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Young, Dumb, and Broke: How Family Communication Affects Financial Literacy

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Young, Dumb, and Broke: How Family Communication Affects Financial Literacy

An Undergraduate Honors Thesis
Submitted in Partial fulfillment of
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University of Nebraska – Lincoln

By

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Abstract

Thousands of Americans carry debt, whether it be a mortgage, student loans, or auto loans. The average American graduates with at least \$35,000 in debt (Kurt, 2019). Many Americans are not confident in their financial capabilities (Godsted & McCormick, 2007). Research has shown that learning from parents leaves a larger impact than learning in the classroom (Lucas & Buzzanell, 2011). The purpose of this study is to explore how family communication – specifically conversation and conformity orientation – and relational closeness within a parent-child relationship affect messages about finances and the emerging adult's financial literacy. Conversation orientation, conformity orientation, and relationship satisfaction were found to not be significant predictors of learning from parental conversations about finances.

Young, Dumb, and Broke: How Family Communication Affects Financial Literacy

The United States is experiencing a debt crisis. At the time that this paper is being written, the average American household debt is \$137,000. The four most common areas of debt are mortgages, credit cards, student loans, and auto loans (Fay, 2020). Many Americans become first-time loan borrowers at the age of 18 when taking out student loans to pay for college expenses. In 2019, the outstanding student loan debt in the nation reached a total of \$1.41 trillion, with the average borrower being around \$35,000 in debt (Kurt, 2019). The average accumulated student loan debt over four years (equivalent to a Bachelor's degree) is \$26,803 (U.S. Department of Education, 2016). To exacerbate the student loan crisis even further, the cost of getting a college education is steadily increasing by about 5% each year (Business Insider, 2014). Not only are emerging adults increasing the amount of student loan debt, but they are also increasing the amount of credit card debt (Thorson & Kranstuber-Horstman, 2017). A contributing factor to the amount of debt that emerging adults find themselves in is their unstable financial and living situations (Thorson & Kranstuber-Horstman, 2017).

The lack of sound financial behaviors of emerging adults hints at the absence of effective personal finance education, which indicates low financial literacy. Financial literacy can be defined as “the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being” (Annual Report to the President, 2008). A more recent study shows that 41% of adults would grade themselves with a C or lower on their financial literacy skills and that 61% of adults admit to not using a budget (“NFCC Annual Financial Literacy Survey”, 2014). Evidence shows that the current financial literacy education that is provided in the American school system is inadequate (Romo, 2011). Financial literacy is important because

it impacts many facets of life, such as what education a person has access to, what type of health insurance a person can afford, as well as housing and the ability to purchase food.

The purpose of this study is to explore how family communication – specifically conversation and conformity orientation – and relational closeness within a parent-child relationship affect messages about finances and the emerging adult's financial literacy. I will first discuss the existing body of communication research that focuses on finances, then discuss research on family socialization, examine the standing principles of Family Communication Patterns Theory, as well as look at the current literature on how relational closeness affects parental messages. I will then discuss my methods of research, my findings, and the implications of the results.

Communication & Consumer Behaviors

The taboo of discussions about money in social settings has left the next generation of emerging adults less knowledgeable on how to handle their money. Not discussing money, how it is made and how it is spent, is an ingrained cultural norm in the United States. College-aged students have reported that the topic of financial issues is not open for discussion with their parents because it is considered to be a forbidden subject (Edwards, Allen, & Hayhoe, 2007). Many spouses deem money as a taboo topic and avoid talking of it as a method of conflict management (Roloff & Johnson, 2001). More recently, there have been more movements within the world of personal finance to lift the veil and open up a conversation about money. There are entire blogs and YouTube channels that discuss personal finance and how to be savvier with money, for example, Dave Ramsey and the Financial Diet.

Despite these efforts, the norm of not talking about money is still in place within day-to-day interactions, especially in the context of families. The presence of discussion, or lack thereof, surrounding finance can impact a child's views on what information is deemed private as well as their financial education (Romo & Vangelisti, 2014). Some parents may be hesitant to talk to their emerging adult children about finances because they, themselves, are not confident in their financial literacy. Only 30% of adults in the United States think that their financial literacy is good (Godsted & McCormick, 2007).

Disclosure of financial climates within the family may be relevant to families that are experiencing economic hardship, which may prompt parents to ask more of the children (e.g. getting a job to help with money, providing sibling care) (Lucas & Buzzanell, 2012). Disclosure of family finances in situations such as economic hardship may provide the child with some explanation as to why their environments may have changed and, in effect, teaching the child to learn from their parents' hardship to better prepare themselves for their financial futures. Past familial financial hardship may be a factor as to why some emerging adults are better prepared financially since their parents have been more open with financial disclosures and encouraging their child to take up healthy financial habits.

