Financial Anxiety during COVID-19: How do Parents with Young Children Cope with the Crisis?

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Purpose
What financial anxiety was influenced (by and) during the COVID-19 global pandemic. Especial attention herein was paid to parents with young children (age 3 to 8 years).

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Background
- Financial landscape was altered in March 2020 due to the global COVID-19 pandemic (Canilang et al., 2020, p. 1).

Literature Review
- Financial strains fell more heavily on lower income populations
- Job loss, pay cut, emergency fund, etc.
- Demographic differences: Black & Hispanic vs. White
- Mental Health and Financial Anxiety
  - Economic recessions and negative mental health outcomes
  - Financial anxiety: “feeling anxious or worried about financial situation” (Archuleta et al., 2013)
- Financial Adjustment before the COVID-19 Pandemic
  - No enough income/savings since the Great Recession
  - Use credits to finance income shortfalls
  - Different management methods

Introduction

Method

Data
- Data: Purdue University
  - A total of 495 participants (with at least one child is age from 3 to 8)
  - Recruitment: online parenting forums, parenting listservs, snowball sampling
- Current data: Wave 2 n = 356 (May 2020)

Participants
- Age: 37 yrs on average
- Gender: Female (n=278) vs. Male (n= 74)
- Race/ethnicity: White/Caucasian (n = 236, 67.2%)

Measures
- Financial anxiety (FAS; Archuleta et al., 2013)
- Parental factors
- Child factors
- Financial adjustment factor
- COVID-19 impact factors
- Stimulus check
- General Anxiety Disorder (GAD; APA, 2013).

DISCUSSION

1. Parental*
   - Parents who self-identified as White/Caucasian are more likely to have less financial anxiety
   - Parents who self-identified as non-White tend to have more financial anxiety
   - Mothers reported less financial anxiety than fathers

2. Financial Adjustment**
   - Participants who did not touch their retirement savings during this time tended to report less financial anxiety

3. COVID-19**
   - Participants who spend more time talking about what the pandemic is and/or how to cope with it tended to have higher financial anxiety
   - Participants who shared COVID-19 news with friends and families are likely to have a higher level of financial anxiety

4. Stimulus Check**
   - Participants who are not eligible for stimulus checks reported significantly less financial anxiety

5. Generalized Anxiety Disorder***
   - Participants who have higher GAD scores tend to maintain a higher levels of financial anxiety

RESULTS

1. Parental*
   - P_Race*
   - P_Gender***

2. Parental + Child (N/S)

3. Parental + Child + Fin_Adjustment**
   - Retirement***

4. Parental + Children + Fin_Adjustment + COVID-19**
   - COVID 1 - What is coronavirus or ways to prevent it, such as washing hands*
   - COVID 3 - Listening to the radio or watching TV news about coronavirus related information***

5. Parental + Child + Fin_Adjustment + COVID-19 + Stimulus Check**
   - Are you eligible for the U.S. government stimulus payment*

6. Parental + Child + Fin_Adjustment + COVID-19 + Stimulus Check + Generalized Anxiety Disorder***
   - How often they have been bothered by the following problems: nervous, unable to stop worrying, worry too much, trouble relaxing, being restless, and easily annoyed or irritable ***