income and age of household head both had significant positive direct effects on parental asset-ownership (β = 0.439, z = 21.56, p = 0.000 and β = 0.184, z = 8.11, p = 0.000, respectively). Parental asset-ownership had a significant negative direct effect on the young adults’ financial responsibility latent variable (β = -0.176, z = -6.76, p = 0.000) and a non-significant negative direct effect on the young adults’ father-future-orientation latent variable (β = -0.021, z = -0.79, p = 0.427). The young adults’ father-future-orientation latent variable had a significant negative direct effect on the young adults’ financial responsibility latent variable (β = -0.077, z = -2.70, p = 0.007). For the test of the mediation effect of the young adults’ father-future-orientation latent variable on the relationship between parental asset-ownership and young adults’ financial responsibility, a future-orientation is not a mediator of the relationship. This was evidenced by a non-significant indirect effect of future-orientation on the relationship between parental asset-ownership and young adults’ financial responsibility (β = 0.002, z = 0.79, p = 0.427 for the indirect effect).
CHAPTER 5: DISCUSSION AND CONCLUSION

Many statistical results have been described in the preceding results chapter. Therefore a discussion of statistical findings was warranted to open this chapter. Then highlights of the unique contributions of this dissertation research to the asset-development research follow. This chapter concludes with an explication of this study’s implications for social work policy-practice and research-practice and the limitations of this study and suggestions for future research conclude this dissertation research.

Discussion of Statistical Findings: Structural Path Coefficients

This dissertation research found important statistical effects that will be briefly introduced in this paragraph and explicated in-depth in the subsections that follow. Both the variables of income and age imparted strong significant positive effects on parental asset-ownership, as explicated in the asset-based theory of social welfare (Sherraden, 1991). The variable of parental asset-ownership imparted a negative direct effect on young adults’ financial responsibility. The parental asset-ownership variable demonstrated a negative direct effect on young adults’ future-orientations. The young adults’ future-orientation construct demonstrated a negative direct effect on young adults’ financial responsibility. In the mothers-future-orientations structural equation model, young adults’ future-orientation construct was found to be a significant positive partial mediator of the relationship between parental asset-ownership and young adults’ financial responsibility. In the fathers-future-orientations structural equation model, the young adults’ future-orientation construct was not found to be a mediator of the relationship between parental asset-ownership and young adults’ financial responsibility.
Direct Effect of Income on Parental Asset-Ownership

Sherraden (1991) posited that income and the total value of a household’s assets have a strong positive correlation. To that end, income-rich households would tend to also be asset-rich households; similarly, income-poor households would tend to also be asset-poor households (Sherraden, 1991). This dissertation research found a positive direct effect of 2010 household income on parental asset-ownership. Specifically, in both the young adults’ mothers-future-orientation and fathers-future-orientation structural equation models, a one-standard-deviation unit increase in income was associated with a 0.44 standard-deviation-unit increase in parental asset-ownership. [Note that findings were reported in standard-deviation-units because the beta coefficients were standardized, as opposed to unstandardized, in both of the structural equation models.] This finding fits with previous research that utilized ordinary least squares regression analyses to uncover a positive direct effect of income on asset-ownership (Webley & Nyhus, 2006), congruent with the finding in this dissertation research.

Direct Effect of Age on Parental Asset-Ownership

Sherraden (1991) posited that age and the total value of a household’s assets have a strong positive correlation. To that end, older households would tend to also be wealthier households; similarly, younger households would tend to also be less-wealthy households (Sherraden, 1991). This dissertation research found such a positive direct effect of age of household head on parental asset-ownership. Specifically, in both the young adults’ mothers-future-orientation and fathers-future-orientation structural equation models, a one-standard-deviation unit increase in age of household head was associated with a 0.18 standard-deviation-unit increase in parental asset-ownership. This finding is congruent with the finding of a positive
effect of age on asset-ownership in previous ordinary least squares regression analyses (Webley & Nyhus, 2006).

This finding makes sense in light of the life-cycle model of consumption and saving. This line of theoretical inquiry holds that households spend their lifetimes accumulating assets such as homes, other real estate, vehicles, and bank account products, utilize those assets to facilitate their own subsistence, and then bequeath those assets to benefit the survival and subsistence of their offspring—namely their heirs who comprise future generations (Browning & Crossley, 2001; Modigliani & Brumberg, 1954). This dissertation furthered the research on the age—assets thesis by finding a very strong, positive direct effect of age of household head on parental asset-ownership—providing further evidence of the strong linear relationship between the two variables to complement well with the life-cycle model of consumption and saving (Browning & Crossley, 2001; Modigliani & Brumberg, 1954) as well as the asset-based theory of American social welfare (Sherraden, 1991).

**Direct Effect of Parental Asset-Ownership on Young Adults’ Financial Responsibility**

This dissertation research found a negative direct effect of parental asset-ownership on young adults’ financial responsibility. Specifically, in the young adults’ mothers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with a 0.17 standard-deviation-unit decrease in young adults’ financial responsibility. In the young adults’ fathers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with a 0.18 standard-deviation-unit decrease in young adults’ financial responsibility. These findings suggest that parents with greater degrees of (or increased amounts of) wealth help their young adult children
with their income, their mortgages or rent, their bills, and the management of their money—the four key indicators of young adults’ financial responsibility analyzed in this study.

The author of this dissertation had expected positive direct effects for these relationships because Sherraden (1991) had posited that increases in assets predict increases in various desirable financial outcomes. The unexpected negative direct effects between parental asset-ownership and young adults’ financial responsibility, however, make sense in light of previous empirical research. A plausible explanation for the negative direction of the direct effect of parental asset-ownership on young adults’ financial responsibility is education as a moratorium for young adults’ financial responsibility. To that end, a previous study has used the 2009 PSID and accompanying 2009 TAS to analyze various socioeconomic factors as predictors of young adults’ financial independence (Xiao, Chatterjee, & Kim, 2014). This particular study analyzed the relationships between similar concepts as this dissertation: Xiao, Chatterjee, and Kim (2014) studied young adults’ financial independence (termed young adults’ financial responsibility in this dissertation) as a function of parental asset-ownership (similar to this dissertation), parental communication (termed young adults’ future-orientations in this dissertation), and other socioeconomic control variables.