Parental Consumer Socialization

Research shows that children learn most through interactions with their families (Lucas & Buzzanell, 2012), which demonstrates the need for communication about personal finance practices between parents and children. From the time of birth, parents are a child's primary source of socialization, especially when it comes to consumer practices (Brown & Bakken, 2011; Shim, Sherido, & Barber, 2011). Students who have received information on good financial

practices from their parents are more likely to implement those processes, thereby increasing their financial literacy (Merolla, Beck, & Jones, 2017). However, many parents struggle with discussing finances with their children, some even going as far as saying they would rather talk to their children about sex and drugs than about money (Thorson & Kranstuber-Horstman, 2014). Some parents choose to not talk to their children about money at all because they believe that it shouldn't be the child's concern (Romo, 2011). Other parents choose to disclose information about their debts and monthly budget as a teaching tool for the child to learn from the parent's financial mistakes (Lucas & Buzzanell, 2012; Romo, 2011; Romo & Vangelisti, 2015). Regardless, parental influence on finances significantly influences financial attitudes and moderately influence the way that emerging adults spend their money (Jorgensen & Salva, 2010). As such, I pose the following research question and hypothesis.

RQ1: What financial topics to adult children report talking about with parents growing up?

H1: Increased parental communication about finances increases the financial literacy of the child.

To explore parental communication about finances and its effects on emerging adult financial literacy, I will look at family communication patterns and relational closeness.

Family Communication Patterns

Family Communication Patterns Theory (FCPT) has been developed and honed over 40 years of research (Koerner & Schrod, 2014; Thorson & Kranstuber-Horstman, 2017). It has been theorized that schemata are used as a foundation of interpretation and organization of messages within a family (Thorson & Kranstuber-Horstman, 2017; Thorson & Kranstuber-Horstman, 2014). Schemata, in this context, are reinforced through family interaction. The

Revised Family Communication Patterns Theory (RFCPT), which was conceptualized by Ritchie and Fitzpatrick in 1990, and had built upon the previous theory, includes the dimensions of *conversation orientation* and *conformity orientation* (Koerner & Schrod, 2014).

As written by Koerner and Fitzpatrick (2006), conversation orientation is defined as, “the degree to which families create a communication environment in which all family members are encouraged to participate in unrestrained interaction about a wide range of topics” (Koerner & Fitzpatrick, 2006). A family that is high in conversation orientation, members feel free to discuss any topic and frequently interact with one another; members are likely encouraged to share their opinions and feelings on the varying subject matter. Conversely, a family that is low in this orientation discuss a limited number of topics and do not have frequent interaction. There is probably a great number of topics that the family members choose to avoid, and members do not feel welcome to share their thoughts and opinions.

Conformity orientation refers to the degree of homogeneity that a family expects within their system (Koerner & Fitzpatrick, 2006). Some family units may stress the importance of a unified belief system and expected attitude, which is considered high conformity orientation. On the opposite end of the spectrum, families that are low in conformity orientation give each member free rein to determine what attitudes, beliefs, and values they want to bring to the family; in other words, individuality is highly encouraged. Parents in a high conformity orientation tend to be authoritative in the decision-making process, whereas families that are low in conformity tend to be more democratic.

The variance in orientation has been found to create four different family types: consensual, pluralistic, protective, and laissez-faire. Consensual family dynamics are high in both the conversation and conformity orientations; pluralistic families are high in conversation

and low in conformity; protective families are low in conversation and high in conformity; and finally, laissez-faire families are low in both the conversation and conformity orientations. It is important when using FCPT as a theoretical guide, to look at *both* conversation and conformity orientation. Researchers have found that the two dimensions are dependent on one another (Koerner & Fitzpatrick, 2006; Koerner & Schrodt, 2014; Thorson & Horstman, 2017).

Schrodt et. al (2008) conducted a meta-analysis on the variables observed in FCPT and RFCPT. The study analyzed how conversation orientation, conformity orientation, and the combination of both impacted the outcomes of psychosocial, information processing, and behavior (Schrodt et. al, 2008). They found that conversation orientation was a better indicator of psychosocial outcomes than conformity orientation. Overall, the authors concluded that there is a “small but meaningful association” between family communication patterns and psychosocial, information processing, and behavior outcomes (Schrodt et. al, 2008).

Since the inception of the Family Communication Patterns Theory, it has been used to examine a wide variety of family outcomes. As written by Koerner & Fitzpatrick (2006), FCPT has been used in research about “conflict resolution within families” and the “enactment of family rituals”. In the past, FCPT has been used in research regarding communication between parents and emerging adult’s credit card spending behaviors (Thorson & Kranstuber-Horstman, 2104). The theory has also been used to research how a specific family communication pattern predicts consumer skills, preferences, and attitudes (Thorson & Kranstuber-Horstman, 2017). My hypothesis is centered around the parent’s message to their children about financial habits and how it affects the emerging adult child’s financial literacy. Through the lens of FCPT, I want to see how a family’s conversation orientation and conformity orientation, whether high or low in either dimension, affect a child’s financial literacy.

