

Using the Expectancy-Value Theory to Understand Young Adult's
Financial Behavior and Financial Well-Being

A Thesis

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Dedication

For Will.

Abstract

The current study seeks to understand how young adults navigate the university-to-work transition while experiencing financial and employment instability. Using the Expectancy Value Theory (EVT) as a foundation, the purpose of this study is to examine the independent direct effects of both early parental and personal expectations and values on young adults' later financial behaviors and in turn the concurrent association between financial behavior and financial wellbeing using longitudinal data. The study used data from a subset of participants (N=754) in the Arizona Pathways to Life Success (APLUS) project collected at two time points five years apart. Results from a series of hierarchical linear ordinary least squares (OLS) regressions showed that early personal expectations significantly predicted later financial behavior and financial well-being. Parental expectations remained important for financial well-being, but not for financial behavior. Additionally, the study also considered whether employment status moderated the relationship between financial behaviors and one's perception of financial well-being. Although a significant predictor, employment status did not have a moderating effect on the association between financial behavior and financial well-being. Implications for further study and limitations are discussed.

Keywords: Young Adults, Financial Well-Being, Financial Behavior, Expectations, Values, Internal and External Motivators

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Introduction

Despite an improving U.S. economy, financial instability remains the leading source of stress among adults (American Psychological Association, 2015). Because financial instability during the transition to adulthood is not new (Settersten, 2012), measuring financial well-being may be a better indicator of how young adults are actually faring. Financial well-being offers a broader understanding of financially secure households (Levere & Tivol, 2015). Amidst the studies about the antecedents of financial well-being, financial behavior has continuously been shown to have a better prediction value than many other factors (Drever, Odders-White, Kalish, Else-Quest, Hoagland, & Nelms, 2015). Young adulthood has historically been a time to launch careers, create independent households, and for many, practice for the first time financial behaviors they learned from school and observed from their parents (Arnett, 2004). But with a shifting recognition that financial knowledge alone does not guarantee healthy financial behaviors (Drever et al., 2015; Robb & Woodyard, 2011; Tang, Baker, & Peter, 2015), there is a need to better understand the motives driving financial behavior.

Research highlights the continued impact of parents on young adults' in college within the financial domain (Hancock, Jorgensen & Swanson, 2010; Jorgensen, & Savla, 2013; Lim, Heckman, Montalto, & Letkiewicz, 2014; Norvilitis & MacLean, 2010; Puente-Diaz & Cavazos Arroyo, 2015; Serido, Curran, Wilmarth, Ahn, Shim, & Ballard, 2015; Xiao, Ahn, Serido, & Shim, 2014). However, less is known about young adults who have graduated from college and have had time to practice financial behaviors independently. Financial well-being reflects more than just the accumulation and management of assets; financial well-being encompasses how young adults perceive their

control of their finances, ability to meet financial goals, and how they make financial choices (Consumer Financial Protection Bureau, 2015; Levere & Tivol, 2015; Tescher & Schneider, 2015). Research shows that many factors impact one's assessment of financial well-being, including individual factors, available opportunities, and socializing agents such as parents (Levere & Tivol, 2015).

Although both external influences and their own internal motivators impact financial well-being, most research on young adult financial behaviors has focused on external socializing agents, notably parents. Indeed parental socialization influences the development of young adults' financial behavior (Gudmunson & Danes, 2011; Serido, Shim, Mishra, & Tang, 2010; Shim, Barber, Card, Xiao, & Serido, 2010; Xiao et al. 2014), however, as young adults separate from their parents, they may exhibit values and expectations different from their parents related to their overall financial well-being.

The purpose of this study is to investigate the simultaneous associations of both internal and external values and expectations on young adults' financial behavior, and in turn how these internal and external factors affect young adults' financial well-being. The study relies on the Expectancy-Value Theory (EVT), (Eccles & Wigfield, 2002) as a framework for examining internal and external values and expectations as sources of motivation for financial behavior and in turn the assessment of young adults' financial well-being. For college graduates after the Great Recession, employment was especially challenging (Kalleberg, 2013; Shierholz, Sabadish, & Finio, 2013). Thus, the study also considers whether employment status moderates the relationship between financial behaviors and one's perception of financial well-being. The present study adds to the literature by investigating the simultaneous impact of both internal and external factors

on financial behavior and financial well-being, and the role that employment plays in the association between young adult financial behaviors and young adult financial well-being, relying on data from the Arizona Pathways to Life Success (APLUS) project collected at two time points five years apart.

Theory

Expectancy-Value Theory (EVT) (Eccles & Wigfield, 2002) provides a theoretical frame to better understand how both internal and external factors influence financial behavior. A key assumption of EVT is that “expectancies and values are assumed to directly influence performance, persistence, and task choice” (Eccles & Wigfield, 2002, pg. 118). One’s perception of expectations and values, as grounded in one’s internalization of parental social norms, as well as one’s personal financial expectations and values, will influence one’s financial behavior and perception of financial well-being (Wigfield, Tonks, & Klauda, 2009). In this sense, EVT guides the study about how young adults combine their parents’ influence with their own personal motives to influence their financial behaviors.

Expectancy is defined as one’s belief that performing a task will lead to a specific outcome (Eccles & Wigfield, 1995; Wigfield & Eccles, 2000). *Values* are defined as one’s belief that the expected outcome or behavior is desirable (Feather, 1995). Values serve as a source of motivation for behavior, leading one to make choices among different goals, thus creating different behaviors (Feather, 1995). According to EVT, although values motivate behavior, expectations about one’s ability to perform the behavior, must also be factored into one’s belief about the ability to succeed (Wigfield & Eccles, 2000). Both expectancies and values are also dependent on social influencers, like

parents (Eccles, 2009). Young adults are actively making decisions that are a reflection of both their internal and external belief systems. By incorporating both the individual's expectations and values, in addition to parent's expectations and values, this study offers a more comprehensive view of behavior following the framework of EVT.

There are four subcategories of subjective task value that further delineate how a positive valence toward financial well-being can become a motivator for young adults' financial behavior and the probability that a specific behavioral choice will be selected (Eccles & Wigfield, 2002; Eccles, 2009) and contribute to their financial well-being. Values are a subjective assessment made up of internal motivational aspects that precede behavior: *Attainment value* is the personal importance placed on the task (e.g., I want others to see me as a competent money manager); *Intrinsic value* represents the enjoyment in performing the task or the interest in the task itself (e.g., I feel excited about a task). Both attainment value and intrinsic value represent the internal motivation of personal values, such that young adults will value moving towards becoming a financially independent adult. External motivation aspects include *Utility Value* and *Cost*. *Utility value* relates to the usefulness or relevance of the task in goal achievement external (e.g. I budget to reach my goals) as well as the influence of external values (e.g. I budget to please my parents); and *Cost* reflects the negative aspects that the task may require, such as loss of time, anticipated effort, anxiety, fear of failure or success, and lost opportunities.

The level of influence that parents have on young adults tends to decline in young adulthood (De Goede, Branje, & Meeus, 2008; Serido et al., 2015). However, as children develop, parents are tasked with helping them become financially independent (Danes,

1994). Accordingly, internalized parental values (Johnson & Mortimer, 2015), combined with personal expectations will influence financial choices (Gorges & Kandler, 2012). In performing these behaviors young adults expect to achieve outcomes that are important to them and thus lead to well-being. Therefore, young adults' behavior is based on both their perception of their parents' expectations and values for their financial behaviors, and their personal expectations and values regarding specific financial behaviors. Based on the EVT theory outlining internal and external motivations for behaviors and expected value in achieving outcomes of those behaviors, the following conceptual model guides the present study (see Figure 1).

Literature Review

Young Adult Financial Well-Being

In economic terms, financial well-being is often equated with material wealth (Plagnol, 2011), but material wealth alone does not account for satisfaction with one's current financial situation (Ng & Diener, 2014). The level of available resources influences one's perception of financial well-being (Drever et al., 2015). Although well-being has been defined differently across disciplines, there is some consensus that well-being is comprised of an individual's self-assessment of both objective and subjective factors (Easterlin, 2006). But there is a difference between being satisfied with one's current financial situation (Ng & Diener, 2014) and being satisfied with one's financial ability to attain one's desired financial level (Plagnol, 2011).