Xiao, Chatterjee, and Kim (2014) constructed a composite dichotomous variable from the four young adults’ financial responsibility variables utilized in this dissertation research but termed the variable young adults’ financial independence (in this dissertation, young adults’ financial responsibility). Four logistic regression analyses, divided by education group (i.e., enrolled in college, never attended college, drop-out of college, and college graduate), showed that log parental assets had a zero-effect on the young adults’ financial independence for the never attended college and drop-out of college groups but had negative effects for the in college
and college graduate groups (Xiao, Chatterjee, & Kim, 2014). This finding has two implications for this dissertation’s finding of the negative direct effects of parental asset-ownership on young adults’ financial responsibility. More importantly, the finding of this negative relationship is not unique to this dissertation research: Xiao, Chatterjee, and Kim (2014) found similar results with the same data set from a previous wave of respondents. Not only did the negative effect hold for the in college and college graduate groups but a negative effect was also reported for the aggregate model of all of the respondents combined in one group (Xiao, Chatterjee, & Kim, 2014).

Secondly, the Xiao, Chatterjee, and Kim (2014) study implies that a potential spurious variable could be college education status, coupled with numerous young adult-level and parental-level socioeconomic and education controls, which may serve as extraneous variables that could explain the negative predicted effect of log parental assets on young adults’ financial independence/responsibility. This means that increases in parental asset-ownership predict decreases in young adults’ financial responsibility because households that own more assets tend to enable their young adults to remain financially-irresponsible (or financially-dependent upon the parents) in order for the young adults to attend and focus their attention on college (Schoeni & Ross, 2005; Xiao, Chatterjee, & Kim, 2014). The opposite implies that decreases in parental asset-ownership predict increases in young adults’ financial responsibility because households that own fewer assets tend to be unable to allow their young adults to remain financially-irresponsible (or financially-dependent upon the parents) due to the parents’ relative lack of wealth and income (Schoeni & Ross, 2005; Xiao, Chatterjee, & Kim, 2014). The young adults from such low-asset, low-income households must leave the family home at earlier ages in order...
to seek employment and to become financially-responsible for themselves (Xiao, Chatterjee, & Kim, 2014).

A plausible rationale behind the phenomenon of parents providing financial assistance to their young adults, consistent with the tenets of the asset-based theory of American social welfare, could be the theory of social capital. Sherraden (1991) posited in *Assets and the Poor: A New American Welfare Policy* that one of the several major important outcomes of asset-ownership was for parents and grandparents to help their offspring survive and thrive financially. This process probably operates through social capital, which refers to a process that drives the manner in which children benefit from the privileges imparted from their parents’ assets (Sherraden). Coleman (1988) similarly defined social capital as the overt behavior of a person receiving privileges through their relationships with other persons. Portes (1998) succinctly explained that,

> “Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital, a person must be related to others, and it is those others, not himself, who are the actual source of his or her advantage” (p. 7).

This implies that young adults are related to their parents “who are the actual source of his or her [financial] advantage” (Portes, 1998, p. 7).

In a previous study on the social capital transmission of financial socialization—the transmission of norms, trust, and reciprocity regarding personal finances—the authors reported the percentages of parents who checked-off the age categories in which they anticipated their children to practice particular financial behaviors (Danes, 1994). In general, the parents believed that young adults aged 18 or older should be responsible for building and using credit, as well as purchasing financial assets (Danes, 1994). Of those parents, a noteworthy finding was that, “Most parents perceive those behaviors to be most appropriate for children in the 18 to 20 year
category; however, there were approximately one-fourth of the parents who felt that it wasn’t until children had reached the ages of 21 to 23 years that they would be ready for these experiences. *This latter group of parents may have college education as an expectation for their children and that is why they believe their children will become financially independent at a later age*” (italics added for emphasis; Danes, 1994, pp. 143—144).

Such a postponement of personal financial and other responsibilities typical of adulthood status was defined in the literature as a *moratorium* of the young adults’ acceptance of adult responsibilities (Côté, 2006; Sironi & Furstenberg, 2012). This means that “most cultures provide their new members with some sort of structural guidance to take them from childhood to adulthood . . . as well as a time-out from certain social responsibilities that constitutes a delay in the transition” (Côté, 2006, p. 87). Young adults who adopt a moratorium benefit from a “license to experiment with various roles, if they wish to do so, without them being expected to accept or carry permanent responsibilities and commitments” (Côté, 2006, p. 87). College attendance was cited as the most popular socially-accepted reason for a young adults’ moratorium, meaning that wealthier parents may be more inclined to provide financial support to their young adults throughout their college years (Côté, 2006; Sironi & Furstenberg, 2012). Young adults of asset-wealthy parents, in other words, engage in a moratorium on the adoption of their financial responsibilities in order to concentrate their efforts on becoming educated and prepared to enter the labor market in order to eventually become financially-responsible adults at a future point in time (Côté, 2006; Sironi & Furstenberg, 2012). The next subsection—about this dissertation’s finding of a negative direct effect of parental asset-ownership on young adults’ future-orientations—elaborates on how young adults of asset-wealthy parents think about and act on their future plans, especially their future educational endeavors.
Direct Effect of Parental Asset-Ownership on Young Adults’ Future-Orientations

This dissertation research found a negative direct effect of parental asset-ownership on young adults’ future-orientations. Specifically, in the young adults’ mothers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with a 0.10 standard-deviation-unit decrease in young adults’ future-orientations. In the young adults’ fathers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with a 0.021 standard-deviation-unit decrease in young adults’ future-orientations.

Whereas this dissertation labeled the four observed variables comprising this mediator construct as young adults’ future-orientations, perhaps Xiao, Chatterjee, and Kim (2014) correctly labeled the variables as parental communication with mothers and fathers about future plans. [The dissertation author, however, did not relabel young adults’ future-orientations as parental communication with mothers and fathers about future plans because the author desired to remain true to the theory-testing and structural equation modeling analysis procedures of maintaining strict congruence with the theory as specified in previous research and the variables as named in the data sets (Schumacker & Lomax, 2004).] Nevertheless, the link between parental asset-ownership and parental communication with mothers and fathers about future plans will be explicated based on previous studies other than the Xiao, Chatterjee, and Kim (2014) study.

To that end, a longitudinal regression analysis of Survey of Income and Program Participation suggests a basic theory which posits that parental net worth was positively associated with (a) parental expectations of their children’s future educational outcomes, (b) parental involvement in their children’s educational endeavors, and (c) the children’s actual educational achievement (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009). The authors cited
“increased self-confidence, increased hope for the future, increased ability to set and achieve goals, greater sense of responsibility, and reduced levels of stress” as potential reasons for the positive effects of parental asset-ownership on their children’s educational achievement (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009, pp. 81—81).