RQ2: How does conversation orientation affect the relationship between parental communication

and financial literacy?

RQ3: How does conformity orientation affect the relationship between parental communication

and financial literacy?

Disclosure & Relational Closeness

Self-disclosure is a necessary factor of relational closeness and is fundamental to interpersonal communication (Goldsmith & Domann-Scholz, 2013; Mongeau & Miller-Henningsen, 2015). Some risks that are associated with self-disclosure, such as rejection, harming the other, and violating privacy boundaries (Mongeau & Miller-Henningsen, 2015). As written by Donovan et. al (2017), the effectiveness of a parent's disclosure to their emerging adult differs based on both the discloser's and listener's goals of the interaction. As emerging adults grow and approach full-adulthood, parents and emerging adults have to manage tensions of communication, such as much or how little information to disclose to one another (Gurrero et. al, 2014).

A study conducted by Donovan et. al (2017) focused on emerging adult's perceptions of parental disclosure. A theme that they found, amongst others, is that some emerging adults chose to focus more on the formality or discomfort experienced in the disclosure, as opposed to recognizing the value of the disclosure (Donovan et. al, 2017). Relational closeness discomfort may be experienced in a family communication patterns that are low in conversation orientation.

With this finding in mind, I am curious as to whether the perception of financial disclosure between parents and emerging adults affects the message of information given.

RQ4: How does relational closeness affect the relationship between parental communication and financial literacy?

Method

Survey Instrument

To collect a diversity of data on financial behaviors to potentially be used beyond this specific study, an adapted version of the College Student Financial Literacy Survey (CSFLS) was used for this research along with other measures of parental communication and parental relationships. The CSFLS was originally developed in 2007 to research the parental and peer influences on financial literacy (Jorgensen, 2007; Jorgensen & Savla, 2010). The CSFLS was used as a model for demographic questions as well as measuring financial knowledge, financial attitudes, and perceived influences. The survey administered consisted of 12 demographic questions, 32 content questions, and takes around 15-20 minutes to complete. The financial knowledge section of the survey included 13 questions (13 items), 8 questions referring to general financial knowledge, 4 questions referring to saving and borrowing, and 1 question referring to insurance. The financial attitudes section has 5 questions (24 items) that measure the student's feel about their finances. The financial behaviors section included 6 questions (52 items) that measure the student's current financial practices, including budgeting, how they pay for their credit card, and how much they save. The survey included 1 question (15 items) measuring conversation orientation within their family, 1 question (11 items) measuring conformity orientation within their family, and 1 question (4 items) measuring relational satisfaction within their family.

Sample

In total, 72 participants – all of whom are college students at a public university located in the Midwest – were recruited to complete an online survey through a departmental website. In order to participate, individuals had to be at least 19 years old. Some individuals participated as an option for extra/course credit. Participants included 28 men (38.9%) and 44 women (61.1%), ranging in age from 19-31 ($M = 21.07$, $SD = 1.706$). The majority of participants identified their ethnicity as white/Caucasian ($n = 55$, 76.4%), followed by Latin American/Hispanic ($n = 6$, 8.3%), Asian American ($n = 5$, 6.9%), Middle Eastern ($n = 2$, 2.7%), African American/Black ($n = 1$, 1.38%), and “Other” ($n = 3$, 4.16%). Most participants indicated that they grew up in a “middle-class” family ($n = 32$, 44.4%), followed by 25 “upper-middle-class” (34.7%), 11 “working-class” (15.3%), 2 “upper-class” (2.8%), and 2 “lower-class” (2.8%).

Table 1. *Demographics*

Variables	Frequency
Gender	
Male	28
Female	44
Race/Ethnicity	
White	55
Latin American/Hispanic	6
Asian	5
Middle Eastern	2
African American/Black	2
Other	3
Age	
19-31	72
Socioeconomic Status	
Upper	2
Upper-Middle	25
Middle	32
Working	11
Lower	2

Measures

When measuring the data for analysis, 1 question (15 items) was used for measuring what topics were discussed between parent and emerging adult (e.g. “Which of the following items did you learn about in your home while growing up?”). The 15 items reflected different financial topics. Two questions were used to measure the frequency of parental communication and how much emerging adults learned from their parents (e.g. a great deal; a lot; a moderate amount; a little; none at all). The financial literacy variable was measured by using 4 items from the financial behaviors section, specifically looking at items that measured budgeting, credit card behaviors, saving, and comparing prices. Participants were asked to measure the extent to which they feel confident in doing a financial activity (e.g. “I budget and track spending”; “I contribute to a savings account regularly”). The original items measuring conversation orientation, conformity orientation, and relational satisfaction were all used in the final analysis. The internal consistency of the scales from this instrument were conversation orientation $\alpha = .935$; conformity orientation $\alpha = .872$; and relational satisfaction $\alpha = .938$.