Thus, the Consumer Financial Protection Bureau (CFPB) defines financial well-being as a feeling of security and control of one's financial obligations, and sufficient financial resources to enjoy life (2015). Although financial well-being has been

conceptualized as financial satisfaction (Brown, Durand, Harris, & Weterings, 2014; Joo & Grable, 2004), financial wellness (Gerrans, Speelman, & Campitelli, 2014), financial health (Tescher & Schneider, 2015), and economic wellbeing (Lofstrom, 2013), what they have in common is the subjective assessment of one's own satisfaction. Henceforth, for the present study the term financial well-being will be used to represent young adults' assessment of their level of satisfaction and the control they feel they have within the domain of their current financial situation.

As a domain, financial well-being has been found to be a strong predictor of overall well-being in adults (Robb & Woodyard, 2011). For example, Ng & Diener (2014) found that higher financial well-being was indicative of more positive feelings and viewing one's life more positively. In a study testing the relationship of several financial variables, financial well-being, (i.e., financial satisfaction), had the strongest relationship with personal well-being for adults, indicating that their perception of their financial circumstances can mediate the impact of objective financial measures in predicting overall well-being (Gerrans et al., 2014).

Similarly, Stein et al. (2013) found a direct relationship between young adult college students' perceived economic situation, for example, ability to meet material needs and subjective well-being. Reported feelings of economic pressure significantly predicted general anxiety and depressed moods (Stein et al., 2013). Higher financial well-being was found to be associated with lower levels of stress, regardless of the type of debt held by college students (Archuleta, Dale, & Spann, 2013).

Young Adult Financial Behavior

A higher level of financial well-being is also associated with more responsible financial behaviors (Drever et al., 2015; Robb & Woodyard, 2011; Shim et al. 2010) and although variation exists, certain financial behaviors can impact financial well-being (Drever et al., 2015). Brown et al. (2014) found that how one feels about his or her finances steers financial choices, driving one's behavior to attain financial well-being, which leads one to alter behavior or remain the same if satisfied (2014). High-risk financial behavior is associated with lower health outcomes for college students (Adams & Moore, 2007; Worthy, Jonkman, & Blinn-Pike, 2010), but less is known about young adults after college. During college, there are opportunities to practice financial behaviors but many students are still receiving outside financial support, until they leave university and become fully responsible for their own financial choices.

Parental Expectations and Values on Young Adult Financial Behavior

Parents' influence extends beyond childhood and adolescence, particularly in the financial domain (Drever et al., 2015; Gudmunson & Danes, 2011; Kim & Chatterjee, 2013; Tang et al., 2015). In a study examining the support exchanges between young adults and their parents, it was found that even though advice support was the most common, close to one third of the young adults shared that they received financial support from their parents over the previous year (Bucx, Van Wel, & Knun, 2012). This indicates that even as young adults are establishing financial independence, they are still receiving help from their parents and may be impacted by the perceived influence and indirect effect of their values and expectations (Jorgensen & Savla, 2010; Serido et al., 2015).

Young adults independently develop their financial values and expectations in the context of family interactions (Drever et al., 2015; Gudmunson & Danes, 2011). Studies among young adults have shown the lasting impact that parents' financial teaching, both implicit and explicit, can have on the financial behavior and financial knowledge of young adults (Drever et al., 2015; Gudmunson & Danes, 2011; Jorgensen & Savla, 2010). College students who reported high levels of parental teaching had lower levels of credit card debt (Norvilitis & MacLean, 2010). Parental control has been associated with positive financial attitudes (Kim & Chatterjee, 2013) and parents have been shown to exert positive influences on psychological outcomes like sense of control and financial efficacy (Shim, Serido, Tang, & Card, 2015). In fact, Shim et al. (2015) reported that young adults who perceived that their parents talked frequently about finances, described having more control over their finances, higher confidence in managing their finances, and more positive financial attitudes overall. Hancock et al. (2013) found that parental influence significantly predicted financial behavior in their young adult children through financial attitudes. Tang et al. (2015) reported that parental monitoring increased responsible financial behaviors with a stronger effect for women. Investigating the co-occurring influence of financial knowledge, social influence, and psychological factors, the researchers also found a stronger relationship between parental influence and self-discipline in predicting positive financial behaviors.

However, Xiao et al. (2014) found that parental communication did not have a strong effect on young adults financial independence, specifically, young adults receiving financial help from family, especially from those with higher resources, actually were less likely to be financially independent. Similarly, Norvilitis and MacLean (2010)

reported that college students had higher credit card debt with increased levels of parental communication. In a study examining the socialization influence that both parents and romantic partners have on young adults within the financial domain, Serido et al. (2015) found that while both had an impact on young adults' financial behavior, it appeared that the effects of parents may be waning as romantic partners gained influence. This indicates that external factors, including parents, continue to influence young adults' financial behavior even after they leave the home.

As described, parents can have a positive impact on young adults' financial behavior and well-being. The recent trend shows that young adults in the United States are delaying the traditional launch into adulthood by living with their parents longer (Fry, 2015) and it appears that young adults are relying on their parents for both continuing emotional and financial support (Setterson, 2012).

Individual Expectations and Values on Financial Behavior

The subjective nature of financial well-being is reflected in individuals' assessment about how much money they have, and their ability to manage their money to meet their financial goals (Drever et al., 2015). As young adults mature, parents still matter because they have provided opportunities to practice positive financial behaviors (Drever et al., 2015). However young adults will evaluate continued parental financial support as either positive or negative, by either accepting or rejecting their parent's money values (Gudmunson & Danes, 2011). In a longitudinal study following young adults, Kirkpatrick Johnson (2013) found that continued financial support into adulthood increased closeness with parents but also showed evidence of increased depressive symptoms. Investigating how financial behaviors impact well-being, Green and Leeves

(2013) reported that well-being decreased for workers who sought financial help from their friends or family.

Tang et al. (2015) found that psychological factors also positively related to responsible financial behaviors, such that self-discipline increased responsible financial behaviors significantly. Individual personal financial behaviors were found to mediate parenting variables in predicting credit card behavior of college students (Norvilitis & MacLean, 2010) and agency and stress coping strategies were key to predicting financial behaviors in adults during periods of pressure (McNair, Summers, de Bruin, & Ranyard, 2016).

From this perspective, it is important to also consider the individual's expectations and values. Considering that young adults are early in their career and accumulation of financial assets, it makes sense that young adults have positive expectations for their future (Gutierrez & Hershey, 2014). Using assets and liabilities as a proxy for financial aspiration and means, Plagnol (2011) found that both influence financial well-being over the life course. It is important to note that young adults are generally low on the income curve, yet because of the perception of time, the overall impact of income remains unclear. However, Gutierrez & Hershey (2014) found that young adults overall were more positive about financial retirement outcomes as a long-range goal.

Financial well-being can also be a result of social comparison, specifically external expectations. Young adults have different values and expectations related to their financial level of living, meaning that the subjective nature of financial well-being is less about accumulation of assets, and more about how one feels about their financial

situation. Financial well-being is not just about income, but for those experiencing economic challenges, having enough money to meet their needs has a stronger impact on financial well-being (Ng & Diener, 2014). Meaning that young adults may have an expected level of income required to meet their basic needs and if they do not have enough money to live, their well-being is impacted by their income. Plagnol (2011) found that one's financial goals mediated the direct effect of income on financial well-being, which changed due to psychological processes related to comparison to others.

In a study examining young adults' goals and concerns in several domains, education and employment goals were the highest rated personal goals (Ranta, Dietrich, & Salmela-Aro, 2014) indicating the high importance that young adults place on these domains during this unique university-to-work transition. Not surprising, finances were a high concern, especially considering that most young adults are transitioning to independent living and have many financial demands (Ranta et al., 2014).

In a broad literature review of the individual driving forces behind financial well-being, certain financial behaviors were more impactful depending on the developmental level of the person (Drever et al., 2015). Values influence behavior both as the result of a conscious decision and out of habit (Bardi & Schwartz, 2003). Habits, beliefs and values learned in childhood form the basis of financial behaviors as young adults (Drever et al., 2015). Not all young adults report having the same financial attitudes and behaviors (Shim et al., 2010), but their values and expectations for their finances will impact how they view their ability or inability to be financially independent, either directly, as a result of a conscious decision, or indirectly as a result of a habit (Bardi & Schwartz, 2003; Feather, 1995). Rather than just measuring the outcome of financial behavior,

understanding the mechanisms behind how young adults incorporate both their personal beliefs with their parents' beliefs about spending and saving, and put those beliefs into action through their financial behaviors (Serido et al., 2015) will help us understand why some young adults have high financial well-being and others do not.

