

Exploring assets and Family stress

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Agenda

- A primer on assets
- Theory
- The current study
- Implications
- Future directions

Why are these important?

- Wealth is (much) more unequally distributed than income
- Most people would prefer a more equal distribution of resources
- The ways that most people accumulate assets are not meritocratic

Therefore

- We have a social problem that requires (a) further study and (b) intervention – policies & programs

2 Directions for Asset Research

1. Why assets?
2. How assets?

Evidence of why assets are important

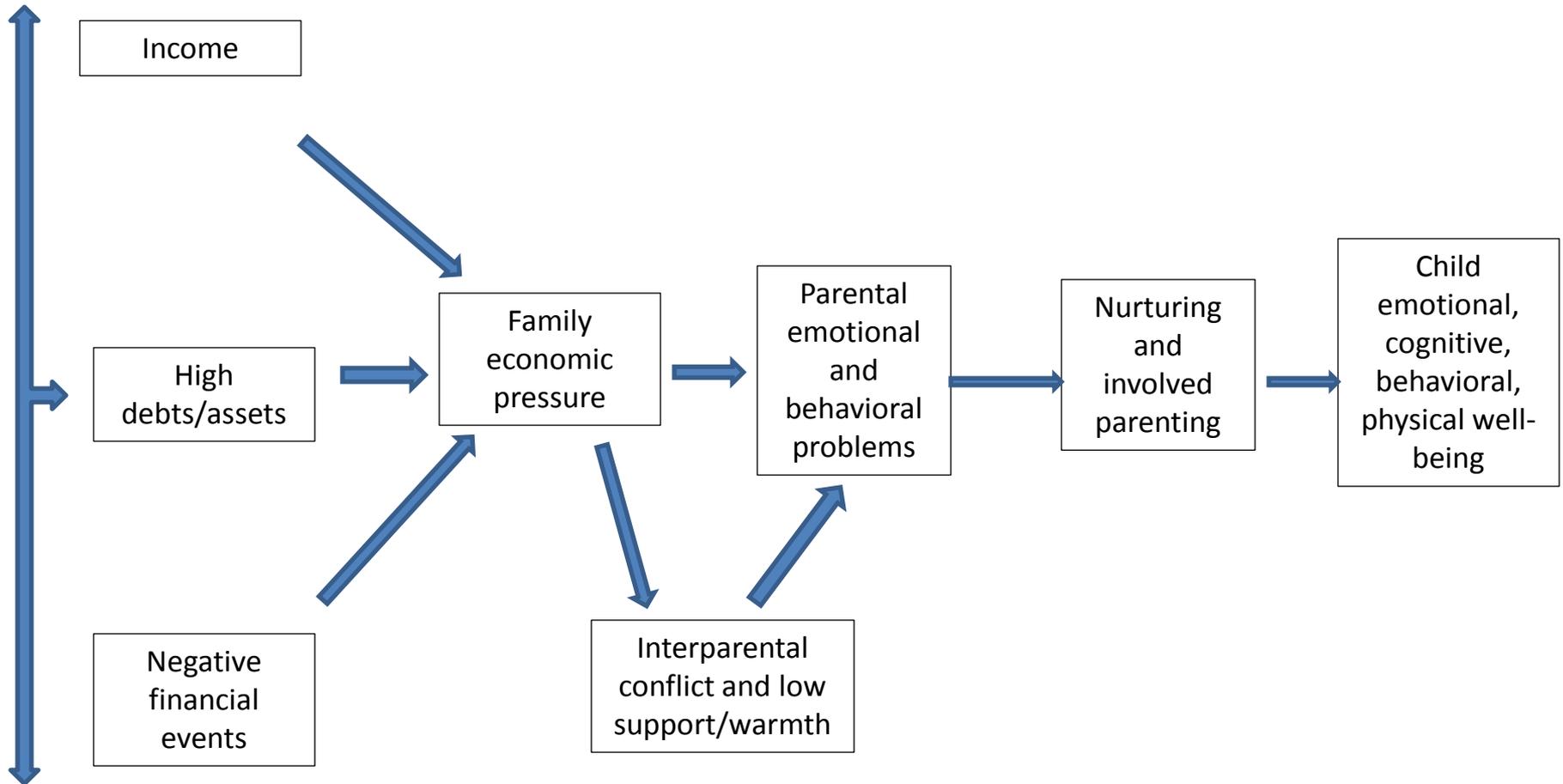
- a. short-term and long-term (Brandolini et al, (2010)
- b. Income helps people get by, assets helps people get ahead (Sherraden, 1991)
- c. Asset holding can lead to social and civic engagement (DiPasquale & Glaeser, 1999)
- d. Assets moderate the impact of economic hardship (Mayer & Jencks, 1989)
- e. Improved school achievement (Zhan and Sherraden, 2003)