Because the present dissertation found that parental communication with mothers and fathers about future plans decreased as parental asset-ownership increased, coupled with the assertion that children of asset-wealthy parents espouse more confidence and responsibility (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009), perhaps the young adult children of asset-wealthy parents understand inherently that their parents expect them to excel in their future educational endeavors. Due to young adults’ inherent understanding of their parents’ educational expectations for them, frequent parental communication with mothers and fathers about future plans may be unnecessary: The young adult children of asset-wealthy parents have already established future plans (either independent of, or in consultation with, their parents) and engage in behaviors geared towards accomplishing those future plans, rendering frequent parental communication with mothers and fathers about future plans as unnecessary. Fewer parental-assets, on the other hand, could be associated with decreases in educational outcomes due to decreased confidence and hope as Grinstein-Weiss, Yeo, Irish, and Zhan (2009) had posited. Due to that implied decreased confidence and an implied absence of future-oriented behaviors (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009), perhaps young adults of asset-poorer parents do not necessarily understand inherently that their parents expect them to excel in their educational endeavors, rendering frequent parental communication with mothers and fathers about future plans as necessary.
Direct Effect of Young Adults’ Future-Orientations on Young Adults’ Financial Responsibility

This dissertation research found a negative direct effect of young adults’ future-orientations on young adults’ financial responsibility. Specifically, in the young adults’ mothers-future-orientation structural equation model, a one-standard-deviation unit increase in young adults’ future-orientations was associated with a 0.109 standard-deviation-unit decrease in young adults’ financial responsibility. In the young adults’ fathers-future-orientation structural equation model, a one-standard-deviation unit increase in young adults’ future-orientations was associated with a 0.077 standard-deviation-unit decrease in young adults’ financial responsibility.

These findings of negative effects can be reconciled with previous research. To that end, in the previously-described Xiao, Chatterjee, and Kim (2014) study, for the entire sample, the authors found a non-significant positive effect of parental communication with mothers and fathers about future plans (termed young adults’ future-orientations in this dissertation) on young adults’ financial independence (termed young adults’ financial responsibility in this dissertation). For the four separate education groups, parental communication with fathers about future plans was positively associated with young adults’ financial independence but significant only for the college graduates subset of the sample (Xiao, Chatterjee, & Kim, 2014). In a similar light, parental communication with mothers about future plans was positively associated with young adults’ financial independence for three of the four separate education groups but all three effects were non-significant (Xiao, Chatterjee, & Kim, 2014). This direct effect, however, was negative and significant for the college graduates subset of the sample (Xiao, Chatterjee, & Kim, 2014). In summary, the parental communication with fathers and mothers variables, for the most-part, were positive and non-significant; otherwise, the effects were (a) positive and significant or (b) negative and non-significant (Xiao, Chatterjee, & Kim, 2014).
The Xiao, Chatterjee, and Kim, 2014 study has one important implication for the present dissertation finding of a negative effect of young adults’ future orientations (termed parental communication with fathers and mothers about future plans in the Xiao, Chatterjee, and Kim study) on young adults’ financial responsibility (termed young adults’ financial independence in the Xiao, Chatterjee, and Kim study). The negative relationship found here is not unique to this dissertation research: Xiao, Chatterjee, and Kim found a negative relationship of parental communication with mothers about future plans and young adults’ financial independence (Xiao, Chatterjee, & Kim, 2014). The mixed findings of differences in direction and significance between this dissertation and Xiao, Chatterjee, and Kim’s (2014) strongly warrant further investigation in future research to provide more-definitive evidence regarding the relationship between these two variables.

Previous literature posited that, “A household climate that emphasizes verbal communication about work between family members, including discussions with fathers and mothers, is likely to increase the psychological salience of work to adolescents. Their own anticipation of being effective in the economic sphere is thereby heightened” (Lee & Mortimer, 2009, p. 58). A positive effect of parental communication on young adult children’s financial outcomes would be congruent with the concept of financial socialization. Specifically, financial socialization refers to “the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and well-being of the individual” (Danes, 1994, p. 128). The financial socialization of young adults, in other words, is a process in which children actively learn financial skills and knowledge from their parents (Danes, 1994). Perhaps the negative effect of parental communication about future plans on young adults’ financial independence, as found in this dissertation, could be found as positive...
when controlling for extraneous financial socialization variables not accounted for in the structural equation models in this dissertation or in Xiao, Chatterjee, and Kim’s (2014) study. Examples of such extraneous financial socialization variables cited in the literature could include parental warmth, parental closeness, parental attitudes, children’s attitudes, and children’s self-efficacy, all of which may transform a negative effect into a positive one (Danes, 1994; Drever, Odders-White, Kalish, Else-Quest, Hoagland, & Nelms, 2015; Van Campenhout, 2015). [These financial socialization variables, however, were not used as control variables in this dissertation research in order to maintain parsimonious structural equation models (Schumacker & Lomax, 2004) and because they were not available in the data set.]

Indirect Effect of Young Adults’ Future Orientations on the Relationship Between Parental Asset-Ownership and Young Adults’ Financial Responsibility

This dissertation research found a positive indirect effect, or a mediation effect, of young adults’ future-orientations on the relationship between parental asset-ownership and young adults’ financial responsibility. Specifically, in the young adults’ mothers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with a significant 0.012 standard-deviation-unit increase in young adults’ financial responsibility through the intermediary construct of young adults’ future-orientations. In the young adults’ fathers-future-orientation structural equation model, a one-standard-deviation unit increase in parental asset-ownership was associated with an insignificant 0.002 standard-deviation-unit decrease in young adults’ financial responsibility through the intermediary construct of young adults’ future-orientations.

The finding of a partial mediation effect of young adults’ future-orientations on the relationship between parental asset-ownership and young adults’ financial responsibility in the mothers-future-orientation structural equation model is somewhat congruent with previous
research. Shobe and Page-Adams (2001) had posited that a future-orientation fully mediates the relationship between asset-ownership and a broad array of advantages financial outcomes. This dissertation research found that young adults’ future-orientations mediate the relationship between parental asset-ownership and young adults’ financial responsibility only to a partial extent as opposed to a full extent (Shobe & Page-Adams, 2001). Other previous research (Ansong et al., 2013), using data collected from a sample of Ugandan households, had tested for both full and partial mediation of future-orientations on the relationship between asset-ownership and household economic stability and found evidence for full mediation but not for partial mediation. This dissertation research, on the other hand, found evidence for partial mediation but not for full mediation in the mothers-future-orientation model; this dissertation, moreover, found no mediation in the fathers-future-orientation model. Given the findings of full mediation in the Ansong et al. study, partial mediation in this dissertation research’s mothers-future-orientation model, and no mediation in this dissertation research’s fathers-future-orientation model, the Panel Study of Income Dynamics and the accompanying Transition-to-Adulthood Supplement should amend its survey question items based on reliable, valid instruments to tap the constructs of asset-ownership, future-orientations, and financial responsibility.