Young Adult and Employment

Employment is one marker of adult status (Arnett, 2000) providing financial resources leading to higher levels of economic self-efficacy and financial independence (Xiao, Chatterjee, & Kim, 2014). Kim and Chatterjee (2013) found that young adults who were employed were more likely to be financially independent, owned financial assets and were responsible for managing their own money. Employment can be health promoting (Murphy, 2009) and encourage healthy financial behaviors (Kim & Chatterjee, 2013, Xiao et al., 2014). Young adults have expectations for achieving financial independence by working, but employment opportunities may look different following the Great Recession (Settersten, 2012; Sortheix, Chow, & Salmela-Aro, 2015; Stein et al., 2011). Shierholz et al. (2013) reported an increase in young college graduates who were unemployed, underemployed, or working jobs that did not require a college degree, as compared to before the recession. Young adult's employment status is not reflective of a lack of skills or education, but rather is a result of a decrease in demand and an increase in lower-paying jobs (Shierholz et al., 2013).

Studies on the impact of employment type on well-being have varied (Corrêa & Ferreira, 2011; Kauhanen & Nätti, 2015). For instance, in evaluating the effect of temporary or contract work, Green and Leaves (2013) found that perceived job insecurity decreased well-being and lowered positive financial behaviors. With an increase in self-

employment, and a common belief that small businesses can be a tool for economic growth, Lofstrom (2013) found that self-employed workers earned less income than those of wage/salary workers. Unemployment and lower incomes are linked to lower subjective well-being (Helliwell & Huang, 2014) and increased substance abuse in young adults (Lee, Hill, Hartigan, Boden, Guttmanova, Kosterman, Baile, & Catalano, 2015). For adults, unemployment can have dire consequences both on the individual's emotional well-being and financial stability (Ali, Fall, & Hoffman, 2013).

Many young adults begin taking their first steps towards financial responsibility in college by signing leases, getting their first credit card, paying for utilities, or working part-time jobs (Drever et al., 2015). After planning and managing their resources for many years, these young adults have had time to reflect on the outcome of their financial behavior, as reflected in their perception of their financial well-being. However, not all young adults have a job that allows for financial independence, which could hinder their full participation in all financial decisions even after they have moved away from home.

Therefore, the relationship between financial behavior and financial well-being may depend on employment status, such that the association between high financial behavior and high financial well-being will be stronger for those who are unemployed because they have fewer resources and need to manage those resources well. For those that are employed full-time, the association between financial behavior and financial well-being will be less important because they have more resources and less pressure on managing limited resources.

The Current Study

The purpose of this study is to investigate the associations of parental and personal financial expectations and values with young adults' financial behaviors and in turn the association between financial behavior and financial wellbeing using longitudinal data. Studies on the financial behaviors, attitudes and knowledge of young adults have often consisted of a college student sample. Considering that receiving financial support during college is normative, upon graduation, there is an expectation that young adults move away from their family and become financially responsible for their financial behaviors (Gudmunson & Danes, 2011). This sample offers a unique view of young adults who have completed university and have begun the task of separating from their family of origin to become financially independent (Arnett, 2000).

Three research questions are considered:

RQ1. Do both early parental (external) and personal (internal) expectations and values influence later financial behavior? Considering that many studies focus on how either internal drivers or external drivers independently influence behavior, examining simultaneously how both internal and external forces contribute to behavior together adds to our understanding of how a young adult is motivated to behave within the financial domain.

RQ2. Do financial behaviors concurrently predict financial well-being and mediate the influence of both parental (external) and personal (internal) expectations and values?

RQ3. Does employment status moderate the association between financial behavior and financial well-being? Given the developmental salience of employment

during the transition to adulthood, employment status may interact with financial behavior and modify the association between financial behavior and financial well-being.

Hypotheses

Using the Expectancy-Value Theory (Eccles & Wigfield, 2002) as a framework, a series of hierarchical linear multiple OLS regressions were conducted to estimate the relationship between parental factors (expectations and values) and personal factors (expectations and values) on financial behavior. On the basis of both theory and previous empirical support, it was hypothesized that:

Hypothesis 1: Both early external (parental) and internal (personal) expectations and values will have a direct effect on young adults' later financial behaviors (Drever et al., 2015; Gudmunson & Danes, 2011; Kim & Chatterjee, 2013). Early parental expectations and parental values will have a positive direct effect on young adults' later financial behaviors (H1a). Personal expectations and actualized values will have a direct positive effect on young adults' financial behaviors (H1b) whereas hedonic values will have a direct negative effect on young adults' financial behaviors (H1c).

Hypothesis 2: Financial behaviors will mediate the associations between both early parental and personal expectations and values and later financial well-being. Concurrent financial behavior will have a positive direct effect on young adult's financial well-being (H2a).

Because in the U.S. employment is a salient developmental marker of the transition to adulthood (Arnett, 2004), these analyses further examined employment status as a potential moderator of the association between financial behavior and financial well-being (see Figure 2). Although more responsible financial behavior is associated

with higher financial well-being, young adults with fewer resources (PTE) need to practice more responsible financial behaviors to maintain financial well-being, whereas young adults with more resources (FTE) may enjoy higher well-being whether or not they practice more responsible financial behaviors. Based on the empirical literature, there is evidence that employment is associated with financial well-being but the empirical and theoretical support for moderation is unclear. Therefore we will test for moderation to answer the research question: Does employment status moderate the association between financial behavior and financial well-being?

Method

Study Design

The data for the study were drawn from two waves of data from a larger longitudinal study, the Arizona Pathways to Life Success for University Students (APLUS), designed to examine the relationship between financial behavior and well-being. Collected in the spring of 2008, the first wave of data comprised a total of 2,098 first-year full-time university students ranging in age from 18-21 years old. The second wave was collected when the students (N=1511) were in their fourth year of college. Wave 3 data was collected in the spring of 2013 (N= 977) aged 22-27 years old. At each wave, participants were recruited using various methods, including the university's email accounts and social media promotion. Each online survey was comparable in size and scope. Modest financial incentives were provided in all three waves to encourage participation. IRB approval was obtained prior to data collection for each wave.

Sample

Wave 1 and Wave 3 data were used to test the hypotheses and answer the research questions posed in this study. Specifically, Wave 1 baseline data provided information about financial parenting experiences during the first year of college, when students were more likely to be influenced by their parents (Shim et al., 2010). By Wave 3 data collection most of the participants were personally responsible for their own financial obligations, with the majority having graduated from college (88.7%) and more than half working full-time (53.2 %). Because the present study focused on employment as a potential moderator, participants who reported being unable to work, not looking for employment, or still in school were excluded from the study sample. The total analytical sample for the study included 754 participants.

The participants were 62.5% female and 37.5% male. About 68% were white, 15.5% Hispanic, 9% Asian/Pacific Islander, 2.9% African-American, 1.6% Native American, and 3% other/missing. About 16.4% of the participants were the first in their immediate family to go to college, with the participants reporting they were from families of three different socioeconomic status brackets, lower SES; 33.5%, ~ annual income < \$50,000, middle SES: 25.1%, ~ annual income between \$50,000 and 200,000, and higher SES families; 41.4%, ~ annual income > \$200,000. Among the participants, 88.6% were not married but 44.1% reported being in a relationship with a significant other. Only 3.1% of the participants reported having children. Regarding residence, 42.4% reported that they rented / shared an apartment or house, 21.2% lived with parents/relatives, 18.5% rented alone, 8.4% owned house/condo, 7.5% house/condo parent's owned, and 1.8% other.

Measures

Wave 1 variables (Predictors).

Parental expectations. Because parents are an important financial socializing influence, external expectations in the present study will be assessed as a measure of young adults' conformance to parental expectation regarding their financial behaviors. This measure was developed using an expectancy-value approach, represented by the product of two distinct components: young adults' perception of the financial behaviors their parents expect them to perform and their level of compliance in performing that behavior (Shim et al., 2010).

The six financial behavior questions follow the stem phrase: My parent(s) think I should. Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores representing higher perceived parental expectations about performing that behavior. The six behaviors included: track monthly expenses, spend within budget, pay credit card in full; save money monthly for future; invest long-term; and learn about management regularly. Compliance is a single item measured on a five-point Likert-scale from 1 (strongly disagree) to 5 (strongly agree), "When it comes to money matters, to what degree do you think your own behaviors are influenced by your parents?" with higher scores indicating greater compliance. The mean of each behavior item was first multiplied by the degree of compliance and then the mean was computed to provide a measure of parental influence. Higher scores indicate higher parental influence on young adults financial behavior. (M=14.47, SD=5.82, Range=24). Coefficient α was .86.