** most research on individual level

Family Stress

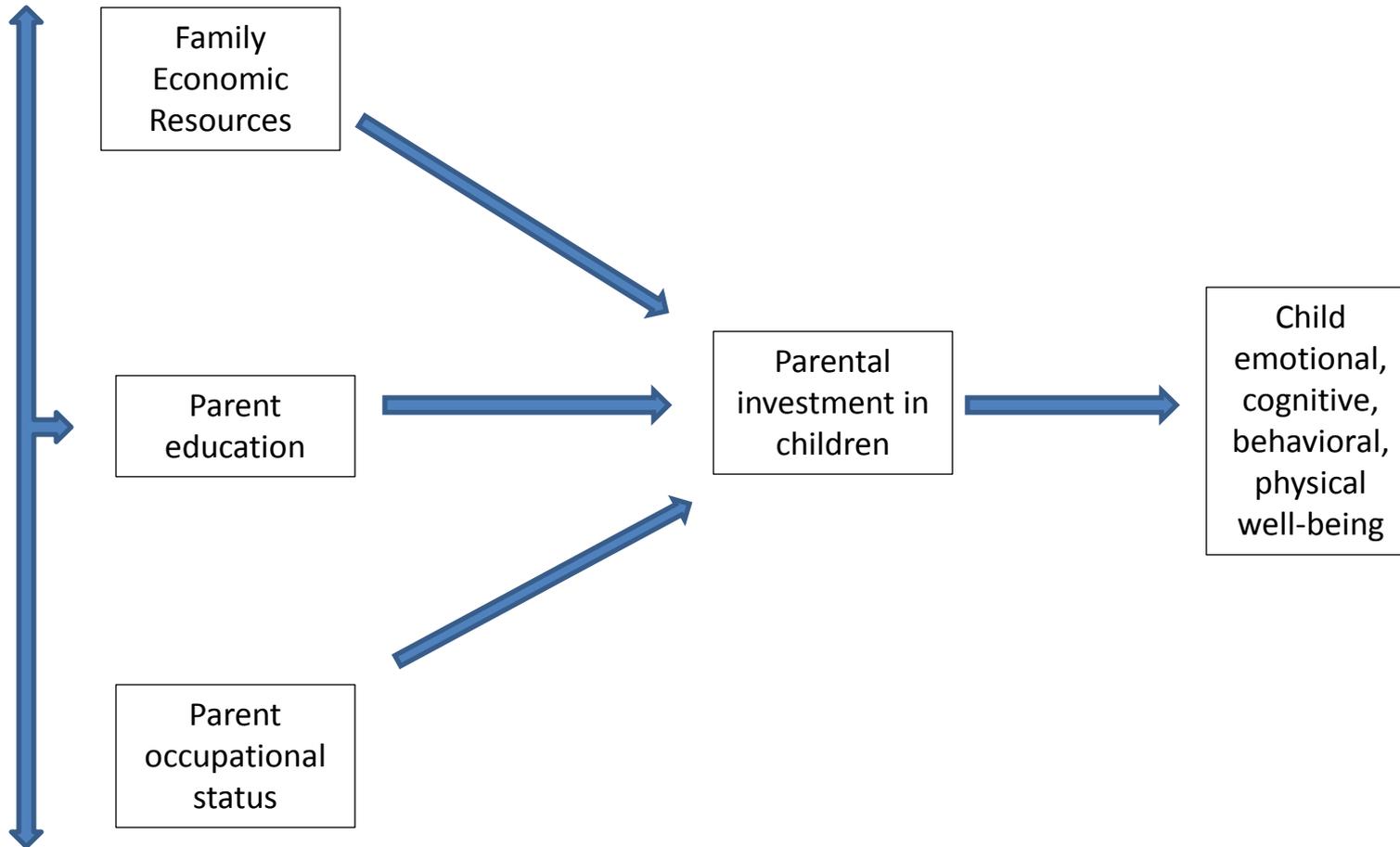
- Family Stress Model (Conger & Conger, 2002)
- Family Investment Model (Mayer, 2007, et al.)
- Family Adjustment and Adaptation (McCubbin & Patterson, 1983)
 - Stress “demand placed on the family that produces, or has the potential to produce changes in the family system”