Previous studies, including this dissertation research, have not explained why, in general terms, future-orientations mediate the relationship between asset-ownership and various financial self-sufficiency outcomes. Sherraden (1991) posited that people think about, plan for, and act towards the future when they purchase or intend to purchase assets. Shobe and Page-Adams (2001) echoed Sherraden’s proposition,

“The term future orientation is defined as one’s ability to think about and plan for the future. Thus, household assets often provide individuals with the opportunity to shape future goals and to make concrete plans for personal, social, and economic growth” (p. 111).
Shobe and Page-Adams (2001) continued to explain that,

“Assets affect future orientation and, in turn, social and economic well-being. It may be that future orientation is shaped by structural as opposed to individual factors. For example, assets may work by first changing one’s orientation to the future. For middle and upper income people, economic security facilitates the opportunity to plan for the future” (p. 119).

Ansong et al. (2013) offered a similar explanation about future orientations:

“A possible explanation for this is that people who have an orientation toward the future are likely to plan and prepare for unexpected economic shocks. Such preparation and planning may be easier when there are enough assets for both immediate consumption and future use. It is the actual ownership of assets, such as commercial vehicles, farmland, and livestock, that gives people hope that they can smooth consumption during hard times such as loss of a regular job” (p. 155).

**Discussion of Statistical Findings: Measurement Models/Factor Loadings Coefficients**

This dissertation’s measurement models, or factor loadings coefficients, represent this dissertation’s greatest contribution to the financial capability research literature. Specifically, this dissertation informs researchers of appropriate manners in which to measure young adults’ financial responsibility, young adults’ future-orientations, and parental asset-ownership utilizing data from the 2011 Panel Study of Income Dynamics (PSID) and the accompanying 2011 Transition-to-Adulthood Supplement (TAS). To that end, this subsection will begin with a brief review of factor loadings coefficients obtained from the confirmatory factor analysis phase of structural equation modeling. Then, the strengths of measuring each of the three constructs with the specific observed variables utilized in this dissertation research, as evidenced by strong factor loadings coefficients that exceed a value of 0.50 (Hair Jr. et al., 1998), will be discussed in the following paragraphs.
A Brief Review of Factor Loadings Coefficients From Confirmatory Factor Analyses in Structural Equation Models

In the first phase of structural equation modeling, the analysis begins with a confirmatory factor analysis (Hair Jr. et al., 1998). During confirmatory factor analyses, the researcher effectively determines the extent to which each of the individual observed variables of a construct triangulate in measuring the construct (Hair Jr. et al., 1998). A factor is computed by summing the scores of each of the individual observed variables for a construct, and the factor loadings then manifest as the beta coefficients from ordinary least squares regression models of the observed variables (independent variables) on the factor (the dependent variable) (Hair Jr. et al., 1998). All factor loadings should be positive in magnitude, and acceptable, or strong, factor loadings exceed a minimum value of 0.50 (Hair Jr. et al., 1998).

Factor Loadings of the Young Adults’ Financial Responsibility Construct

The financial capability literature consists of a medley of terms that describe various financial constructs. Examples include The PSID’s accompanying 2011 TAS consists of observed variables that triangulate on the construct of young adults’ financial responsibility. This finding was evidenced by acceptable, strong factor loadings that exceeded a minimum value of 0.50 as stipulated in the literature on structural equation modeling (Hair Jr. et al., 1998). Specifically, for the mothers-future-orientation model and the young adults’ financial responsibility dependent latent variable, all four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) demonstrated strong factor loadings on this particular latent variable ranging between a low of 0.54 and a high of 0.89. A close examination of the factor loadings showed that three of the four factor loadings (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or
rent, responsibility for paying one’s own bills) ranged between 0.79 and 0.89, while only one factor loading (responsibility for managing one’s own money) was reported as 0.54.

Similarly, for the fathers-future-orientation model and the young adults’ financial responsibility dependent latent variable, all four observed variables (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills, and responsibility for managing one’s own money) demonstrated strong factor loadings on this particular latent variable ranging between a low of 0.53 and a high of 0.88. A close examination of the factor loadings showed that three of the four factor loadings (responsibility for earning one’s own income, responsibility for paying one’s own mortgage or rent, responsibility for paying one’s own bills) ranged between 0.79 and 0.88, while only one factor loading (responsibility for managing one’s own money) was reported as 0.53.

**Factor Loadings of the Young Adults’ Future-Orientation Construct**

To the extent of this author’s knowledge, this dissertation research served as the first attempt at measuring young adults’ future-orientations with a survey data set obtained from a representative sample of American households. Previous research has relied upon measuring future-orientations with a standardized scale to triangulate upon the future-orientation construct by collecting primary data from Ugandan households (Ansong et al., 2013)—households not representative of the American populace. This dissertation demonstrates that secondary data of a representative sample of American households, namely the PSID’s accompanying 2011 TAS, consists of observed variables that triangulate on the construct of young adults’ future-orientations.

This finding was evidenced by acceptable, strong factor loadings that exceeded a minimum value of 0.50 as stipulated in the literature on structural equation modeling (Hair Jr. et
 Specifically, for the young adults’ mother-future-orientation mediator latent variable, all four observed variables (the frequency of a young adult talking to their mother about future educational plans, frequency of talking to their mother about future work plans, frequency of talking to mother about future family plans, and frequency of talking to mother about future work-family conflicts) espoused factor loadings coefficients ranging between a low of 0.68 and a high of 0.89. Similarly, for the young adults’ father-future-orientation mediator latent variable, all four observed variables (the frequency of a young adult talking to their father about future educational plans, frequency of talking to their father about future work plans, frequency of talking to father about future family plans, and frequency of talking to father about future work-family conflicts) espoused factor loading coefficients ranging between a low of 0.66 and a high of 0.88.