Parental value. Because both parental expectations and values influence young adults' behavior, external values in the present study will be assessed as a measure of

young adults' rating of the value their parents place on their future finances. A single item question asked respondents to rate the following statement on a five-point scale (1=Very unimportant; 5=Very important), "It is very important to my parent's that I choose an academic major that will lead to a well paying job upon graduation." (M=3.44, SD=5.82, Range=4)

Personal expectations (Shim, Xiao, Barber & Lyons, 2009). Although young adults are influenced by external expectations and values from their parents, they are also influenced by their own internal expectations and values. The present study measures the young adults' internal expectations for financial behavior by assessing their level of financial self-efficacy representing their self-assessment of their ability to perform certain behaviors. Young adults were asked to rate their level of agreement with the following four phrases: I feel good about money management; I am satisfied with the way I pay my bills; I don't like the way I manage my finances (reversed), and I wish I were better at saving money (reversed). Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores representing higher personal expectations about performing healthy financial behaviors. This variable was computed as the mean of five items. (M=3.38, SD=.87, Range=4) Coefficient α was .768.

Personal actualizing values (Kahle, 1983). Because personal values are important motivators for behavior, personal values in the present study will be assessed using two value measures representing two distinct value drives. The first value measure, actualizing, reflects a young adults' level of prioritizing responsible values. The five value items follow the stem phrase: The following is a list of qualities that most people hope to gain from life. Some may be more important to you than others. Therefore, please

rate how important each item is in your daily life as compared to other items in the list. Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores representing more actualizing values. The five value items were: self-fulfillment; being well-respected; security; self-respect; and sense of accomplishment. This variable was computed as the mean of five items. (M=4.36, SD=.51, Range=4) Coefficient α was .795.

Personal hedonic values (Kahle, 1983). The second value variable, hedonic, reflects a young adults' level of prioritizing more carefree values. The four value items follow the stem phrase: The following is a list of qualities that most people hope to gain from life. Some may be more important to you than others. Therefore, please rate how important each item is in your daily life as compared to other items in the list. Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores representing more hedonic values. The four value items were: sense of belonging; excitement; warm relationships; and fun and enjoyment of life. This measure was computed as the mean of four items. (M=4.16, SD=.50, Range=4) Coefficient α was .693.

Wave 3 Variables (Outcomes).

Financial Behavior (Serido et al., 2015). Because EVT asserts that both expectations and values predict behavior, the present study will assess young adults' financial behaviors using a measure that indicates their frequency of performing selected positive behaviors. The eight financial behavior questions follow the stem phrase: Indicate how often you have engaged in the following activities with the past six months. Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores indicating more positive financial behaviors. The eight behaviors included: budgeted on a

regular basis; tracked monthly expenses; spent within the budget; paid bills on time each month; saved money each month for the future; saved for emergencies; contributed to an investment or retirement account; and invested for long-term financial goals. The measure was computed by taking the mean of the eight items. (M=3.32, SD=.86, Range=4) Coefficient α was .788.

Financial Well-Being (Serido et al., 2010; Shim et al., 2010). The present study assessed young adults' financial well-being using a measure that reflects their level of satisfaction with their current financial status. The three financial well-being questions follow the stem phrase: Please read each of the following statements concerning satisfaction with your current financial status and indicate to what degree it reflects your own thoughts and feelings. Valid responses range from 1= strongly disagree to 5=strongly agree with higher scores indicating higher levels of financial well-being. The three items included: feeling satisfied with current financial status; level of difficulty paying for things (reversed); and constantly worrying about money (reversed). The measure was computed by taking the mean of three items. (M=3.17, SD=1.08, Range=4) Coefficient α was .819.

Wave 3 moderator.

Employment Status. Participants were asked to select their present work status from six options (i.e., employed full-time, employed part-time, self-employed, unemployed/looking, unemployed/not looking, and not able to work). As noted in the description of the sample, participants in graduate school and those who were either unemployed/not looking, or not able to work were removed from the analytic sample due to the study focus on employment status. Although the results are varied, past research

studies have demonstrated an association between behaviors and well-being based on their employment status. The variable was recoded into four dichotomous variables (0/1): employed full-time (FTE) (N=497, 65.9%); employed part-time (PTE) (N=173, 22.9%); self-employed (SEMP) (N=20, 2.7%); and unemployed and looking for employment (UNEMP) (N=64, 8.5%).

Control Variables. For the present study gender, race/ethnicity, and socio-economic status are used as control variables. As previous studies have found an association between these variables and the outcome variables (Tang, Baker, & Peter 2015). Gender was coded as male=1 and female=2. Race/ethnicity was coded as African American=1, Asian=2, Pacific Islander=3, Hispanic/Latino=4, Native American=5, White=6, and other=7.

Socio-economic status (SES) was coded as a composite score of the young adults' education level of both parents and total household income as reported by the young adults at wave 1. To calculate parental SES, the Computerized Status Index method (Coleman, 1983) was used. The education level of both parents (1=less than high school; 5=graduate school or professional degree) and parental income (1=less than \$50,000; 4=more than \$200,000) were indexed, and then summed together (range of SES=3-14). A single summary measure of SES was used for greater reliability to encompass the range of factors (Babones, 2010; National Forum on Education Statistics, 2015; Serido et al., 2015).

Plan of Analysis

Step 1

Descriptive analysis of variables. The first step of analyses was to run descriptive statistics to conduct basic exploratory data analysis of the variables in order to check for errors. Descriptive statistics included examining the frequency of valid cases, the distribution of the range of the variables, calculating the means and standard deviations of the independent, dependent and control variables. Reviewing the descriptive data helped to determine if there were any inconsistencies within the data. Checking the minimum and maximum possible scores and comparing the results to the survey questions prevented possible future errors. I examined the means and standard deviations to confirm that they fell within a reasonable and expected range to determine if the variables chosen were appropriate for this study.

Step 2.

Intercorrelation analysis of variables. The second step of analyses was to run correlations to explore the linear relationship between the selected variables. Examining the correlation among the predictor variables prior to conducting further statistical analyses helped to determine if the predictors were too highly correlated, which would have indicated that multicollinearity would be a problem. If there is too much overlap between the variables, meaning they are too highly correlated, then the results could be misleading if the variables contain too similar information. The intercorrelations show how each variable is associated with each other and whether there is a relationship between the independent expectation and value variables and the two dependent variables financial behavior and financial well-being.

Step 3.

Testing assumptions for multiple regressions. The third step of analyses was to determine if the data met the assumptions of multiple regressions, specifically to test if there was a linear relationship among the independent and predictor variables. Each multi item measure was tested for internal consistency by computing the reliability of the measure using Cronbach's alpha. To test the mean differences between the employment status groups, a one-way ANOVA was conducted to see if there were group differences in order to answer the third research question. To meet the assumptions of multiple linear regressions, the data should not violate the assumptions of linearity, normal distribution and multicollinearity before proceeding with the analysis. A curve estimation was conducted for each independent variable with each dependent variable to determine if there was a linear relationship. Histogram tests were conducted for each measure to determine if the variables were acting within acceptable measures of normality. To test for multicollinearity, correlations were conducted of the variables needed to test the study hypotheses.

Step 4.

OLS Regression Analyses. The fourth step of analyses was to run a regression for two separate models. In the first model, the selected EVT measures were regressed on financial behavior to determine the separate and combined effects of external and internal expectations and values. In the second model, the selected EVT measures and financial behavior were regressed on financial well-being to determine the separate and combined effects of external and internal expectations and values, along with financial behavior.

Step 5.

Testing for mediation. The fifth step of analyses was to determine the extent to which financial behavior mediated the relationship between external and internal expectations and values. If mediation was present, then the observed relationship between external and internal expectations and values with financial well-being was due partially to financial behavior. EVT asserts that the selected variables impact behavior and not well-being, while the extant literature provides evidence that financial behavior impacts financial well-being. The current study aims to test whether financial behavior reduces or accounts for the magnitude of the relationship of the predictor variables with financial well-being.