Family Stress Model and Children



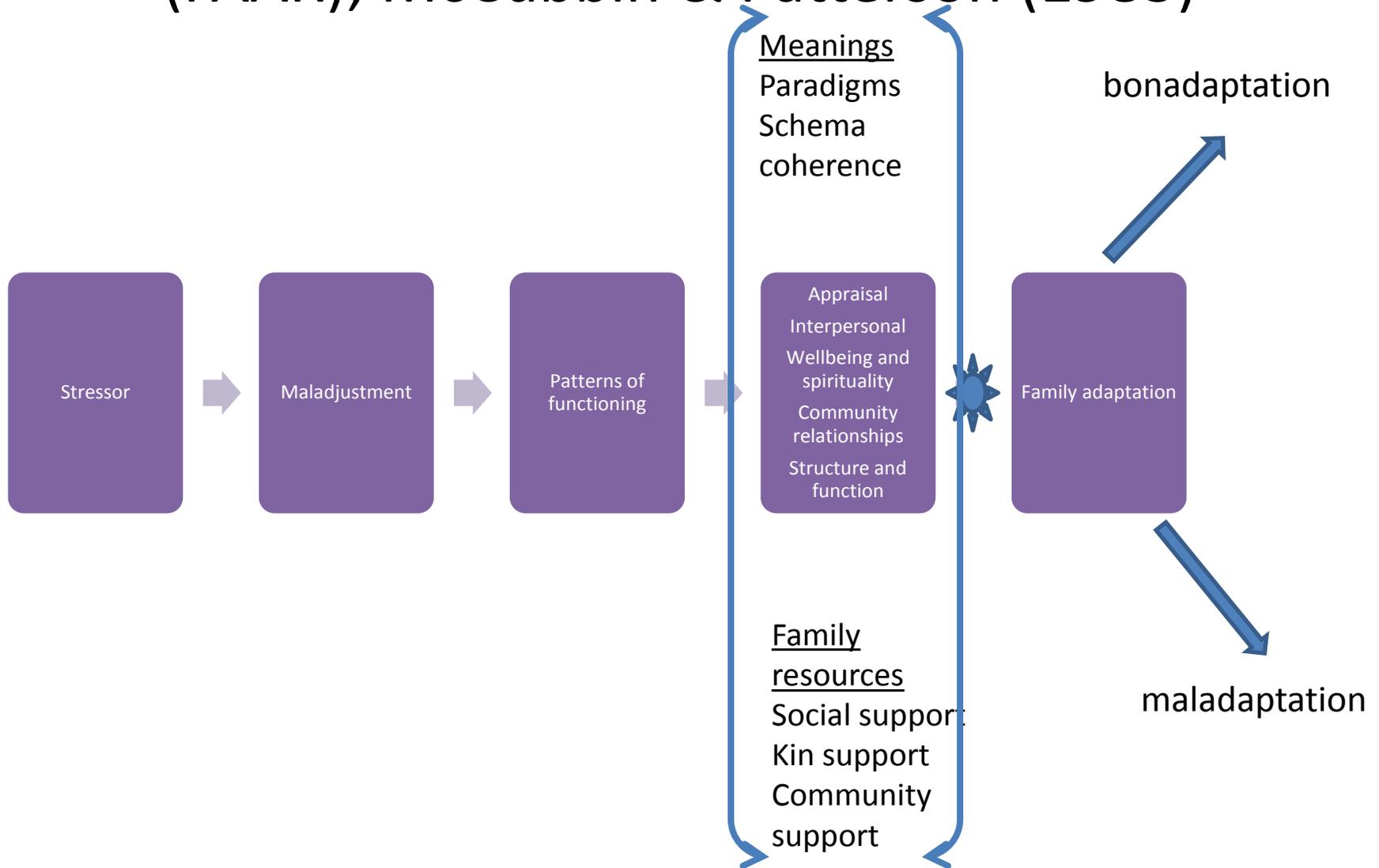
R. Conger and M. Donnellan, "An interactionist perspective on the socioeconomic context of human development," *Annual Review of Psychology* 58 (2007): 175-199.