Results

To test the hypothesis and address the research questions, IBM SPSS Statistics was used to process the data collected from the online survey. Measures of central tendency were run to have a comprehensive understanding of the data that was collected. Table 2 is a summary of the descriptive statistics. The measures for conversation orientation, conformity orientation, and relational satisfaction were all found to be reliable.

Table 2. *Descriptive Statistics*

Variable	M	SD	Alpha
Budgeting (1-5)	3.48	1.286	-
Credit Cards (1-5)	4.23	1.132	-
Savings (1-5)	3.56	1.262	-
Compare Prices (1-5)	4.01	1.976	-
Learn from Parents (1-5)	3.58	1.160	-
Conversation (2.20-7.00)	4.9083	1.12065	0.925
Conformity (1.27-6.73)	3.9659	1.13591	0.872
Relational Satisfaction (1-7)	5.5347	1.42433	0.938

Research question one asked about the frequency of topics that were discussed by parents and children. The results of the frequency table can be found in Table 3 which shows the breadth of topics that are most often covered by parents when talking with their parents when talking with their children about finances. The three topics that were most often covered by parents were saving (62, 86.1%), budgeting (57, 79.2%), and credit cards (52, 72.2%).

Table 3. *What Parents Talked About*

Topic of Discussion	Frequency
Budgeting	57 (79.2%)
Investing	40 (55.6%)
Taxes	39 (54.2%)
Credit	45 (62.5%)
Wills	25 (34.7%)
Life Insurance	30 (41.7%)
Disability Insurance	6 (8.3%)
Auto Insurance	49 (68.1%)
Renter's/Homeowner's Insurance	24 (33.3%)
Loans/Debt	50 (69.4%)
Credit Cards	52 (72.2%)
Saving	62 (86.1%)
Giving to Charities	39 (54.2%)
Interest Rates	39 (54.2%)
Keeping Records	31 (43.1%)

The hypotheses that guided this study were: (1) Increased parental communication about finances increases the financial literacy of the child; (2) How does conversation orientation affect

the relationship between parental communication and financial literacy?; (3) How does conformity orientation affect the relationship between parental communication and financial literacy?; and (4) How does relational closeness affect the relationship between parental communication and financial literacy? Two-tailed Pearson correlations were computed to test the association between parental frequency and parental learning has with financial behaviors. The results from this test can be found in Table 4. Budgeting habits are positively correlated with learning from parents (.441) and positively correlated with the frequency of discussion with parents (.225), on a marginal level. The financial behavior of comparing prices is positively correlated with learning from parents (.235) and positively correlated with the frequency of discussion with parents (.199), on a marginal level. The results from the test show that correlation between the other behaviors, credit card spending and savings, were not significantly related to learning from the parents and how often that topic was discussed. Therefore, the hypothesis was partially supported.

Table 4. *Financial Literacy*

Financial Behavior	Parental Learning (r)	Parental Frequency (r)
Budgeting	.441, p = .000	.225, p = .059
Credit Cards	-.127, p = .295	.033, p = .784
Saving	.054, p = .657	.079, p = .513
Prices	.235, p = .049	.199, p = .096

Research questions 2 through 4 asked whether conversation orientation, conformity orientation, or relational satisfaction influenced the association between parental communication, parental frequency, and the financial literacy outcomes. PROCESS models showed none of the interaction effects were significant. To save space, the results are not presented. Therefore, family communication patterns and relational satisfaction did not change any associations between parental communication and the outcomes.

Discussion

The purpose of this study is to explore how family communication – specifically conversation and conformity orientation – and relational closeness within a parent-child relationship affect messages about finances and the emerging adult's financial literacy. Debt is a serious issue in the United States, both on the level of government and with personal finance. High financial literacy leads to better financial practices. Good money management enables a person to financially independent and leads to financial stability. Research has shown that learning from parents has more of an impact than learning in a classroom (Lucas & Buzzanell, 2012). This research looked at the frequency of discussion about financial topics, participant's confidence in properly executing financial behaviors, and the participant's family communication type, specifically looking at their family's conversation and conformity orientations. In the following, I put forth three important themes from the findings overall and conclude with a discussion on limitations and directions for future research.

Frequency Doesn't Matter, But the Conversation Needs to Happen

This study found that the interactions between the frequency of conversations did not significantly affect parents' messages to emerging adults about finances. Even though the reoccurrence of conversation about finances doesn't predict higher learning outcomes, it is still important that the conversations are held. As previous research has shown, children learn more from their parents, so it is important that parents discuss good financial practices with their children and not to leave it up to the education system to teach everything (Lucas & Buzzanell, 2012). A parent's demonstration of how they apply good financial habits to everyday life, such

as budgeting and comparing prices, is likely to lead to better learning outcomes for the child rather than just frequently talking to their child about it.

