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Submission Date: September 23, 2023

**Assignment #3 – Essay**

1. Analyze the provided fictional study "Religiosity and Social Behavior in a Diverse

Community." Start by formulating a fictional research problem and purpose statements based on the study background. Then, propose revisions to the stated research questions. Next, distinguish between quantitative and qualitative research

methodologies, explaining why each facet of the mixed-methods approach will yield

different data to help answer the research questions. Articulate the alignment of

research design elements, considering the differences between deductive quantitative research and inductive qualitative research. Finally, explore the structure and sections of a dissertation relevant to this study and highlight the sections that would be crucial to present the findings effectively. Your assignment for Core 3 should be 7-10 pages long.

Cite research design experts from your developmental readings and use proper APA formatting.

**Researching Family Financial Socialization Among Subsidized Housing Families**

**(A proposal in Essay form)**

 This paper will attempt to serve as a fictitious research proposal on the existence and effects of family financial socialization within low-income families living in subsidized housing. Adhering to the instructions for this assignment, specific questions asked will be answered in essay form with more emphasis on research methodology and less emphasis on statistical interpretation.

**Research Problem**

 Many men and women have entered subsidized, low-income, or affordable housing due to low socioeconomic status, gentrification, poor financial management, lack of education, or simply the inability to manage life. An inability to manage life can stem from many factors, such as mental illness, the inability to make proper decisions, addiction, and so forth. Our focus for this proposed research project is those who have grown up with low socioeconomic status, have a lack of financial socialization, and are not equipped to create and sustain wealth for the future. Those who grow up in this demographic may in turn, not have the proper education, or financial literacy to become financially independent and subsequently may continue the cycle of low-income status and dependence on government-sponsored housing into the next generation.

 Financial education and financial management are critical indicators of a family’s capability to be able to stay above the poverty line, avoid dependence on government housing, and create wealth that will sustain them throughout generations. How we manage life, navigate life’s challenges, and create successes, are for the most part learned behaviors. Learned behavior occurs in the home growing up, in our neighborhood, and surrounding networks.

Most research focuses on demographic differences in financial well-being or financial management excluding the development or cultivation of these differences. My proposal shall focus on a child or adolescent’s opportunity within the home to understand the value of money, gain respect for money matters, and develop positive habits of financial management.

 During a child’s upbringing, home life serves as a catalyst for future success or demise. The interactions, learned behavior, communication, and family dynamics within the home make up family socialization. Family socialization usually influences a person’s outlook on life, morals, health management, sexual ethics, and financial behavioral outcomes. “Families play a key role in socializing children’s behaviors, emotions, beliefs, and attitudes” (Glover & Hilliard, 2021, p. 237).

**Purpose Statement**

The purpose of this essay proposal is to establish the need for positive family financial socialization and how family financial socialization can lead to mental well-being, quality financial management, financial dependence, and the ability to create generational wealth.

Building on the constructs of family socialization theory and financial literacy,

Gudmonson & Danes (2011) offer a groundbreaking theory of family financial socialization which can be described as the implicit and explicit financial attitudes, behavior, interactions, and norms within a family unit.

Gudmonson & Danes (2011) cite “the creation of healthy financial behavior and motivation for future financial behavior change emanates from family interaction and relationships and from purposive financial socialization” (p. 663.). Vijaykumar (2021) describes financial socialization as the financial knowledge, approach, and behavior acquired throughout adolescence.

**Research Questions**

(RQ1) What was the communication in the home surrounding how to manage money?

(RQ2) Was there an allowance and how you should manage your allowance?

(RQ3) Was there a belief in securing bank accounts?

(RQ4) Were there conversations on how to save money?

(RQ5) Did you grow up in a Christian belief system and did these beliefs influence giving, tithing, and sharing?

(RQ6) Did your family have communications surrounding investments, financial planning, and retirement planning?

Pierce (2023) insists people from middle-class and low-income backgrounds often practice family in subtly but significantly different ways. Pierce claims “These groups tend to emphasize different moral norms (independence vs. mutual aid) which shape the qualitative nature of college students’ obligations within their families” (p. 16).

**The Role and Necessity of Financial Socialization for Future Success**

 Whether intentional or unintentional, financial socialization can determine a marriage’s good fortune or abundance and determine a child’s development and future success. As human beings, living in a capitalist society, where our currency dictates survival, we must understand the value of money, know how to manage it, not fear it, and make it work for us. Vijaykumar (2021), reiterates the idea that because financial beliefs and attitudes are learned from family, family communication surrounding money plays a huge role in the development of certain financial habits in a young student’s life that can also be used in adulthood.