Family Investment Model and Children

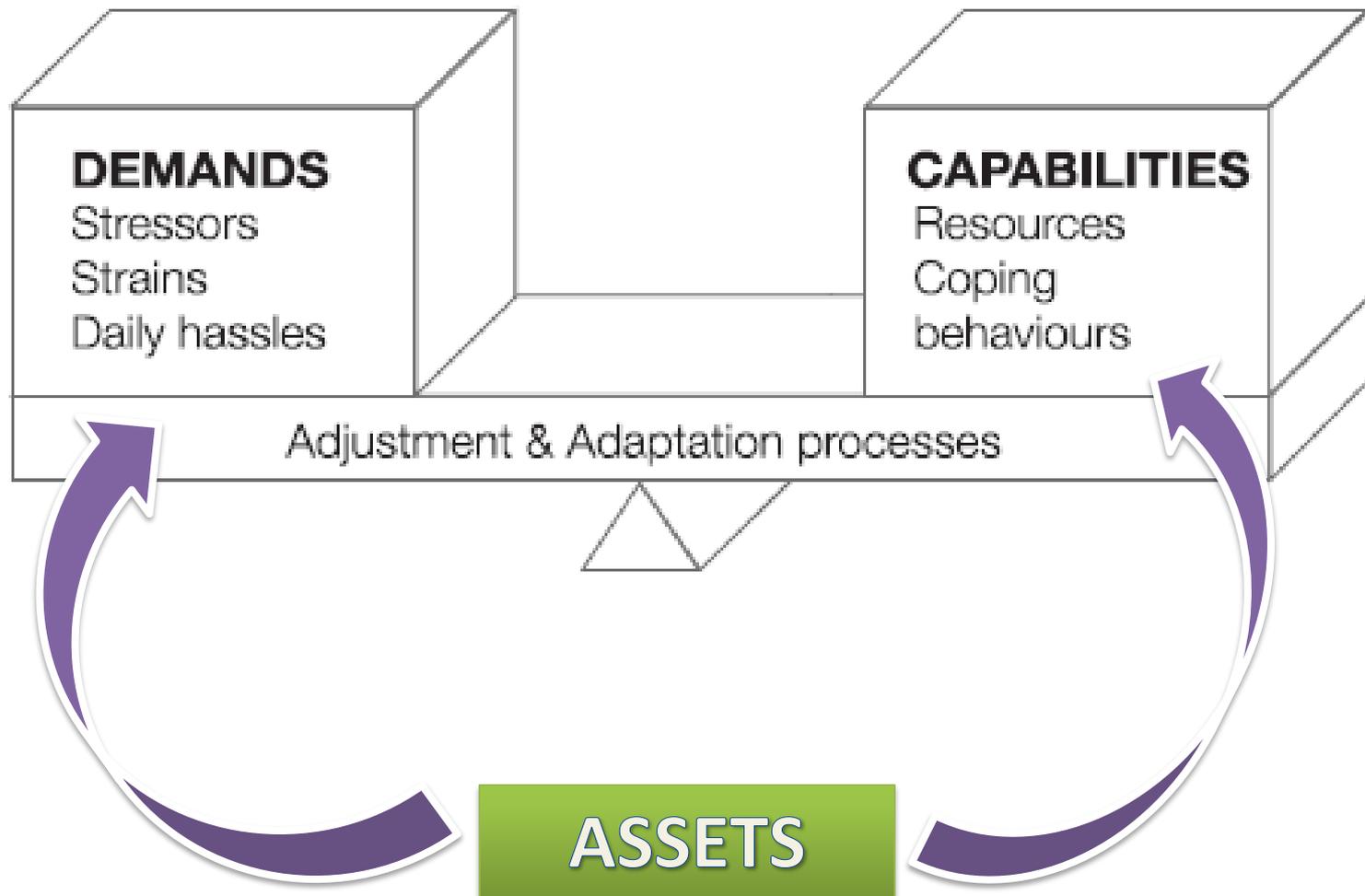


R. Conger and M. Donnellan, "An interactionist perspective on the socioeconomic context of human development," *Annual Review of Psychology* 58 (2007): 175-199.