Open Communication and High Relationship Satisfaction Doesn't Predict More Learning

An interesting finding from this study is that a family's conversation orientation and conformity orientation do not predict the learning outcomes of financial communication between parents and emerging adults. Relational satisfaction does not predict the impact of a parent's message about finances. Donovan et. al's (2017) research on emerging adult perceptions of parental disclosure about finances found that some emerging adults chose to focus more on the discomfort of the conversation rather than the message themselves. The research conducted in the current study looked at how relational closeness affects the relationship between parental communication and financial literacy. The findings of this study do not support Donovan et. al's findings because relationship satisfaction was not found to significantly impact the learning outcomes of parental communication about finances.

Who or What is Influencing Saving and Credit Card Behaviors?

The findings of this study showed that the participant's learning from parents about saving and credit card behaviors were not significant. The results also show that there was no significant frequency of conversation regarding these topics. Perhaps parents regarded these topics as "common sense" and chose not to fully demonstrate to their children how to execute the behaviors. This gap in teaching from parents needs to be addressed to ensure that children are equipped with the tools necessary to execute proper financial behaviors. In addition to discussion between parents and children about budgeting and comparing prices, which are necessary for financial independence and stability, discussion of saving practices and proper credit card behaviors are equally necessary.

Limitations and Future Research

A limitation of this research is the sample. The participants of this study were disproportionately white and not representative of a diverse population. Different recruiting methods can be used in the future to reduce the disproportion of race/ethnicity of participants. It would be interesting to see the outcomes of a qualitative study done on this topic. Credit card and saving behaviors should be investigated further since the results in this study show that parental communication about such acts did not significantly impact the behaviors. Where is the influence for those behaviors coming from? Future research could go more in depth to investigate each individual type of the family communication patterns and the correlations of what financial topics are discussed.

Conclusion

The research conducted in this study examined the impacts of conversation orientation, conformity orientation, and relational closeness on parental communication about finances. With the sample of participants involved in this study, there were no significant predictors of an orientation style and relational closeness on the learning outcomes of discussions about financial topics. The fact that a discussion occurs between parent and child about financial behaviors and practices is important and adds to the child's learning.

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Appendix A

Recruitment Script

Parental Communication About Finances

For my undergraduate thesis, I am conducting a survey on parental communication about finances. The online survey should take 15-30 minutes to complete and you must be 19 or older to participate. You will receive one (1) research credit for completing the survey. To access the survey and read the informed consent statement, please click on the following link:

[LINK TO SURVEY]

Thank you! Please contact me with any questions.

Brenna Micek

brenna.micek@huskers.unl.edu

Appendix B
Informed Consent Statement

Parental Communication About Finances

Principal Investigator: Brenna Micek brenna.micek@huskers.unl.edu
Faculty Supervisor: Jordan Soliz jsoliz2@unl.edu

Key Information:

If you agree to participate in this study, the project will involve:

- Individuals 19 or older
- Procedures will include completing an online questionnaire
- Questionnaire will take 15-30 minutes to complete
- There are no known risks associated with this study
- You may print a copy of this informed consent statement or request a copy from the investigators

You are invited to take part in this research study. The information in this form is meant to help you decide whether or not to participate. If you have any questions, please contact the investigators through the emails listed above.

Why are you being asked to be in this research study?

You are being asked to be in this study because you are 19 years of age or older.

What is the reason for doing this research study?

We are interested in assessing financial literacy and family communication about finances.

What will be done during this research study?

You will be asked to complete an online survey. The survey will take approximately 15-30 minutes to complete.

How will my data be used?

The data you provide will be analyzed and presented at an academic conference and/or published in an academic journals.

What are the possible risks of being in this research study?

There are no known risks for participating in this study. However, if you experience any emotional distress, you may stop at anytime.

What are the possible benefits to you?

There are no direct benefits to you for participating in this study.

What are the possible benefits to other people?

Discussing your experiences and providing your insight through completion of this survey may benefit us in identifying connections between family communication and financial literacy.

What will being in this research study cost you?

There is no cost to you to be in this research study.

Will you be compensated for being in this research study?

You will receive 1 research credit for completing the survey if your instructor offers research credit. You are not obligated to complete this particular study for the research credit as the instructor should offer non-research alternatives or other research options. Your instructor will be notified that you completed a study for 1 credit. However, they will not be notified of the specific study in which you participated. You will be required to provide your name and your instructor's name on a survey that is not linked to the main survey for the study.

What should you do if you have a problem during this research study?

If you have a problem as a direct result of being in this study, please contact one of the individuals listed at the beginning of this consent form.

How will information about you be protected?