Lu (2019) states “The significance of the interaction between a formal financial education and learning from parents and guardians also highlighted the importance of the financial behavior and habits of parents and guardians who have an influence on their children’s future student loan behavior and satisfaction” (p. 82).

Allsop, et al. (2021) emphasize a declining ability of young adults to navigate the current world’s complex financial climate. They point out that young people are constantly sinking into debt, are not investment savvy, and experience greater financial stress than their parents who were able to rely on stable employment and retirement plans. Allsop, et al. (2021) suggest that financial socialization enables the developing adult to acquire healthy financial behaviors, which will lead to greater financial well-being. Allsop, et al. (2021) conducted a quantitative longitudinal study (the first study was conducted in 2012 when the children were between 13 and 17, and the second study in 2017 to observe emerging adulthood and the outcomes of the child’s financial socialization).

Two hypotheses were developed during each time period. During their literature review, they found a dearth of literature that focused on financial literacy’s association with financial satisfaction and financial distress which they included as variables in their study. Data was retrieved from the Flourishing Families Project; participants were recruited using a purchased directory and only 15% of the sample were in the lower socioeconomic category. Univariate (description of one independent variable), bivariate (relationship between dependent and independent variables explained), and path analyses (how one variable depends on another) were conducted.

In summarizing the findings of their study, Allsop, et al. (2021) state “First, both fathers and mothers should take equal responsibility for teaching their children about finances. In addition, it is helpful when parents are role models to their children in healthy financial behaviors and show how to productively manage financial distress. If we understand these findings, we may be able to help emerging adults experience financial flourishing as the norm rather than the exception” (p. 557).

“Parental financial socialization is becoming increasingly important globally due to poor financial behavior amongst young adults, especially those in developing countries and rural and low-income areas” (Ndou & Ngwenya, 2022, p. 120). Although Ndou & Ngwenya (2022) place the importance of financial socialization in the context of rural, low-income South Africa, the meaning and application of the theory have proven to be relevant for urban, low-income families as well.

It is so interesting that my mother, born in 1941, acknowledges that black families have not traditionally discussed financial management with their children until maybe twenty years ago. Even Ndou & Ngwenya (2022) mention a known taboo of engaging in financial conversations as well as the involvement of children in finances within black African families. In the conclusion of their study, Ndou & Ngwenya (2022) found that parental teaching and discussion had the strongest and most positive consequential influence on financial behavior. It was interesting that Ndou & Ngwenya (2022) used a quantitative study and deductive approach in order to explain this phenomenon (parental financial socialization) in “amount or quantity” (p. 124).

Through a qualitative research study on socioeconomic status, Ndou (2023) proved that both his hypotheses were true. He came to conclude that the higher a parental educational level the higher the parental income, and the more financial socialization occurred within the home. Information was gathered from a sample of young African adults ranging between the ages of 18 and 35 using a Likert-type scale questionnaire. The results of the above studies, re-emphasize the need for housing providers, financial advisors, and financial planning experts to work together in the subsidized housing industry so that low-income families are assisted with the enhancement of or are made aware of their lack of family financial socialization. The role and necessity of family or parental financial socialization are essential

Part of ending the cycle of generational living within subsidized housing will be creating an environment where adults and children alike, are able to learn about, understand, and be able to develop healthy financial behavior and prepare for a heavily capitalized, socially stratified caste-driven society. This is the catalyst for my research into financial socialization. Throughout my readings, I do see a gap in the literature that homes in on negative financial socialization. Much literature focuses on negative outcomes and habits in adulthood but not as much on identifying negative communication, modeling, and attitudes in the home in regard to finances which leads to bad habits and the lack of financial management. Vijaykumar (2022) emphasizes that both “constructive and unconstructive financial practices learned by children and adolescents tend to develop and persist throughout their lifetimes”, (p. 397).

Believe it or not, children observe and experience negative financial socialization in the home. Children get used to a parent’s decision to buy processed, sugary, convenience meals from the grocery store in contrast to a parent who frequents the farmer’s market for fresh produce and cooks fresh, wholesome meals at home. A child experiences volatile arguments about money between parents in contrast to parents who are able to sit down peacefully and discuss financial challenges. Children witness the response of a parent who is constantly receiving eviction notices or one who has friends over to gamble. Communication is not just by words, but actions speak louder.