Family Adjustment and Adaptation Model (FAAR); McCubbin & Patterson (1983)



Family Adjustment and Adaptation Model (FAAR)

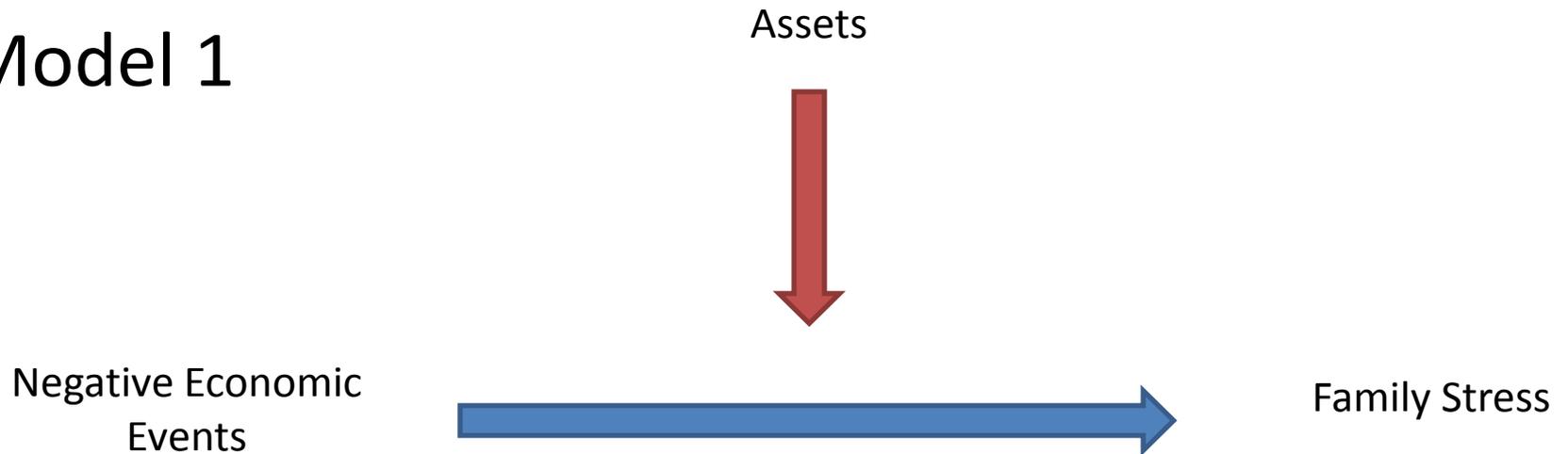


Summary of Family Stress

- Quality longitudinal studies document that economic resources are related to family stress (Conger and Conger, 2002, others)
- Limitation, most family research fails to measure and include asset measures

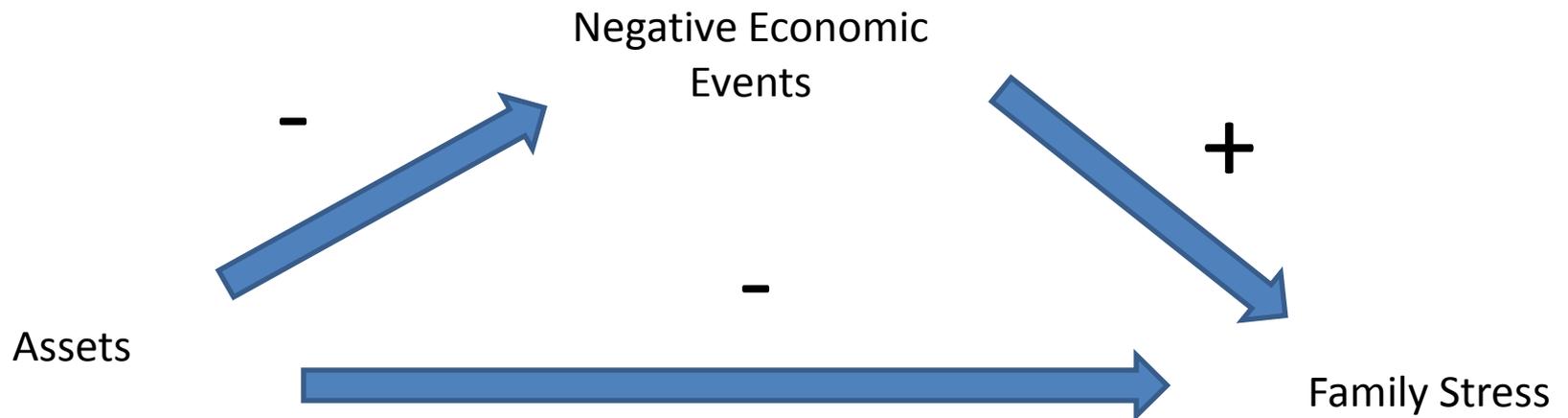
How do Assets relate to Family Stress?