Reasonable steps will be taken to protect your privacy and the confidentiality of your study data. Data will be stored electronically on investigators password protected computers and/or secure cloud servers. The only identifying information collected will be your name and instructor's name. However, this information will not be connected with the data and, therefore, not traced to you in presentation of results or distributed for future research studies. The only persons who will have access to your research records are the study personnel, the Institutional Review Board (IRB), and any other person, agency, or sponsor as required by law. The de-identified data will be kept for 3 years.

What are your rights as a research subject?

You may ask any questions concerning this research and have those questions answered before agreeing to participate in or during the study.

For study related questions, please contact the investigator(s) listed at the beginning of this form.

For questions concerning your rights or complaints about the research contact the Institutional Review Board (IRB):

- Phone: 1(402)472-6965
- Email: irb@unl.edu

What will happen if you decide not to be in this research study or decide to stop participating once you start?

You can decide not to be in this research study, or you can stop being in this research study (“withdraw”) at any time before, during, or after the research begins for any reason. Deciding not to be in this research study or deciding to withdraw will not affect your relationship with the investigator, the Department of Communication Studies, or with the University of Nebraska-Lincoln. You will not lose any benefits to which you are entitled.

Documentation of informed consent

You are voluntarily making a decision whether or not to be in this research study. Indicating “I agree” below indicates that (1) you have read and understood this consent form, (2) you asked questions, if necessary, and had these answered, and (3) you have decided to be in the research study. You print a copy of this page or request a copy of the consent form by emailing the instructors at the address above.

Appendix C
Survey

Q1 What is your gender?

- Male
 - Female
 - Other
-

Q2 What is your age?

Q3 What is your academic standing?

- First-year (Freshman)
 - Sophomore
 - Junior
 - Senior
 - Masters Student
 - Doctoral Student
-

Q4 What is your race/ethnicity?

Q5 What is your major field of study?

- Business
- Agriculture and Life Sciences
- Education
- Liberal Arts
- Human Sciences
- Science
- Engineering
- Medicine
- Law
- Other

Q6 Which best describes your parents combined income last year?

- \$0-\$34,999
 - \$35,000-\$49,999
 - \$50,000-\$79,000
 - \$80,000 or more
 - Don't Know
-

Q7 Which best describes your socioeconomic status?

- Upper
 - Upper-Middle
 - Middle
 - Working
 - Lower
-

Q8 How many years of working experience do you have? (Include full or part-time experience, internships, co-ops, summer jobs, etc.)

- None
- Less than 2 years
- Two to less than 4 years
- Four to less than 6 years
- Six years or more

Q12 What is the highest level of schooling your parents have completed?

- Less than High School
 - High School or Equivalent
 - Associates/Community College Degree
 - Bachelor's Degree
 - Master's, Doctorate or Professional Degree
 - Other
-

Q13 My college education is paid by (including who will pay off student loans if applicable)

- Self (100%)
 - Parents (100%)
 - Mostly Self (More than 50%)
 - Mostly Parents (More than 50%)
 - 50% Self, 50% Parents
 - Other
-

Q14 Which best describes your income last year (not including student loans)?

- \$0-\$9,999
 - \$10,000-\$19,999
 - \$20,000-\$29,000
 - \$30,000-\$39,000
 - \$40,000 or more
-

Q15 What is your overall grade point average (GPA)?

Page Break

Q63 Thank you for participating! The first set of questions focuses on your general financial knowledge.

End of Block: Demographic Questions

Start of Block: Financial Knowledge

Q39 In which year after a car is bought does it lose its value the fastest?

- First year
 - Second Year
 - Fourth Year
 - Seventh Year
-

Q42 Which account usually pays the MOST interest?

- Certificate of deposit (CD)
 - Savings account
 - Checking account
 - Money market account
-

Q43 When a check bounces, who, is anyone, is usually charged a fee?

- The check writer only
 - The person to whom the check is written only
 - Neither the check writer nor the person to whom the check is written
 - Both the check writer and the person to whom the check is written
-

Q44 If you signed a 12-month lease for \$300/month but never occupied the apartment, you legally owe the landlord

- Your security deposit
 - Your first month's rent of \$300
 - Your twelve month's rent of \$3,600
 - Nothing
 - Whatever the landlord wants
-

Q45 The MOST important factors that lenders use when deciding whether to approve a loan are

- Marital status and number of children
 - Education and occupation
 - Age and gender
 - Bill-paying record and income
-

Q46 If you co-sign a loan for a friend, then you

- Become eligible to receive part of the loan principle
 - Vouch for the friend's reliability but have no legal obligation for the loan
 - Are responsible for repaying the loan if the friend defaults
 - Are in a better position to get a personal loan
-

Q47 If a consumer fails to pay personal debts, a creditor is allowed to do all of the following EXCEPT

- Discuss the consumer's debts with his or her employer
 - Bring suit against the customer
 - Tell a credit bureau that the account is delinquent
 - Turn the account over to a professional debt collector
-

Q48 All of the following are TRUE of bankruptcies except:

- It is more difficult to get a low interest rate loan
 - It will stay on your credit for ten years
 - Any loan you receive will have a higher interest rate due to the bankruptcy
 - For all types of bankruptcies you are released from all your debts
-

Q49 What does a credit bureau do?