**Unique Contributions of This Dissertation**

This dissertation research substantively contributed to the previous research on the asset-based theory of American social welfare in several ways. Although each unique contribution will be elaborated upon in subsequent paragraphs, each will be briefly introduced in this paragraph. This dissertation serves as the first known attempt to test the asset-based theory of American social welfare with a representative sample of American—as opposed to Ugandan—households. This dissertation also demonstrated strong positive direct effects of (a) income on parental asset-ownership and (b) age of household head on parental asset-ownership. This research demonstrated and provided substantive rationales for several negative direct effects: (a) parental asset-ownership on young adults’ financial responsibility, (b) parental asset-ownership on young adults’ future-orientations, and (c) young adults’ future-orientations on young adults’ financial responsibility. In light of the two negative direct effects of (a) parental asset-ownership on young
adults’ future-orientations and (b) young adults’ future-orientations on young adults’ financial responsibility, this dissertation found evidence of a partial mediation effect of young adults’ future-orientations. This study also contributed to the literature robust combinations of observed variables to measure the constructs of young adults’ financial responsibility, young adults’ future-orientations, and parental asset-ownership.

First Test of the Asset-Based Theory of American Social Welfare on a Sample of American Households

This line of research began in 1991 with Michael Sherraden’s (1991) seminal work on asset-development, entitled *Assets and the Poor: A New American Welfare Policy*, which explicated that asset-ownership directly facilitates future household economic self-sufficiency. Second, Shobe and Page-Adams (2001), then, extended Sherraden’s work by positing that asset ownership fosters a future-orientation, which then imparts future household economic self-sufficiency—specifically, young adults’ financial responsibility in this dissertation research. In other words, the literature suggests that a future-orientation mediates the effect of asset ownership on household economic self-sufficiency (Shobe & Page-Adams). Third, subsequent research (Ansong et al., 2013) used structural equation modeling techniques on data from Ugandan households to establish strong support for Shobe and Page-Adams’ mediation model. This dissertation is the first-known attempt in the literature to test the asset-based theory of American social welfare among a sample of American—as opposed to Ugandan—households.

Previous research also has studied the effects that mothers exert on their young adults’ future-orientations, but not the effects that fathers exert (Seginer & Shoyer, 2012). That line of research found that mother-young adult dyads, as compared to father-young adult dyads, spend more time together (Larson et al., 1996) and disclose to one-another a greater quantity of personal details (Smetana et al., 2006). To that end, the finding of mediation for the series of
mother-future-orientation observed variables but not for the series of father-future-orientation observed variables suggested consistency with that previous research on mother-young adult and father-young adult dyads. Specifically the presence of mediation for the mother-future-orientation variables but not for the father-future-orientation variables was plausibly due to the idea found in previous research: Mothers and their young adults, as compared to fathers and their young adults, spend more time together and develop closer, more-intimate bonds (Larson et al., 1996; Smetana et al., 2006).

**Strong Positive Effect of Income on Parental Asset-Ownership**

Perhaps because of conventional wisdom that increases in income predict increases in the value of a household’s stock of assets (Sherraden, 1991), this relationship had not been tested in the social work asset-development literature, namely Sherraden’s (1991) book, the Shobe and Page-Adams (2001) conceptual paper, and the Ansong et al. (2013) study. Sherraden (1991) had posited that both of the variables of income and assets correlate strongly and positively, and, notably, the Ansong et al. (2013) study neglected to control for income as a variable that has confounding effects on asset-ownership among Ugandan households. This dissertation computed and reported significant positive parameter estimates for this strain of convention wisdom: A one standard deviation unit increase in income predicts a 0.44-unit increase in parental asset-ownership. This finding suggests that each standard deviation unit increase in income predicts a little more than two-fifths of a standard deviation unit of parental asset-ownership.

**Strong Positive Effect of Age on Parental Asset-Ownership**

Similarly, perhaps because of conventional wisdom that increases in age predict increases in the value of a household’s stock of assets (Sherraden, 1991), this relationship had not been tested in Sherraden’s (1991) book, the Shobe and Page-Adams (2001) conceptual paper, nor the
Ansong et al. (2013) study, to the author’s knowledge. Sherraden (1991) had posited that both of the variables of age and assets correlate strongly and positively, and, notably, the Ansong et al. (2013) study neglected to control for age as a variable that has confounding effects on asset-ownership among Ugandan households. This dissertation computed and reported significant positive parameter estimates for this strain of conventional wisdom: A one standard deviation unit increase in age predicts a 0.19-unit increase in parental asset-ownership. This finding suggests that each standard deviation unit increase in income predicts about one-fifth of a standard deviation unit of parental asset-ownership.

**Significant Direct Effect of Parental Asset-Ownership on Young Adults’ Financial Responsibility**

This dissertation research found a negative direct effect of parental asset-ownership on young adults’ financial responsibility and provided a substantive rationale for the negative direction of the magnitude of this effect. Essays on the culture of poverty suggest that income- and asset-poor households raise income- and asset-poor children due to a purported sense of personal financial irresponsibility among the parents that also transmits through financial socialization and social learning processes to the young adults (Mead, 1992). The opposite, then, suggests that income- and asset-wealthy households raise income- and asset-wealthy children due to a purported sense of personal financial responsibility among the parents that also transmits through financial socialization and social learning processes to the young adults (Danes, 1994; Drever et al., 2015; Mead, 1992). These lines of thought suggest a positive relationship between parental asset-ownership and young adults’ financial responsibility: Congruent with the culture of poverty thesis, increases in asset-ownership eventually leads to increases in the intergenerational transmission of financial responsibility (Danes, 1994; Drever et al., 2015; Mead, 1992).
This dissertation found a negative relationship between parental asset-ownership and young adults’ financial responsibility and provided a literature-based rationale for this negative direct effect. This negative direct effect corroborates the findings in the Xiao, Chatterjee, and Kim (2014) study in light of the notion that controlling for college attendance and other socioeconomic variables has an impact on the relationship between parental asset-ownership and young adults’ financial responsibility (Xiao, Chatterjee, & Kim, 2014). These extraneous variables, especially the college attendance variable, probably can be attributed to the phenomenon of young adults’ postponing—a moratorium on—their entry into the labor market and forgoing of income earning opportunities in order to attend college (Côté, 2006).