In order for mediation to occur, three conditions must be met: there is a statistically significant correlation between the predictor and outcome variable, there is a statistically significant correlation between the predictor and mediator variable, and there is a statistically significant correlation between the mediator variable and the outcome variable (Baron & Kenny, 1986, Leech, Barrett, & Morgan, 2015). First, the extent of the relationship between the external and internal expectations and values and the outcome variable financial well-being was examined to see if there was a significant relationship. In the second regression model, the predictor variables were regressed on to financial well-being. For the significant relationships, next the predictor variables were regressed on to financial behavior, the hypothesized mediator. Next, it was determined if the relationship between the predictor variables and the outcome variable was no longer significant, indicating that financial behavior mediated the effects of external and internal expectations and values. To further test the mediation relationship, a separate Sobel Test

analyses (Baron & Kenny, 1986) was conducted to further determine if the change in effect was statistically significant.

Step 6.

Testing for moderation. The sixth and final step in the analyses was to determine if employment status moderates the relationship between financial behavior and financial well-being. If moderation is present, then the observed relationship between financial behavior and financial well-being depended on the employment status of the young adult. For example, the relationship between financial behavior and financial well-being may be stronger for those that have fewer resources since they need to be extra vigilant in the practice of healthy financial behaviors like budgeting. The assumptions for moderation are the same as for mediation (Leech et al., 2015) indicating that there must be a statistically significant correlation between the predictor variable, the outcome variable, and the moderation variable.

Four separate interaction terms were created for each of the employment levels: full-time employment (XfbFTE), part-time employment (XfbPTE), self-employed (XfbSEMP), and unemployed (XfbUNEMP). First, the predictor variable financial behavior was mean-centered to help interpret the data considering that the employment variables are dummy-coded without a true zero point. Then each employment status was multiplied by the mean-centered financial behavior variable to calculate an interaction term. The interaction terms were added to the second regression model as the final step in the analyses to test whether financial well-being depended on the interaction between financial behavior and employment status.

Results

Preliminary analysis

First, preliminary analyses were conducted to examine the relationship among the variables in the context of the sample to examine the assumptions of the planned analysis using SPSS 23.0.

Descriptive analysis of variables. Descriptive statistics (means and standard deviations) were conducted to determine the distribution across the various ranges of scores (see Table 1, cols, 2-3). For each variable, the minimum and maximum were within the appropriate range as none were extreme and all fell within the expected range according to the data codebook. For example, respondents generally felt positively about parental expectations (M=14.47, SD=5.82, Range=24) and parental values (M=3.44, SD=1.18, Range=4). Similarly, personal expectations (M=3.38, SD=.87, Range=4) was as expected. Both personal actualizing and hedonic values were highly rated with little variation within the data (Actualizing Values M=4.36, SD=.51, Range=4; Hedonic Values M=4.16, SD=.50, Range=4). Financial behavior was still moderately high (M=3.32, SD=.86, Range=4) however financial well-being was generally lower with more variation within the sample (M=3.17, SD=1.08, Range=4).

Intercorrelation analysis of variables. Pearson bivariate correlations were conducted to examine the associations among the variables in the model (see Table 1, cols. 4-13). The correlations were low to moderate, indicating that there is not a problem with multicollinearity and that each variable is measuring a unique construct relevant to the present study. As expected, both financial behavior and financial well-being were moderately and positively correlated ($r(731) = .477, p < .000$), indicating that there is an

association between the two independent variables. Personal expectations were positively correlated with personal actualizing values ($r(752) = .079, p < .05$), financial behavior ($r(732) = .267, p < .000$), and financial well-being ($r(742) = .315, p < .000$); the association with personal hedonic values was unexpectedly not significant indicating that there does not seem to be an association between personal hedonic values and the other personal variables, possibly due to the measure. Personal actualizing values were significantly correlated with financial behavior ($r(733) = .175, p < .000$) and financial well-being ($r(743) = .080, p < .05$), showing that there is an association between internal variables and the outcome variables. It appears that both expectations and values are related to financial behavior and financial well-being, with those reporting high levels of expectations and values, also reporting high levels of healthy financial behavior and higher levels of financial well-being.

Financial behavior was positively correlated with FTE ($r(734) = .285, p < .000$) but negatively correlated with PTE ($r(734) = -.231, p < .000$) and UNEMP ($r(734) = -.117, p < .000$). Similarly, financial well-being was positively correlated with FTE ($r(744) = .279, p < .000$), but was negatively correlated with PTE ($r(744) = -.174, p < .000$) and UNEMP ($r(744) = -.200, p < .000$). Employment status does seem to be associated with financial behavior and financial well-being, as three of the levels are significantly correlated but acting in opposite directions.

Testing assumptions for multiple regressions. Further exploratory data analyses were conducted to determine the appropriateness of testing the conceptual model using OLS hierarchical linear multiple regressions, specifically if there was a linear relationship among the data. Each multi item measure met Cronbach's alpha reliability for internal

consistency. A one-way ANOVA testing the mean differences of employment status (three groups: FTE, PTE/Self-Employed, and Unemployed/Looking) with financial behavior, was significant $F(2, 729) = 31.634, p < .000$, indicating that there were differences among the group means by employment status.

Next, the outcome variables (financial behavior and financial well-being) were both continuous with reliable scales. Also, the predictor variables were continuous scales, except for parental value, which is a single-item continuous measure. The control variables were all categorical. A curve estimation was conducted for each independent variable with each dependent variable showing mostly straight lines indicating that there was a linear relationship. Both the curve estimation and histogram tests demonstrated that each variable was acting within acceptable measures of normality. Therefore, because the assumptions of linearity, normal distribution and limited multicollinearity were met, it was appropriate to proceed with the analysis to test the study hypotheses.

OLS Regression Analyses

A series of hierarchical linear multiple ordinary least squares (OLS) regressions were conducted to further evaluate the separate and combined effects of early external and internal expectations and values, along with later financial behaviors in predicting later financial well-being, and whether employment had a moderating effect on financial behavior.

Antecedents of financial behavior. In the first series, the model estimated the effect of the wave 1 predictor variables on wave 3 financial behavior (see Table 2) to answer the first research question regarding the contribution that both internal and external drivers independently influence behavior. In step 1, the control variables

(gender, ethnicity, SES) and employment status entered the model, and significantly predicted financial behavior ($F(6,712) = 11.260, p = .000, \text{adjusted } R^2 = .080$). The control variables accounted for approximately 8% of the variance in financial behavior; PTE employment status was significant ($\beta = -.265, \rho = .000$) and UNEMP employment status was significant ($\beta = -.167, \rho = .000$). This suggests that those that are employed part-time or are unemployed, are reporting lower levels of healthy financial behaviors compared to those that are employed full-time.

In step 2, to test if external variables (parental expectations and values) had a positive and direct effect on later financial behavior (H1a), next entered the model. The entire model significantly predicted financial behavior ($F(8,712) = 9.598, p = .000, \text{adjusted } R^2 = .088$), accounting for almost an additional 1% of the variance in financial behavior. Parental expectations were statistically significant ($\beta = .099, \rho = .009$) while both PTE employment status ($\beta = -.255, \rho = .000$) and UNEMP employment status ($\beta = -.162, \rho = .000$) remained a statistically significant predictors. As hypothesized, parental expectations did predict higher levels of healthy financial behaviors, however the lack of significance with the parental value variable was unexpected due to the theoretical foundation of the hypothesis. Although, as demonstrated earlier with the lack of significance in the correlation test, the measure used for parental value may not be adequate.

In the final step, personal variables (expectations and values) entered the model to test if there was a direct effect on financial behavior (H1b & H1c). The entire model significantly predicted financial behavior ($F(11,712) = 14.011, p = .000, \text{adjusted } R^2 = .167$) and accounted for an additional 8% of the variance in financial behavior. As

expected, personal expectations was statistically significant ($\beta=.246, \rho =.000$), as was personal actualizing values ($\beta=.155, \rho =.000$). This indicates that those reporting higher levels of expectations and values are likely to have higher levels of healthy financial behaviors. It was hypothesized that hedonic values would have a negative impact to financial behavior, however no significance was found indicating that these specific h for personal expectations and values, parental influence on financial behavior may look different for young adults.

Total variance explained in the final model was 18%, providing partial support for the first hypothesis that both early internal and external expectations and values would have a positive and direct effect on young adults' later financial behavior. There was no support that early parental expectations or parental values predicted later financial behaviors (H1a) once personal expectations and values were included in the model. Personal expectations and personal actualizing values positively predicted financial behavior as expected (H1b), but there was no support that personal hedonic values had a negative direct effect on financial behavior (H1c).