- Approves applications for credit
 - Informs applicants of the reasons for denial of credit
 - Extends credit to qualified applicants
 - Provides creditors with reports of consumers' bill-paying records
-

Q50 Assume you are in your early twenties and you would like to build up your nest egg for a secure retirement in 30 years. Which of the following approaches would be the best to meet your needs?

- Start to build up your savings account gradually in an insured bank
 - Save money in certificate of deposit accounts
 - Put monthly savings in a diversified growth mutual fund
 - Invest in long-term treasury bonds
 - Accumulate money in a safe-box rented from a local bank
-

Q51 Many people put aside money to take care of unexpected expenses. If Susan and Joe have money put aside for emergencies, in which of the following forms would be of LEAST benefit to them if they needed it right away?

- Savings account
 - A house
 - Stocks
 - Checking account
-

Q52 The main reason to purchase insurance is to

- Protect you from a loss recently incurred
 - Provide you with excellent investment returns
 - Protect you from sustaining a catastrophic loss
 - Protect you from small incidental losses
 - Improve your standard of living by filing fraudulent claims
-

Q53 Which of the following cannot legally access your credit report?

- Creditors
- Employers
- Apartment rental agencies
- Insurance companies
- All of the above can access your credit report

End of Block: Financial Knowledge

Start of Block: Financial Attitudes

Page Break

Q61 Thank you! Now, we would like to ask you some questions about your general attitudes and perceptions about finances.

Q16 How sure do you feel about your ability to manage your own finances?

- Not sure at all - I wish I knew a lot more about money management
 - Not too sure - I wish I knew more about money management
 - Somewhat sure - I understand most of what I'll need to know
 - Very sure - I understand money management very well
-

Q17 How interested are you in increasing your financial knowledge?

- Very uninterested
 - Somewhat uninterested
 - Not sure
 - Somewhat interested
 - Very interested
-

Q18 Using the scale given below, please rate the importance of the items to you

	Not important	Somewhat unimportant	Not sure	Somewhat important	Very important
Maintaining adequate financial records	<input type="radio"/>				
Spending less than your income	<input type="radio"/>				
Maintaining adequate insurance coverage	<input type="radio"/>				
Planning and implementing a regular savings/investment program	<input type="radio"/>				

Q19 Rate the following items on based on whether you agree or disagree with the following statements.

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
I feel in control of my financial situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel capable of using my future income to achieve my financial goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My finances are a significant source of worry or "hassle" for me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am uncertain about where my money is spent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel credit cards are safe and risk free	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchasing things is very important to my happiness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel capable of handling my financial future (e.g. buying insurance or investments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am afraid of credit and credit cards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel the cost of using a credit card is too high	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel putting away money each month for savings or investments is important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I feel having life insurance is an important way to protect loved ones

I feel it is important to understand apartment leases and loan agreements before I sign

I enjoy thinking about and have interest in reading about money management

I enjoy talking to my peers about money management issues (i.e. taxes, investing, credit cards)

I am comfortable with not paying credit card bills in full each month as long as I make the minimum payment

I feel disability insurance is less important than life insurance

I feel being covered by homeowner's or renter's insurance is important

Q20 Some people tend to be thrifty, saving money whenever they have the change while others are spending-oriented, buying whenever they can and even borrowing to consume more. How would you classify yourself?

- Very thrifty, saving money whenever I can
 - Somewhat thrifty, often saving money
 - Neither thrifty nor spending oriented
 - Somewhat spending-oriented, seldom saving money
 - Very spending-oriented, hardly ever saving money
-

Q21 What kind of financial accounts do you have? (check all that apply)

- Savings
 - Checking
 - Money Market
 - Certificate of Deposit (CD)
 - Stocks
 - Bonds
 - Mutual Funds
 - IRA
 - Other
-

Q22 How much do you estimate to owe on all debts including credit cards, student loans, and other debts? (do not include mortgage)

- \$0
- \$1-\$4,999
- \$5,000-\$9,999
- \$10,000-\$19,000
- \$20,000-\$39,000
- \$40,000 or more
- Don't Know

Q23 How many credit cards do you have?

Q24 If you have credit cards, what is the combined total balance owed on your credit cards?

- \$0-\$99
- \$100-\$499
- \$500-\$1,999
- \$2,000-\$4,999
- \$5,000 or more
- Don't Know

Q25 If you have credit cards, how do you usually pay your monthly credit card bills?

- I pay the minimum
 - I pay between the minimum and full amount
 - I pay credit bills in full
 - My parents pay my credit card bill
-

Q26 In what manner do you maintain financial records?