**Significant Direct Effect of Parental Asset-Ownership on Young Adults’ Future-Orientations**

This dissertation research found a significant negative direct effect of parental asset-ownership on young adults’ future-orientations and provided a substantive rationale for this negative direct effect. Even though previous research suggests that increases in asset-ownership should predict increases in future-orientations (Ansong et al., 2013; Shobe & Page-Adams, 2001), the negative direct effect found in this dissertation between parental asset-ownership and young adults’ future-orientations can be reconciled with empirical findings found in previous research. Perhaps the young adults of asset-wealthy parents have more self-confidence or self-efficacy due to the positive welfare effects of their parents’ asset-ownership and, therefore, do not need to communicate frequently with their parents about their future plans (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009). Conversely, perhaps the young adults of asset-poor parents have less self-confidence or self-efficacy due to the lack of positive welfare effects from an absence of asset-ownership of the young adults’ parents and, therefore, need to communicate frequently with their parents about their future plans (Grinstein-Weiss, Yeo, Irish, & Zhan, 2009).
Significant Direct Effect of Young Adults’ Future-Orientations on Young Adults’ Financial Responsibility

This dissertation research found a significant negative direct effect of young adults’ future-orientations on young adults’ financial responsibility. This finding was not consistent with Xiao, Chatterjee, and Kim’s (2014) finding of a positive relationship between these two variables using the same data source. Future research should examine extensively the relationship between young adult’s future-orientations (or communication with parents about future plans) and young adults’ financial responsibility. A good starting place would be to develop standardized scales for young adults’ financial responsibility, and, using that scale and the young adults’ future-orientations standardized scale (Seginer, 2009), to collect primary data from a representative sample of young adults on these two variables, controlling for socioeconomic and demographic variables.

Partial Positive Mediation Effect of Young Adults’ Future-Orientations on the Relationship Between Parental Asset-Ownership and Young Adults’ Financial Responsibility

In light of the findings of two negative direct effects (i.e., the direct effects of (a) parental asset-ownership on young adults’ future-orientations and (b) young adults’ future-orientations on young adults’ financial responsibility), the multiplicative product of those two negative direct effects leads to a positive indirect, or mediation, effect. That is, a positive indirect effect was found as a product of two negative direct effects. Thus, this dissertation found a very small positive mediation effect of young adults’ future-orientations on the relationship between parental asset-ownership and young adults’ financial responsibility. Because both this indirect effect and the direct effect of parental asset-ownership on young adults’ financial responsibility reached statistical significance, this dissertation found a partial—as opposed to a full—mediation effect (Ansong et al., 2013). Partial mediation means that both (a) the direct effect of parental
asset-ownership on young adults’ financial responsibility and (b) the indirect effect of parental asset-ownership on young adults’ financial responsibility through young adults’ future-orientations have important implications on young adults’ financial responsibility. Because this dissertation research found a stronger effect of parental asset-ownership on young adults’ financial responsibility and a very weak indirect effect of young adults’ future-orientations on the relationship between parental asset-ownership and young adults’ financial responsibility, this dissertation author proposes that assets have substantially greater influence than future-orientations on the pathway to young adults’ financial responsibility.

**Measurement Model of Young Adults’ Financial Responsibility**

Previous financial capability research has critiqued this field of study because of a medley of constructs, each differentially termed, to describe closely-related phenomena (Xiao, Chen, & Chen, 2014). To that end, previous research has studied constructs such as financial quality of life (Maddux, 2002), financial behaviors and financial satisfaction (Xiao et al., 2009), financial capability (Taylor, 2011), financial literacy (Clark, Morrill, & Allen, 2012).

[Differences between similar studies, such as this dissertation research and the Ansong et al. (2013), exist: Both studies analyzed financial constructs that sound similar but refer to distinct constructs. Specifically, young adults’ financial responsibility analyzed in this dissertation and household economic stability analyzed in the Ansong et al. (2013) study refer to ability for young adults to manage their own finances and for households to secure their own basic necessities, respectively.] This dissertation research, nevertheless, substantively contributed to the literature on financial capability by demonstrating how 2011 PSID and 2011 TAS data can be used to measure a construct not fully measured to this point in the literature, namely young
adults’ financial responsibility. Thus this dissertation was the first known attempt in the literature to study and effectively measure young adults’ financial responsibility.

Measurement Model of Young Adults’ Future-Orientations

Previous research on future-orientations at the household level, namely the Ansong et al. (2013) study on future-orientations, have measured future-orientations in a substandard method. Those authors measured household heads’ future-orientations at the ordinal level of measurement by asking the household heads vague questions that could be interpreted differently by different individuals. Specifically, Ansong et al. (2013) asked, “This time next year, how well do you expect your life to be?,” “This time next year, how well do you expect your food supply to be?,” and “This time next year, how well do you think your stock of assets will be?” (Ansong et al., 2013, p. 152).

Although neither the present dissertation research, nor the Ansong et al. (2013) study, used an empirically-validated scale of opinions and beliefs about future work and family domains (specifically, Seginer’s (2009) scale for the measurement of future-orientations), this dissertation measured young adults’ future-orientations with secondary survey data that included questions with the word “future” included in the questions. Moreover, although this research may have mislabeled parental communication with parents about future plans as young adults’ future-orientations, this dissertation author maintains that questions on frequency of talking with parents about future plans better triangulate on the construct of future-orientation than vague questions about the “wellness” of future plans. Although future-orientations should be measured optimally with empirically-validated standardized scales (Seginer, 2009), this dissertation more-validly measured young adults’ future-orientations than prior work in the field (i.e., Ansong et al., 2013).
Measurement Model of Parental Asset-Ownership

Previous research on testing the asset-based theory of American social welfare used primary data collected from a sample of Ugandan households and partially operationalized them as livestock, such as “cattle, goats, sheep, donkey, pigs, chicken, and oxen” in addition to homes and farmland (Ansong et al., 2013, p. 152). Parental asset-ownership was operationalized in this dissertation research in a more-valid manner, congruent with Sherraden’s (1991) original conceptualization of the asset-based theory of American social welfare, as the log value of the sum of the respondents’ home value, other real estate value, vehicle value, and the sum of cash in the respondents’ checking and savings accounts in accordance with previous research. This means that future research on the asset-based theory of American social welfare should measure American assets in a manner congruent with this dissertation and American operationalizations of asset-ownership (i.e., Sherraden, 1991), as opposed to an incongruent manner of measuring the value of livestock.

Consistent Messages

This dissertation research and the Ansong et al. (2013) study arrived at similar conclusions. Both studies found that future-orientations mediate the predicted effect of assets on various household economic self-sufficiency outcomes—young adults’ financial responsibility in this dissertation and household economic stability in the Ansong et al. study. Whereas a future-orientation was a variable through which assets predicted household economic stability among Ugandan households (Ansong et al.), this study similarly found that young adults’ future-orientations represented a variable through which parental asset-ownership predicted the young adults to espouse financial responsibility—partially for the mothers-future-orientation structural equation model.
Summary of Differences between This Dissertation Research and the Ansong Study

Differences also exist between the Ansong et al. (2013) study and this dissertation research. All dependent, mediator, and independent observed variables were operationalized in different manners. The dependent observed variables, namely household economic stability in the Ansong et al. study and young adults’ financial responsibility in this study, refer to two conceptually-distinct constructs. Whereas household economic stability referred to ease of access to basic necessities (Ansong et al.), young adults’ financial responsibility referred to the ability to meet expenses . . . among other factors” (Gerrans et al., 2014, p. 146).