Model 1

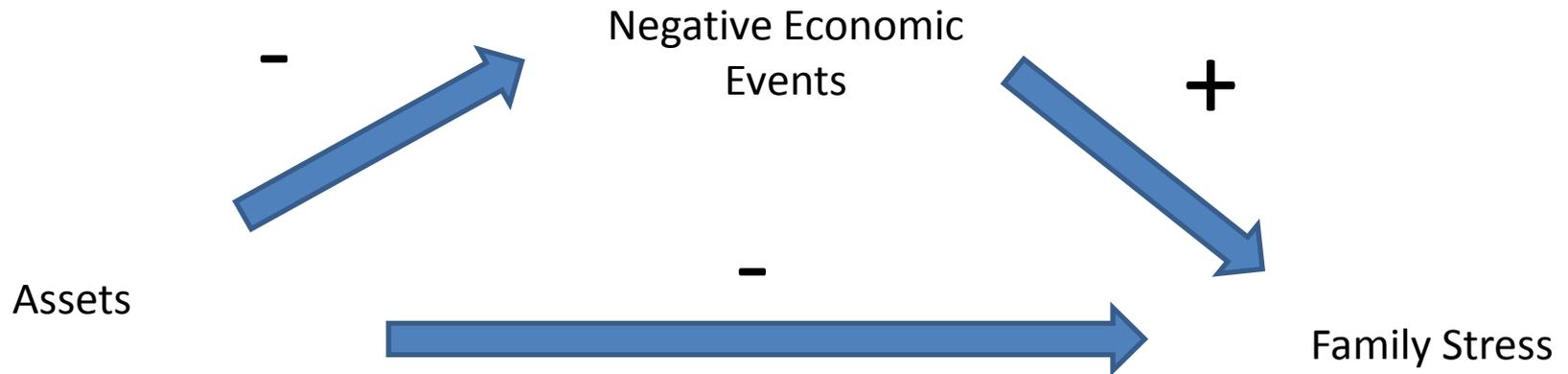


How do Assets relate to Family Stress?

Model 2



The current study; Rothwell & Han (2010)



Purpose: to test the link between asset and family stress theories

Hypothesis 1: Assets are directly associate with family demands

Hypothesis 2: Stressful economic events are positively related to demands

Hypothesis 3: Assets are indirectly associated with demands through their relationship with stressful events

Method

- Dataset from Community Action Project of Tulsa County
 - Center for Social Development at Washington University
- 2 year Individual Development Account Program
- 2:1 for homes; 1:1 for edu and business
- Financial literacy

Method

- Working poor < 150% of poverty
 - 1999 = \$22,050 family of 4
- Data collected in personal interviews
 - Baseline ~ 1999 (W1)
 - 18 months (W2)
 - 48 months ~ 2003 (W3)
 - 76% $n = 839$

Method → measures

- Assets (latent)
 - Home value, liquid assets, retirement savings
- Stressful economic events (manifest)
 - Income to needs ratio
 - Employment loss
- Financial strains / demands (latent)
 - Nine items, e.g. afford home, food, clothing, etc.
- Controls: age, edu, income to needs, marital status, children, gender, ethnicity, and total liabilities

Table 1. *Descriptive Statistics of the Study Sample*

Asset Type	Median for Holders	Mean (<i>SD</i>)	%	Range
Home value (\$)	40,000	43,502 (23,468)	24	0 – 110,000
Liquid assets (\$)	350	1,061 (2,475)	86	0 – 31,200
Retirement assets (\$)	1,600	3,563 (6,189)	21	0 – 50,000
Total liabilities (\$)	8,000	15,752 (20,095)	94	0 – 108,500
	<i>n</i> (%)	Mean (<i>SD</i>)		
Age		40.6 (10.32)		
Education				
No college	263 (31%)			
Some college	355 (42%)			
Two year degree	124 (15%)			
Bachelors degree	96 (11%)			
Marital status				
Married	218 (26%)			
Number of children		1.7 (1.31)		
Men	167 (20%)			
Race				
African American	344 (41%)			
Other	494 (59%)			
Wave 1: Income-to-needs ratio		1.26 (.69)		
Wave 3: Income-to-needs ratio		1.73 (1.31)		
Waves 1 – 3: Job loss	187 (22%)			