With financial socialization serving as an independent variable in the study of Vijaykumar (2022), direct communication with parents about financial management had a positive effect on two dependent variables, self-efficacy and self-autonomy. This is evidence that an intentional discussion with parents on saving, prioritizing and budgeting influences a young adult’s beliefs or assuredness of how to manage one’s money and handle financial crisis and influences a young adult’s ability to think and make decisions on one’s own.

**Financial socialization and well-being**

Because my intended population is low-income families in subsidized housing, married or cohabiting couples will be a central focus. How these couples interact with each other, support each other, create a healthy, thriving environment, and raise their children will be the nucleus of the study. Communication plays a key role in relationships and in financial socialization and is an important link to financial behaviors (Gudmunson & Danes, 2011, pp. 661-662).

One part of well-being is a healthy marriage. Many who grow up in subsidized housing may not have the self-efficacy, tools, and wherewithal to sustain a healthy marriage. Because co-managing finances is a significant component of marriage, financial socialization would seem key to a couple’s ability to manage finances, invest for the future, and create generational wealth.

White et al (2021), intimate that financial socialization may reduce financial stress. In turn, I would suggest that financial stress is simply stress due to a challenging circumstance that affects one’s overall well-being. A couple experiencing financial stress and constantly arguing disturbs the very setting which is supposed to serve as a haven of peace, and flourishing. In his article Rooted in Christ, grounded in neighbourhoods – A theology of place, Niemandt (2019) uses theology to address a space where life is no longer flourishing but diminishing.

Larsen, et al. (2021) did find a high correlation between financial socialization as a child and adult, married couples having social scripts, skills, models, and reasonable expectations pertaining to finances.

In their quantitative study, they compared the effects of financial socialization by parents (banking, saving, and investing) on the well-being of students of different races. Because my research will focus on African American families living in subsidized housing, I was most intrigued with the outcome of the study on this ethnicity as it relates to well-being. The study found that African American students who had been encouraged to save their money experienced a greater average decrease in stress than Asians. In addition, African American students who were encouraged to invest their money, experienced on average greater optimism, than other students. African American students who had been encouraged to save did not however have greater optimism for the future than White students.

**Deductive Quantitative Versus Inductive Qualitative Research**

Deductive quantitative research starts with a theory, forms a hypothesis, and then tests the hypothesis to validate or invalidate the theory. One deduces reasoning. The deductive quantitative method is able to quantify results using empirical data. This research method usually tests a large sample to avoid skewed data, analyzes the data gathered, and rejects or accepts the null hypothesis. In inductive qualitative research, no hypothesis is necessary, and one moves from a general observation to form a theory. One induces reasoning.

In inductive qualitative research, I could state that some families in one subsidized housing building do not read financial literature. After having observed a second family renting a house using a voucher, I can make a generalization or develop a theory that all families living in low-income housing are financially illiterate. Using deductive quantification, I would observe a large population from several families in a large, subsidized housing development and test the family financial socialization theory concluding whether these families have the capability to become financially literate or not.

**Quantitative Research in Comparison to Qualitative Research Design Methodology**

In exploring the dissertation structure and sections of May (2023), I found that her study on the financial education of young black men serves as an excellent guide when using family financial socialization (Gudmonson & Danes, 2011) as a framework. The dissertation’s main elements were an introduction, literature review, methodology, results, and discussion. In contrast to the articles introduced in this proposal, she chose to use a qualitative research method which gave me an opportunity to compare the benefits and weaknesses of both qualitative and quantitative research methodologies. May (2023) defends the use of the qualitative research method for studying low-income African American families by stating “Qualitative research that examines themes and mechanisms of family financial socialization along racial and ethnic lines is emerging to support the FFS model and contribute new cultural and social dimensions related to race” (p. 52).

In analyzing the format of this qualitative study, I found it consisted of textual narratives, summarizations, and profiles of the sample chosen. The sample population was made up of seven men either twenty-four or twenty-five years old from Northern California, who self-identified as black men. Information was gathered through interviews focusing on their experiences and perceptions of their financial education. The author’s sample population also seemed to use participants from middle-income backgrounds.

 In comparing quantitative research methods and the aforementioned qualitative research method, my attraction to the qualitative research method is increasing. Because of the ability to build a construct or framework around a theory or theories, formulate multiple hypotheses, and choose suitable variables in order to test the correlation of my hypothesis with the theory, the quantitative method offers a more concrete, sound, and unbiased analysis. In choosing the quantitative method there is, however, a downside. When observing and gathering data on people, marginalized people who may feel they never have a voice in mainstream society, a qualitative study gives them an opportunity to express their thoughts and experiences. Meaning from their lives and struggles and life goals are displayed in their own words instead of numbers, pie charts, and graphs.

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