Antecedents of financial well-being. In the second series, the model estimated the effect of the control variables, predictor variables and financial behavior on financial well-being (see Table 3) to answer the second research question regarding the concurrent influence of financial behavior in predicting financial well-being, mediating the influence of both parental (external) and personal (internal) expectations and values. In step 1, the control variables (gender, ethnicity, SES) and employment status entered the model and significantly predicted financial well-being, ($F(6,709) = 15.790, p = .000$), adjusted $R^2 = .119$. All of the variables were significant except ethnicity (gender $\beta=-.117, \rho =.001$; SES

$\beta=.112, \rho=.002$; PTE $\beta=-.219, \rho=.000$; UNEMP $\beta=-.250, \rho=.000$) showing the main effect that men were reporting higher levels of financial well-being compared to women, those reporting higher socio-economic brackets reported higher levels of financial well-being compared to the two lower brackets, and those that were working full-time reported higher levels of financial well-being compared to those working part-time or were unemployed.

In step 2, external variables (parental expectations and values) entered the model. The entire model significantly predicted financial well-being but only parental expectations was significant $F(8,709) = 13.460, p = .000$, adjusted $R^2 = .123$. Parental expectations ($\beta=.125, \rho=.001$), gender ($\beta=-.130, \rho=.000$), SES ($\beta=.085, \rho=.021$), PTE ($\beta=-.210, \rho=.000$), and UNEMP ($\beta=-.244, \rho=.000$) were statistically significant. As expected, parental expectations had a separate and unique effect on financial well-being. In the third step, personal variables (expectation and values) entered the model. The entire model was statistically significant in predicting financial well-being, $F(11,709) = 16.074, p = .000$, adjusted $R^2 = .190$, but only some of the variables were significant. Gender ($\beta=-.103, \rho=.006$), PTE ($\beta=-.205, \rho=.000$) and UNEMP ($\beta=-.225, \rho=.000$) remained statistically significant, along with personal expectations ($\beta=.258, \rho=.000$). The control variables continued to have a unique main effect in predicting financial well-being, showing that there are differences between the groups when they report their level of financial well-being. As expected, personal expectations seem to impact one's level of financial well-being. However, unlike model 1, parental expectations remained significant ($\beta=.073, \rho=.044$) although the effect in predicting financial well-being

decreased, meaning that it appears that parental expectations are important in young adult's reporting of their level of financial well-being.

In the fourth step, the mean-centered financial behavior variable accounted for an additional 11% of the variance of financial well-being and was statistically significant ($F(12,709) = 26.892, p = .000, \text{adjusted } R^2 = .305$). Financial behavior ($\beta = .374, \rho = .000$), personal expectation ($\beta = .165, \rho = .000$), gender ($\beta = -.116, \rho = .000$), PTE ($\beta = -.110, \rho = .001$) and UNEMP ($\beta = -.170, \rho = .000$), were statistically significant. Parental expectations and SES were no longer significant providing only partial support for hypothesis (H2). Specifically, financial behavior fully mediated parental expectations and reduced the significance of personal expectations. Separate Sobel Test analyses (Baron & Kenny, 1986) were conducted to determine if the change in effect was statistically significant. Partial support was found for financial behavior as a mediator of parental expectations, and although not fully mediating, there is evidence of an indirect effect on personal expectations (see Figure 3).

Next, a final step was added to the model to test the moderating effect of employment on financial behavior in predicting financial well-being after accounting for the predictor variables to answer the third research question. The four interaction terms (mean-centered financial behavior multiplied by employment status) entered the model in the fifth and final step. The entire model was statistically significant ($F(15,709) = 21.841, p = .000$), adjusted $R^2 = .306$) in predicting financial well-being. Although employment status was a significant predictor of financial well-being, employment status did not moderate the association between financial behavior and financial well-being ($\beta = .385, \rho = .000$). Personal expectations ($\beta = .161, \rho = .000$), gender ($\beta = -.119, \rho = .000$), SES

($\beta=.069$, $\rho=.037$), PTE ($\beta=-.124$, $\rho=.000$) and UNEMP ($\beta=-.168$, $\rho=.000$) were statistically significant. Parental expectations ($\beta=.059$, $\rho=.083$) remained approaching significance. Total variance explained in the final model was 31%.

Discussion

The current study examined the independent direct effects of both early parental and personal expectations and values on young adults' later financial behaviors and, in turn, the concurrent association between financial behavior and financial well-being using longitudinal data. Using the Expectancy-Value Theory to frame the study, I found some support that both parental and personal expectations and values had direct effects on financial behavior and financial well-being. Specifically, personal expectations were significant in predicting financial behavior and financial well-being. Financial behavior partially mediated the effects of early personal expectations on later financial well-being and fully mediated the effects of early parental expectations on later financial well-being. Although employment status did not moderate the association between financial behaviors and financial well-being, as hypothesized, employment status directly predicted financial well-being. Specifically, financial well-being was lower for those who worked part-time or were unemployed, compared to those who worked full-time.

Expectations, values, and behavior

According to EVT, both expectations and values motivate behavior (Wigfield & Eccles, 2000) and are dependent on social influencers, like parents (Eccles, 2009). The results provide partial support for the first hypothesis (H1): although parental variables predict financial behavior, once the personal variables entered the model, parental variables are no longer significant providing no support for H1a. The model prediction

effect doubles by accounting for almost 15% of the variance in financial behavior when personal variables were included. This finding may suggest that young adults' may internalize parental expectations and values into their own personal expectations, as in young adults' beliefs in their ability to succeed (Wigfield & Eccles, 2000) since the level of influence that parents have tends to decline in young adulthood (De Goede, Branje, & Meeus, 2008; Serido et al., 2015). Personal expectations represent the young adults' self-belief that they are able to and see the value in performing certain financial behaviors, such as feeling confident and having a high level of self-efficacy. Young adults who feel they are financially confident will perform healthy financial behaviors (Robb & Woodyard, 2011) like seeking help to manage their finances (Lim et al., 2014).

As hypothesized, personal actualizing values had a direct positive effect on young adults financial behaviors providing support for H1b. Values of self-fulfillment, being well-respected, and having a sense of accomplishment, were positively related to higher levels of healthy financial behaviors. The effect of hedonic values however was not significant providing no support for H1c. Although hedonic values have been associated with overconsumption and materialism and manifest as poor financial behaviors in young adults (McNeil, 2014), it is possible that the internal motivation to perform certain financial behaviors was more connected to values about success and self-fulfillment. Among young adults, hedonic values may be more predictive of behaviors outside the financial domain (e.g., relationships, sensation seeking). None of the values variables significantly predicted financial well-being. For future research, the relationship between values and behaviors, versus values and well-being, could be further examined to understand if values motivate differently with each construct. Simply ranking how

important each value is in your daily life may not fully capture how values may subtly impact behavior and well-being in relation to others (Bardi & Schwartz, 2003; Plagnol, 2011).

Young adults may be novices when it comes to financial behaviors since many only become financially independent once they leave college, but the expectations they have about their ability to succeed at financial tasks are skills they have learned within their families (Drever et al., 2015; Gudmunson & Danes, 2011). The more prepared they feel, the more likely they are to succeed, as reflected in their self-assessment of their level of satisfaction with the way they currently manage their finances and pay their bills. Thus, it may be that the direct influence of parental expectations is subsumed within one's personal expectations within the financial domain. Although the declining parental influence is consistent with the extant literature, EVT assumes that an individual's behavior is still influenced by external social influencers, meaning that perhaps for young adults, there are other external forces impacting their behavior within the financial domain.

Financial behaviors partially mediate earlier expectations

Financial behaviors had a significantly positive direct effect on young adult's financial well-being (H2). Consistent with the literature, healthier financial behaviors are associated with higher levels of financial well-being, reflecting the need to encourage healthy financial behaviors early. EVT outlines the significance of not only wanting to behave in a certain way (e.g. pay my bills on time), but the self-belief that one can succeed in the desired behavior (e.g. I can earn enough money to pay my bills on time). Among young adults, financial well-being is less about income, and more about how

competent the young adult feels that they can financially behave in the way that they desire (Stein et al., 2013).