The mediator observed variables, namely future-orientations, were operationalized differently across the two studies, as well. Ansong et al. operationalized future-orientations based on a series of questions from a savings plan intake questionnaire; this dissertation operationalized future-orientations based on the frequency of young adults’ talking to their parents about future plans. The independent observed variables, namely asset-ownership, also were operationalized in different manners between the two studies: home value and livestock in the Ansong et al. (2013) and the values of homes, other real estate, cars, and bank accounts in this dissertation research.

Implications for Social Work Policy Practice

This study imparts several implications for social work policy-practice. For social work policy-practice, this study implies that the designers of asset-development policies, such as the designers and administrators of individual development accounts, should include programmatic content that establishes future-orientations into the individual development account programs, potentially in the educational- and peer-support components (Beverly et al., 2003; Curley et al.,
The inclusion of programmatic content that establishes future-orientations will strengthen the likelihood of financial self-sufficiency outcomes, such as and not limited to financial responsibility, to occur in the presence of asset-development interventions (Shobe & Page-Adams, 2001). These modifications will make asset-development interventions, such as individual development account programs, better equipped to enhance the predicted effect of asset-ownership on young adults’ financial responsibility.

Programmatic content in the financial education components of individual development account programs that establishes future-orientations is paramount to the maintenance of the participants’ successful trajectories of asset-development. Presently the financial education components emphasize future-orientations only as far as the physical maintenance/upkeep of the assets purchased (e.g., how to conduct basic home maintenance) or how to save funds in an individual development account savings program (e.g., Grinstein-Weiss & Irish, 2007). Such financial education components should be bolstered to empower the participants to make educational, work, and family plans that work well for the participants in order to instill proper future financial capability in the participants.

Social Work Policy-Practice Implications of the Partial Mediation Effect

The partial mediation effects found in this dissertation research had implications for social work policy-practice. For all households, parents, schools, and extracurricular activities could consider emphasizing future plans and talking to young adults about their future plans—the very activities that ultimately promote young adults’ financial responsibility—in the same manner that IDA program peer-support groups operate (Parker, 2013). Such IDA program peer-support groups consist of all low-income IDA participants who provide advice, feedback, and guidance to one another to help them all save funds (Parker, 2013). Congruent with the spirit of
Tufano and Schneider’s (2008) conceptualization of policies that “leverage social networks” that consist of collectives of individuals to assist one another to save funds (pp. 1–5), perhaps such peer-support groups could be established for young adults with older mentors who could provide advice, feedback, and guidance to the young adults to help them establish future plans.

Poverty traditionally had been attributed to individuals as a consequence of an inherent personal characteristic, such as an inability and/or unwillingness to become and remain employed in the labor market (Blank, 1997; Mead, 1992; Rank, 2004; Sherraden, 1991; Trattner, 1999). A growing collective of scholars have reconceptualized poverty as institutional-level barriers to the tangible- and intangible-resources that households need to survive and thrive in the world (Blank; Midgley, 2009; Midgley & Sherraden, 2009; Rank, 2004; Sherraden, 1991; Trattner, 1999). According to Blank and other scholars (Midgley & Sherraden, 2009; Rank, 2004; Sherraden, 1991), the Investment/Positive Externalities Argument posited that investments in poor households generate increases in their productivity within their communities and economies, in addition to positive financial outcomes, such as financial responsibility. To that end, governments and non-profit organizations could consider continuations of and increases in the level of the investment of funds in poor households in order to enable them to purchase financial assets which impart future-orientations and financial responsibility (Midgley & Sherraden, 2009; Sherraden, 1991). In this manner, households will become more resilient against poverty due to a greater level of ownership of financial assets, coupled with the goal of empowering them to realize their future hopes and dreams.

**Implications for Social Work Research-Practice**

For social work research-practice, this study implies that a substantial amount of theory-building and theory-testing research should be conducted prior to the implementation of
interventions in order to provide (a) the vulnerable target population with the most effective interventions and (b) the stakeholders the maximum return on investment for every dollar spent on the interventions (Branom, 2012; Finn, 1994; Jansson, 2008). Specifically, with regard to the intervention provided to the target population, this dissertation research demonstrates that theory-testing research can bolster the efficacy of interventions, in this case individual development account programs, to provide the low-income households with the strongest financial self-sufficiency outcomes from the assets that they developed while participating in the programs. In particular, programmatic content should be included in the financial education and peer-support components of individual development account programs in order to encourage the participants to save more funds with greater ease (Parker, 2013; Tufano & Schneider, 2008).

Community leaders who recognize a social problem either advocate for funding or provide the funding themselves for interventions that will address a social problem (Branom, 2012; Finn, 1994; Jansson, 2008). With regard to the stakeholders who have advocated for or funded individual development programs, as implied by theory-building research, the research, such as this present study, suggests whether or not the investors will receive the maximum return on investment for every dollar that they spent on the intervention (Branom, 2012; Finn, 1994; Jansson, 2008). This dissertation research, coupled with the previous theory-building research conducted to date, suggests that asset-development programs, such as individual development account programs, should be funded because asset-ownership encourages financial self-sufficiency outcomes as Sherraden (1991) had originally posited in his book.

**Limitations of This Study**

All research endeavors, including this dissertation research, have inherent imperfections. Despite the contributions of this study, the analyses were conducted in light of a couple of
limitations. First, this study originally had intended to study the broad construct of financial well-being as conceptualized as both financial security and freedom-of-choice in both the present and in the future (CFPB, 2015). Due to the absence of variables in the PSID and TAS that triangulated on the broad construct of financial well-being, the author could not study the entire construct of financial well-being. Young adults’ financial-responsibility, therefore, was the only construct that feasibly could be studied in this dissertation research. Because variables that triangulated on financial well-being were not present and therefore could not be analyzed in the present study, knowledge about how asset-ownership directly impacts financial well-being, as conceptualized by the Consumer Financial Protection Bureau (2015), remains unsolved by this dissertation and unknown in the literature on asset-development. Consistent with this first limitation, a sub-limitation from this dissertation research was that proxy measures were substituted, due to data unavailability, for observed variables that directly measured the constructs of interest.