Findings

Table 2. *Pearson Correlations Between Assets, Indicators of Economic Stress, and Financial Strain*

	1	2	3
1. Assets at Wave 1			
2. Income-to-needs at Wave 3	.27***		
3. Job loss between Waves 1 and 3	-.24***	-.47***	
4. Financial strain at Wave 3	-.41***	-.40***	.41***

*** $p < .001$.

Findings

Table 3. *Measurement Model of the Latent Constructs in the Model of Assets and Family Demands*

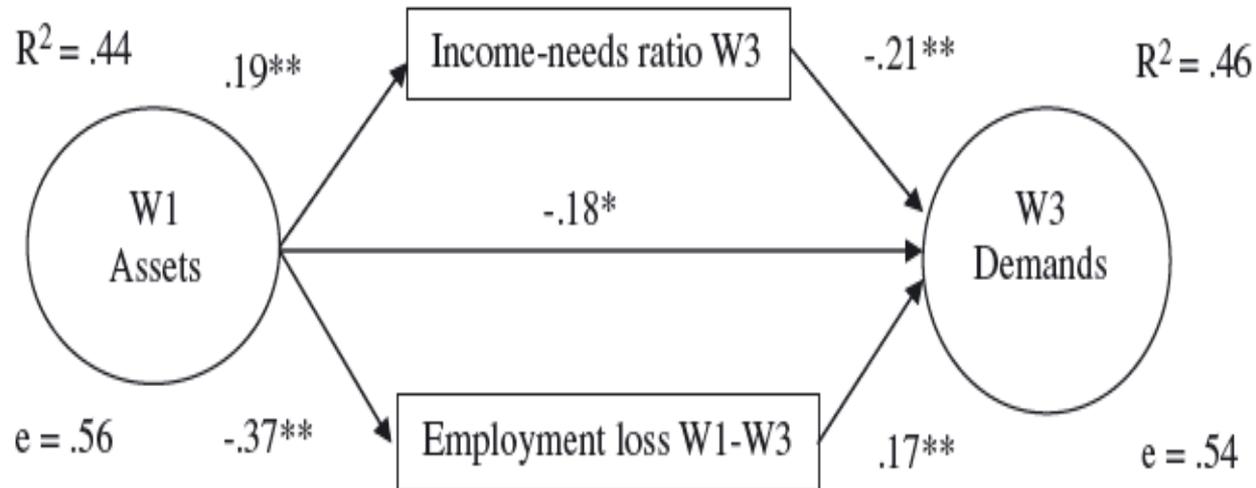
Latent Variable	Indicator	Loading
Assets	Home value	.63 ^a
	Liquid asset value	.59***
	Retirement asset value	.43***
Financial strain	Afford suitable home	.69 ^a
	Afford suitable furniture	.89***
	Afford car and transportation	.78***
	Afford adequate food for family	.84***
	Afford medical costs	.66***
	Afford clothing	.92***
	Afford leisure	.85***
	Afford to pay bills on time	.84***
	Have money left over at end of month	.75***

^aFixed parameter; standardized estimates.

*** $p < .001$.

Findings

FIGURE 2. STRUCTURAL MODEL OF THE RELATIONSHIP BETWEEN ASSETS IN A MODEL OF ECONOMIC STRESS ON THE FAMILY.



Limitations

- External validity
- Need better measures of stressful economic events
- Prospective studies needed
- Community resources and neighborhood effects

Implications

- Family researchers need to measure assets
 - Family functions: membership and formation; support; nurturance; education and socialization; protection; collective efficacy; resilience
- Asset researchers need to analyze family-level outcomes
 - Asset type; adequacy; developmental history; asset function

Future directions

Why?

1. Starting point. Estimate asset poverty in Canada
2. Children in asset poverty
 - Geographical distribution, concentrated poverty, neighborhood effects

How?

1. Canada Learning Bond
 - How to increase enrollment?
2. Matched savings
 - First Nations, children in care

Quebec poverty policy

- 2010-2015 Quebec Action Plan for Solidarity and Social Inclusion
 - (a) integrating communities into decision-making processes,
 - (b) acknowledging the value of work and fostering individual self-sufficiency
 - (c) supporting the income of disadvantaged individuals
 - (d) improving the housing conditions of low-income individuals and families (2010-2015 Government Action Plan for Solidarity and Social Inclusion, 2010)

Question

1. To what extent does this information on the relationship between assets and family functioning relate to your work/research on children and families?

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