Once financial behaviors was included in the prediction model, it was hypothesized that both parental and personal factors would no longer predict financial well-being (H2). Although small, parental variables added an additional 2% variance in predicting financial well-being after controlling for gender, ethnicity/race, socioeconomic status and employment status, with parental expectations significantly predicting financial well-being. However, unlike in the first prediction model, parental variables had a stronger lingering effect in predicting financial well-being even after personal variables and financial behavior were included.

On the other hand, personal expectations remained significant, even after financial behavior was added. This indicates that parental expectations are still important for young adults when they assess their level of financial well-being. EVT explains that the internalization of parental social norms is critical to how young adults perceive their situation, as reflected in their perception of how they are doing financially. Although young adults have separated and are establishing their financial independence, the role that parents still play is evidence that it is not just about personal expectations. Young adults are combining both their parents' influence with their own personal motives in enacting the behaviors that lead to the expected outcomes that are important to them and thus leading to financial well-being.

Employment is important but not everything

The present study also tested whether employment status moderated the association between financial behavior and financial well-being due to the saliency of

employment as a developmental marker of adulthood and the association between employment and financial well-being. In each model, employment status was a significant predictor of both financial behavior and financial well-being, showing that there are differences between the employment groups. Meaning that employment status does predict financial behavior and financial well-being, with those that work full-time reporting healthier financial behaviors and higher levels of financial well-being.

However, the interaction variable was not significant, indicating that employment status does not have a moderating effect on the association between financial behavior and financial well-being. Although not hypothesized, it was thought that employment status might moderate the relationship between financial behavior and financial well-being due to need for those with fewer resources to practice more responsible financial behaviors to maintain financial well-being. Whereas young adults who work full-time and have more resources may enjoy higher well-being whether or not they practice more responsible financial behaviors. The lack of moderation implies that regardless of employment status, the young adults will have positive financial behaviors if they have high expectations and confidence in their ability to successfully perform the desired behaviors.

Not surprisingly, employment status significantly contributed to predicting healthier financial behaviors and financial well-being. Employment is a marker of independence and the main avenue for growing wealth, however those who were employed part-time reported lower levels of positive financial behaviors (e.g. budgeted on a regular basis, paid bills on time each month) and lower levels of financial well-being (e.g. satisfied with current financial status, difficulty paying for things). Those that are

employed part-time employment may have lower incomes (Shierholz et al., 2013) or have higher levels of job insecurity (Green and Leaves, 2013), resulting in more difficulty enacting healthy financial behaviors and less satisfaction in how they are handling their finances. Although more responsible financial behavior is associated with higher financial well-being, young adults with fewer resources may not be able to behave in the way they desire, resulting in lower levels of positive financial behaviors and financial well-being.

Interestingly, those that were employed full-time and part-time were significantly associated with parental expectations, financial behavior, and financial well-being, which may indicate that it is less about the job status for young adults, and more about the financial means that the job provides. As in, young adults may want to behave in financially responsible ways, but their employment status does not provide enough resources to employ positive financial behaviors. Alternatively, these results also may reflect the continued influence of parents on young adults perception of their financial well-being. Thus, if parents expect their children to be financially on their own, young adults may be more likely to take a full-time job even if it is not exactly the job that they want.

Young adults may want to be employed full-time, but due to the lack of demand there may not be a job available, such that employment status is not viewed as a lack of skills, education, or motivation (Shierholz et al., 2013). Young adults in this study were launching careers during a challenging job market, in which they may have been happy to have any job, regardless of employment type. EVT explains that social comparison is important to a young adults' self-assessment on how well they are succeeding. Because

many young adults have struggled to find adequate employment, the norms surrounding employment may be changing with it being more common to be underemployed.

Considering that EVT asserts that social influencers like peers, influence expectations and values as young adults enact social comparison, making it more socially acceptable to have varying employment statuses. It could be thought that parents are having a greater influence on the perception of the value associated with employment, even as young adults are less concerned about employment status and are more concerned with the financial independence offered by employment.

Any job offers some level of financial independence, however not all jobs provide adequate income to perform healthy financial behaviors. Parental support of career exploration is linked to positive career outcomes in young adults resulting in a strong career identity that is then a predictor of employment stability (Stringer & Kerpelman, 2010). But continued financial support from parents leads to decreased levels of independence in young adults (Xiao et al., 2014). It is possible that young adults' employment status is connected to their ability to enact financial behaviors, but not on their self-assessment of their ability to succeed at behaving financially responsible.

Meaning that, even if they know how to perform healthy financial behaviors (e.g. budgeting and paying bills on time), their level of income may not allow them to successfully meet their financial demands. There is a social-norm effect when many young adults were struggling to establish their career during the Great Recession. The community can impact their view of unemployment as not as negative, or they may have an increase perceived fear of losing their job in response to a bad economy (Helliwell &

Huang, 2014), leading them to value any job they can get and reducing the negative stigma surrounding employment status.

Gender effect

In this study, control variables accounted for almost twice the variance in financial well-being than for financial behavior. Specifically, there is a strong gender effect indicating that males were experiencing higher financial well-being. Gender differences have been found in other studies within the financial domain (Tang, Baker, & Peter 2015) even as there have been no significant differences in financial knowledge, attitudes or behaviors (Jorgensen & Savla, 2010). Lofstrom (2013) found gender differences in that compared to women, for some men, self-employment was more financially rewarding. Jorgensen & Savla (2010) found significant differences in the ways that women and men gained financial knowledge in response to either implicit or explicit parental teachings, suggesting that young adults are socialized differently in the financial domain, resulting in different expectations for their financial well-being. It could be that men and women are experiencing different expectations within the financial domain, leading to some men to be more positive regarding their financial situation.

Limitations and future research

As with all studies, there are limitations to consider. First, the sample is comprised of young adults who have graduated from college. During the Great Recession, college graduates had overall lower levels of unemployment, indicating that their employment expectations and financial well-being expectations may differ from other populations. Second, a larger portion of the sample was employed full-time compared to each of the other employment statuses. The lack of a moderating effect from

employment status may look different if the sample was more balanced and included more young adults who were employed part-time or seeking employment. Third, the measure used for the parental value variable is a single-item measure focusing specifically on career and a well-paying job. Considering that parental value did not have an effect in this study does not mean that parental values do not matter, but rather that the measure may not adequately capture what parents valued regarding financial behaviors. Future research should further examine the separate effects of how parental expectations and values influence children differently within the financial domain at different ages beyond the impact on young adults' behavior. Parental values may have a stronger impact on younger children while they are still financial dependent on their parents.

Conclusion and implications

The current study adds to the understanding of the university-to-work transition by using longitudinal data of a unique cohort of college educated young adults in the early stages of launching careers. The EVT used to frame this study allowed for a better understanding of the concurrent influences of both parents and self, adding to a deeper understanding of the motivations behind financial behavior and financial well-being. In this study, although personal values mattered for financial behavior, expectations had a stronger effect. Especially considering the stage of life of the sample, succeeding in the financial domain is more a reflection of the individuals' personal success and less about parental effects. Parental variables matter less for behavior, indicating the critical role that families play in encouraging their children to practice healthy financial behaviors prior to launching independently. Financial well-being is less a reflection of income, but more a reflection of their ability and expectation for success. Parents are still important in

a young adults' self-assessment of financial well-being, reflecting their continued impact. However, parents should be encouraged to increase their young adults' self-esteem and feelings of capability by providing opportunities for them to practice healthy financial behaviors while they are still within their household.

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Appendix

Table 1
Descriptive Statistics and Correlations of Variables (N=754)

	M	SD	Parental Expectation	Parental Value	Personal Expectation	Personal Actualizing Values	Personal Hedonic Values	Financial Behavior	Financial Well-Being	FTE	PTE	SEMP	UNEMP
Parental Expectations (5-25)	14.47	5.82	-										
Parental Value (1-5)	3.44	1.18	.144**	-									
Personal Expectations (1-5)	3.38	.87	.164**	-.058	-								
Personal Actualizing Values (1-5)	4.36	.51	.189**	.167**	.079*	-							
Personal Hedonic Values (1-5)	4.16	.50	.111**	.084*	.019	.468**	-						
Financial Behavior (1-5)	3.32	.86	.131**	.052	.267**	.175**	.040	-					
Financial Well-Being (1-5)	3.17	1.08	.155**	-.015	.315**	.080*	.060	.477**	-				
FTE	.66	.47	.075*	.004	.061	.042	.084*	.285**	.279**	-			
PTE	.23	.42	-.073*	.003	-.041	-.008	-.040	-.231**	-.174**	-.759**	-		
SEMP	.03	.16	.041	.008	.027	-.024	.002	-.032	-.016	-.230**	-.090*	-	
UNEMP	.08	.28	-.041	-.017	-.057	-.044	-.083*	-.117**	-.200**	-.424**	-.166**	-.050	-

* $\rho < .05$. ** $\rho < .01$. *** $\rho < .001$.