Both this dissertation research and the Xiao, Chatterjee, and Kim (2014) study utilized the exact same “financial responsibility” observed variables. Both studies, however, argued that the same observed variables triangulated on different constructs—young adults’ financial responsibility in this dissertation and young adults’ financial independence in the Xiao, Chatterjee, and Kim (2014) study. Scholars could argue that young adults’ financial responsibility and young adults’ financial independence refer to synonymous constructs or different constructs. Future researchers who study this construct should investigate whether the two phrases refer to synonymous or different constructs in much the same way that Xiao, Chen, and Chen (2014) investigated the distinctions between various financial capability and financial well-being constructs.
Third, a limitation to this study involved the control of potential extraneous variables. Other variables, such as race and educational level, could have served as extraneous variables that could have influenced this study’s findings and should be controlled for in future research. Future research should statistically-control for race and education level, in addition to this dissertations’ control of income and age, by analyzing the direct effects of those control variables on parental asset-ownership.

The final and most serious limitation involved the use of structural equation modeling. Specifically, structural equation modeling, as explicated in the Method section of this dissertation, refers to a method of analyzing survey data by applying a patchwork of ordinary least squares analyses to determine the parameter estimates of both the measurement model and structural path model. Because structural equation modeling essentially was regressions of regressions, all limitations of ordinary least squares regression apply by extension to structural equation modeling. Therefore, even though the measurement model parameter estimates indicated strong observed variable measures of each construct, and by extension, the structural path model, this study only found that the constructs covary. Temporal precedence could not be established because an experimental design was not feasible for this research study; the potential effects of other extraneous control variables also remains unknown.

**Suggestions for Future Research**

Future research should seek to remedy this study’s limitations. To address the first limitation, and potentially the second limitation, future data collection efforts should cast a broad net to collect data on a wide variety of variables that triangulate on the broad construct of financial well-being. These variables should capture households’ financial security and freedom-of-choice in both the present and in the future (CFPB, 2015). The InCharge Financial
Distress/Financial Well-Being Scale (Prawitz et al., 2006), an empirically validated scale not necessarily consistent with the Consumer Financial Protection Bureau’s (2015) conceptualization of financial well-being, could provide a great way to operationalize financial well-being based on an empirical standardized scale that has been researched extensively.

To address the third limitation, namely the control of extraneous variables, future researchers should control for extraneous socioeconomic and demographic variables, in addition to income and age, in future structural equation models. Researchers should remain mindful of the direct and indirect effects that extraneous variables could exert on the intermediary effect of a future-orientation on the relationship between asset-ownership and financial responsibility. Future research should control for the direct effects of various socioeconomic and demographic characteristics by analyzing the direct effects of those variables on parental asset-ownership, in the same manner that this dissertation controlled for the extraneous effects of income and age of household head.

**Conclusion of This Dissertation**

This dissertation research has substantively contributed to the asset-development research by representing the first-known attempt to test a part of the asset-based theory of American social welfare on a sample of American households as opposed among Ugandan households. Parental asset-ownership influenced young adults’ future-orientations which then predicted the young adults to espouse financial responsibility. Asset-ownership, therefore, bolstered the future hopes and dreams that Sherraden (1991) had posited as an influence on the predicted effect of asset-ownership on financial responsibility—just one of many potential financial self-sufficiency outcomes that Sherraden had posited in his seminal work on the asset-based theory of American social welfare.
Sherraden (1991) eloquently wrote in *Assets and the Poor: A New American Welfare Policy*, that “Simply put, people think and behave differently when they are accumulating assets, and the world responds to them differently as well” (p. 148). This dissertation research contributed to the preponderance of evidence that partially substantiates Sherraden’s claim.
REFERENCES


APPENDIX
INSTITUTIONAL REVIEW BOARD STUDY APPROVAL

TigerMail Mail - Study Approval
https://mail.google.com/mail/u/0/?ui=2&ik=2d6aad5ec0&view=pt&q=i...
ACTION ON EXEMPTION APPROVAL REQUEST

TO: Trey Bickham  
Social Work

FROM: Dennis Landin  
Chair, Institutional Review Board

DATE: April 9, 2015

RE: IRB# E9299


Review Date: 4/9/2015

Approved X Disapproved

Approval Date: 4/9/2015 Approval Expiration Date: 4/8/2018

Exemption Category/Paragraph: 4a,b

Signed Consent Waived?: NA. All data are from publicly available sources

Re-review frequency: (three years unless otherwise stated)

LSU Proposal Number (if applicable): ___

Protocol Matches Scope of Work in Grant proposal: (if applicable)

By: Dennis Landin, Chairman

PRINCIPAL INVESTIGATOR: PLEASE READ THE FOLLOWING –

Continuing approval is CONDITIONAL on:

1. Adherence to the approved protocol, familiarity with, and adherence to the ethical standards of the Belmont Report, and LSU’s Assurance of Compliance with DHHS regulations for the protection of human subjects

2. Prior approval of a change in protocol, including revision of the consent documents or an increase in the number of subjects over that approved.

3. Obtaining renewed approval (or submittal of a termination report), prior to the approval expiration date, upon request by the IRB office (irrespective of when the project actually begins); notification of project termination.

4. Retention of documentation of informed consent and study records for at least 3 years after the study ends.

5. Continuing attention to the physical and psychological well-being and informed consent of the individual participants, including notification of new information that might affect consent.

6. A prompt report to the IRB of any adverse event affecting a participant potentially arising from the study.


8. SPECIAL NOTE:

*All investigators and support staff have access to copies of the Belmont Report, LSU’s Assurance with DHHS, DHHS (45 CFR 46) and FDA regulations governing use of human subjects, and other relevant documents in print in this office or on our World Wide Web site at http://www.lsu.edu/irb*
VITA

Trey Bickham was born and raised in Baton Rouge, Louisiana, and attended a Catholic elementary and middle school, Denham Springs Junior High School, Denham Springs Freshman High School, and Denham Springs High School. Trey graduated cum laude from Louisiana State University on May 21, 2010 with a Bachelor of Science degree in Psychology with a minor in Sociology. He also earned a Master of Social Work degree from the School of Social Work at Louisiana State University on May 18, 2012 and plans to study asset-development. Trey expects to earn his Doctor of Philosophy degree from Louisiana State University in May 2016. Trey resides at his Denham Springs residence with his parents, Lou and Melinda Bickham.