- Maintain no records
 - Maintain minimal records
 - Maintain very detailed records
-

Q27 Rate the following items based on the extent to which you agree or disagree with each statement.

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
I budget and track spending	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I compare my receipts of purchase to my monthly statement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I use credit cards to make purchases that I can't afford and I don't have the money in the bank to pay the bill	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get cash advances from my credit card	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have my parents "bail me out" of credit card debt	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I work extra hours (in excess of 20 hours a week) to meet bills and expenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I miss class to work extra hours to meet bills and expenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I contribute to a savings account regularly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find legal ways to lower my taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I compare prices when shopping for purchase

I have a life insurance policy

I read to increase my financial knowledge

I read over and understand apartment leases and loan agreements before I sign them

I contribute to an investment account

I have a disability insurance policy

I am covered by a homeowner's or renter's insurance policy



Q28 How much did you learn about managing your money from the following:

	Not at All	Very Little	Some	A Great Deal
Parents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
School	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Books	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Life Experiences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Informal public seminar or class	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial planner or counselor (professional)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q29 How often were you influenced by or did you discuss finances with the following:

	Daily	4-6 times a week	2-3 times a week	Once a week	Never
Parents	<input type="radio"/>				
Friends	<input type="radio"/>				
Schools	<input type="radio"/>				
Books	<input type="radio"/>				
Media	<input type="radio"/>				
Job	<input type="radio"/>				
Life Experiences	<input type="radio"/>				
Internet	<input type="radio"/>				
Informal public seminar or class	<input type="radio"/>				
Financial planners or counselor (professional)	<input type="radio"/>				

Q30 Which of the following items did you learn about in your home while growing up? (check all that apply)

- Budgeting
- Investing
- Taxes
- Credit
- Wills
- Life insurance
- Disability insurance
- Auto insurance
- Renter's/homeowner's insurance
- Loans/debt
- Credit cards
- Saving
- Giving to charities
- Interest rates
- Keeping records
- Being honest in all dealings
- Work for what you receive

Other

Q31 Where do you expect to learn/increase your financial knowledge? (check all that apply)

Parents

Friends

Schools

Books

Media

Job

Life experience

Financial planner or counselor (professional)

Other

Page Break

Q62 You are almost done! The final series of questions asks about communication with your family growing up.

Q33 How would you describe how finances were handled in your family? (check all that apply)

- My parents usually argued about the finances.
 - Within the family we openly discussed our finances
 - My parents explicitly taught me about finances (e.g., credit cards, debt, budgeting, savings)
 - We didn't talk much about finances but I learned from their examples
 - My parents included me in various financial decisions
 - Other
-

Q34 How much did you learn about managing your money from your parents?

- A great deal
 - A lot
 - A moderate amount
 - A little
 - None at all
-

Q35 How often did you discuss finances with your parents?

- Never
 - Once per year
 - Every few months
 - Twice per month
 - Weekly
-

Q36 How often did you talk to your parents in general when you were in high school?

- A great deal
 - A lot
 - A moderate amount
 - A little
 - Not at all
-

Q37 The following are descriptions of how families typically communicate with one another. Choose one that best describes your family from when you were growing up/living with them.

- My parents encourage their kids to have open, unconstrained conversations that involve all family members and a wide range of topics, and they do not need to be in control of the decisions that their children make.
 - There is open conversation of topics and exploring new ideas, but we are still expected to honor the authority of the parents.
 - There isn't a ton of open communication with my parents and they really emphasize the importance of being obedient to them.
 - My parent's and I don't talk very frequently and when we do talk it's only about a limited number of topics. We aren't very involved in each other's lives.
-

Q38 Comparing yourself to your parents, would you say that you are:

- Much more likely to save
- Somewhat more likely to save
- About as likely to save/spend
- Somewhat more likely to spend
- Much more likely to spend

Q54 Rate the following items based on the extent to which you agree or disagree with each statement.

In our family,
we often talk
about our
plans and
hopes for the
future.

My parents
like to hear
my opinion,
even when I
don't agree
with them

Q55 Rate the following items based on the extent to which you agree or disagree with each statement.

My parents often say things like "You should give in on arguments rather than risk making people mad."

○ ○ ○ ○ ○ ○ ○

Q56 Rate the following items based on the extent to which you agree or disagree with each statement.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Growing up, I was satisfied with my relationship with my parent(s).	○	○	○	○	○	○	○
Growing up, I was emotionally close to my parent(s).	○	○	○	○	○	○	○
Today, I am satisfied with my relationship with my parent(s).	○	○	○	○	○	○	○
Today, I am emotionally close to my parent(s).	○	○	○	○	○	○	○



Q64 Thank you for completing this survey. Please click on the arrow below to enter your name and course information to receive research credit for completing this survey.