Table 2

Model 1 Summary of Hierarchical Regression Analysis for Variables Predicting Financial Behavior (N=754)

Variable	Step 1			Step 2			Step 3		
	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β	<i>B</i>	<i>SE B</i>	β
Gender (Female)	.057	.065	.032	.034	.065	.019	.059	.064	.033
Ethnicity	-.022	.022	-.036	-.019	.022	-.032	-.029	.021	-.049
SES Category	.065	.039	.065 ⁺	.039	.037	.039	.044	.036	.044
Employment (FTE Referent)									
PTE	-.546	.076	-.265 ^{***}	-.527	.076	-.255 ^{***}	-.524	.073	-.254 ^{***}
SEMP	-.311	.195	-.058	-.339	.194	-.063 ⁺	-.328	.186	-.061 ⁺
UNEMP	-.517	.114	-.167 ^{***}	-.500	.114	-.162 ^{***}	-.453	.109	-.147 ^{***}
Parental Expectations				.015	.006	.099 ^{**}	.005	.005	.036
Parental Value				.025	.027	.034	.023	.026	.031
Personal Expectations							.245	.036	.246 ^{***}
Personal Actualizing Value							.265	.069	.155 ^{***}
Personal Hedonic Value							-.110	.069	-.062
<i>R</i> ²		.087			.098			.180	
ΔR^2		.087			.011			.082	
<i>F</i>		11.260 ^{***}			9.598 ^{***}			14.011 ^{***}	
ΔF		11.260 ^{***}			4.299 ^{**}			23.342 ^{***}	

* $\rho < .05$. ** $\rho < .01$. *** $\rho < .001$.

Table 3
Model 2 Summary of Hierarchical Regression Analysis for Variables Predicting Financial Well-Being with Moderator
(N=754)

Variable	Step 1			Step 2			Step3			Step4			Step5		
	B	SE B	β	B	SE B	β	B	SE B	β	B	SE B	β	B	SE B	β
Gender (Female)	-.258	.079	-.117**	-.287	.079	-.130**	-.228	.078	-.103**	-.258	.072	-.116***	-.264	.072	-.119***
Ethnicity	.029	.026	.039	.025	.027	.034	.006	.026	.008	.019	.024	.025	.016	.024	.022
SES	.139	.044	.112**	.105	.045	.085*	.102	.044	.082*	.082	.041	.066*	.085	.041	.069*
Employment (FTE Referent)															
PTE	-.560	.093	-.219***	-.536	.092	-.210***	-.525	.089	-.205***	-.281	.086	-.110**	-.318	.089	-.124***
SEMP	-.401	.237	-.060 ⁺	-.442	.236	-.067 ⁺	-.441	.227	-.066 ⁺	-.287	.211	-.043	-.219	.214	-.033
UNEMI	-.956	.139	-.250***	-.933	.138	-.244***	-.861	.134	-.225***	-.650	.125	-.170***	-.643	.133	-.168***
Parental Expectation Value				.023	.007	.125**	.014	.007	.073*	.011	.006	.059 ⁺	.011	.006	.059 ⁺
Personal Expectation Value				-.027	.033	-.030	-.021	.032	-.023	-.032	.030	-.035	-.036	.030	-.040
Personal Actualizing Value							.319	.044	.258***	.204	.042	.165***	.199	.042	.161***
Personal Hedonic Value							-.005	.085	-.002	.044	.079	.020	.046	.079	.021
Financial Behavior_C										.463	.043	.374***	.476	.051	.385***
XfbPTE													-.117	.102	-.044
XfbSEMP													.378	.236	.052
XfbUNEM													.013	.148	.003
R ²		.119			.133			.202			.316			.321	
ΔR^2		.119			.014			.069			.114			.005	
F		15.790***			13.460***			16.074***			26.892***			21.841***	
ΔF		15.790***			5.818**			20.111***			116.608***			1.435	

* $p < .05$. ** $p < .01$. *** $p < .001$.

Figure 1
Internal and external antecedents of young adults' financial behaviors and financial well-being

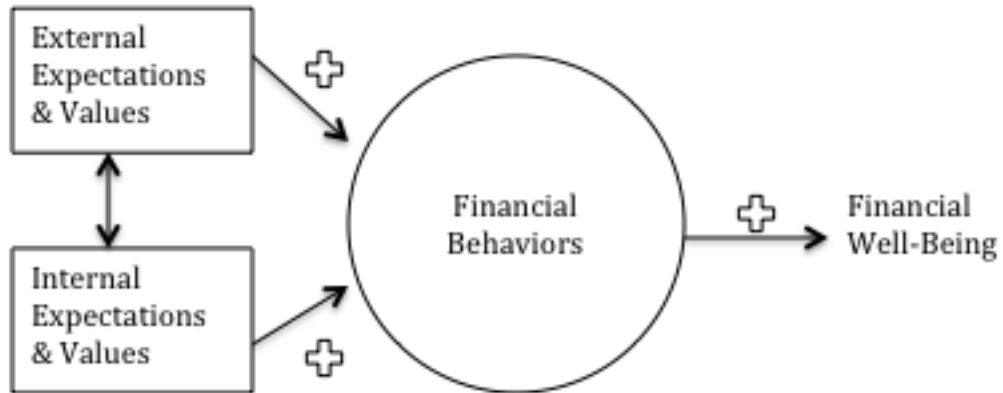


Figure 2
Conceptual model of the direct and indirect effects of external and internal expectations and values on financial behavior mediating the effect on financial well-being and moderate by employment type tested

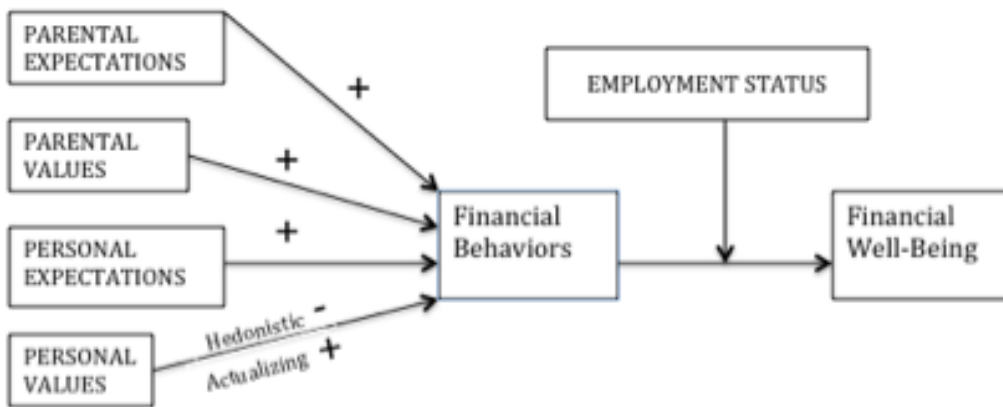


Figure 3

Parental expectations direct effects and full mediation through financial behavior

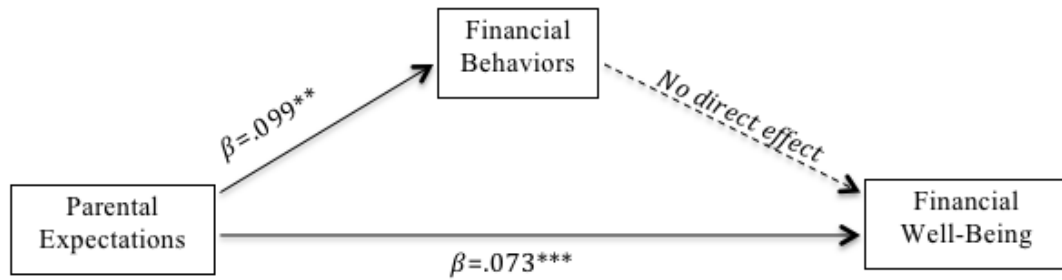


Figure 4

Personal expectations direct effects and partial mediation through financial behaviors

