

Need-Supportive and Need-Thwarting Financial Parenting Behaviors for Emerging Adults: Development and Validation of a New Measure

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Background and goal

- The shift in the parent-child relationship during the transition to adulthood presumes that emerging adults become financially self-reliant.
- Research indicates that financial parenting contributes to success in this transition (becoming financially self-reliant), and these effects extend beyond the financial domain.
- Financial parenting has three aspects:
 - Content (“what” information is provided by parents)
 - Access (the range of financial opportunities available to children)
 - Style (“how” parents communicate financial information)
- Financial parenting style is less frequently studied, perhaps due to the lack of a theoretical framework to guide the operationalization of FP style or lack of validated measures.

Self-determination theory approach to socialization

Internalization, i.e., the central socialization process, occurs by assimilating external regulations into a coherent sense of self.

Successful internalization depends on how well basic psychological needs are satisfied while engaging in behaviors valued by socializing agents:

- When external regulations satisfy (support) basic psychological needs, people become intrapsychically and socially integrated.
- When external regulations hinder (thwart) basic psychological needs, regulations remain external or only partially internalized.

Six dimensions of need-supportive and – thwarting financial parenting

Dimension	Definition
AS-FP (autonomy-supportive financial parenting)	providing choices in making financial decisions and encouraging independent money management
CS-FP (competence-supportive financial parenting)	encouragement of setting and achieving financial goals, positive feedback on financial behaviors, and belief in child's financial capabilities
RS-FP (relatedness-supportive financial parenting)	interest in child's financial situation, abilities to cope with financial difficulties, and being sympathetic in times of financial strain
AT-FP (autonomy-thwarting financial parenting)	interference in and excessive control of a child's use of money
CT-FP (competence-thwarting financial parenting)	sending messages of incompetence in handling money, criticizing child's financial behaviors, and questioning the ability to overcome financial difficulties
RT-FP (relatedness-thwarting financial parenting)	parent's lack of interest in and displays of indifference to child's financial situation

Goal

The current study applies six dimensions of interpersonal behaviors outlined in the Self-Determination Theory (SDT) to financial parenting and develops a scale targeting six dimensions of need-supportive and need-thwarting FP (D-NEST-FP).

Designing items for the “Dimensions of need-supportive and need-thwarting financial parenting” (D-NEST-FP) measure

1. To generate the initial pool of items, the first author adapted the 24-item Interpersonal Behaviors Questionnaire (IBQ; Rocchi et al., 2017) to reflect perceived financial parenting behaviors.
2. A co-author with expertise in SDT reviewed the newly created items. During this step, multiple items were revised, deleted, and new ones added.
3. An expert in Lithuanian linguistics with a degree in psychology was hired to review the content and wording of the newly developed item. Again, multiple items were revised.
4. This process resulted in the initial set of 39 items, all of which were included for screening in the pilot study.

Piloting the “Dimensions of need-supportive and need-thwarting financial parenting” measure

1. The participants in the pilot study included 194 emerging adults (87.1% women; $M_{age} = 22.71$, $SD_{age} = 3.36$) enrolled in diverse programs of study from five universities and three colleges.
2. We then utilized CFA to screen and identify the items with weak loadings on the intended factor, cross-loadings, or residual correlations with other items. Most problematic items were discarded.
3. For the main (current) study, we had a 24-item version scale

SAMPLE

and sampling strategy

Exactly **600 Lithuanian emerging adults** ($M_{\text{age}} = 24.94$, $SD_{\text{age}} = 3.03$, range 19–29 years; 52.3% women) **took part in the main study.**

All participants were recruited from an online survey panel at random, using a controlled quota sampling strategy

In line with the quotas established before the study:

- precisely 300 participants were 19-24-year-olds and 300 were 25-29-year-olds;
- the distribution of occupational status within each age subgroup was identical to that of the Lithuanian EA population

11 participants did not respond to parenting measures and were excluded from analysis

Structure score validity

We hypothesize (H1) that the six-factor structure will account for the relationships between the items of the new scale measuring dimensions of need-supportive and -thwarting FP.

Model tested (Model compared with)	Model fit statistics					Model comparison	
	χ^2	df	CFI	RMSEA [90% CI]	SRMR	Δ CFI	Δ RMSEA
Six-factor model-data fit							
M0: new 24-item version	291.20 ^{**}	237	.990	.020 [.010 .027]	.027		
Testing alternative factor structures							
M1: One-factor structure (M0)	2076.32 ^{***}	252	.663	.111 [.106 .115]	.133	-.327	.091
M2: Two-factor structure (M0)	494.85 ^{***}	251	.955	.041 [.035 .046]	.038	-.035	.021
M3: Three-factor structure (M0)	3000.92 ^{***}	252	.492	.136 [.132 .140]	.338	-.498	.116

Note. χ^2 – Model Chi-square statistic; df – degrees of freedom; CFI - Comparative Fit Index; RMSEA – Root Mean Square Error of Approximation; SRMR – Standardized Root Mean Square Residual. *** $p < .001$; ** $p < .01$.

Generalizability:

Measurement invariance across gender and age groups

Model tested (Model compared with)	Model fit statistics					Model comparison	
	χ^2	df	CFI	RMSEA [90% CI]	SRMR	Δ CFI	Δ RMSEA
Measurement invariance analysis across groups of gender							
Configural	643.26 ^{***}	522	.979	.028 [.020 .035]	.052	-	-
Weak (configural)	600.25 ^{***}	492	.981	.027 [.019 .035]	.042	.002	-.001
Strong (weak)	616.40 ^{***}	510	.982	.027 [.018 .034]	.043	.001	.000
Strict (strong)	705.80 ^{***}	534	.970	.033 [.026 .039]	.055	-.012	.005
Results of measurement invariance analysis across the two age groups (19-24-year-olds vs. 25-29-year-olds)							
Configural	662.68 ^{***}	522	.976	.030 [.023 .037]	.050	-	-
Weak (configural)	617.39 ^{***}	492	.978	.029 [.021 .036]	.039	.001	-.001
Strong (weak)	643.52 ^{***}	510	.977	.030 [.022 .037]	.040	-.001	.001
Strict (strong)	684.21 ^{***}	534	.974	.031 [.024 .038]	.046	-.003	.001

Note. χ^2 – Model Chi-square statistic; df – degrees of freedom; CFI - Comparative Fit Index; RMSEA – Root Mean Square Error of Approximation; SRMR – Standardized Root Mean Square Residual. *** $p < .001$; ** $p < .01$.

Measures to assess convergent and discriminant validity

(H4) The six dimensions of need-supportive and -thwarting FP will correlate with the six dimensions of general need-supportive and -thwarting parenting

Need-supportive and need-thwarting parenting

Interpersonal Behaviors Questionnaire (Rocchi et al., 2017) adapted to parenting. IBQ has 24 items, which assess six SDT-based interpersonal behaviors styles:

autonomy-supportive (e.g., “...support my decisions”; $\alpha = .83$)

autonomy-thwarting (e.g., “...impose their opinions on me”; $\alpha = .82$);

competence-supportive (e.g., “...encourage me to improve my skills”; $\alpha = .81$)

competence-thwarting (e.g., “...point out that I will likely fail”; $\alpha = .88$);

relatedness-supportive (e.g., “...are interested in what I do”; $\alpha = .70$);

relatedness-thwarting (e.g., “...do not connect with me”; $\alpha = .86$).

Convergent validity:

Correlations with general need-supportive and -thwarting parenting

(H4) the six dimensions of need-supportive and -thwarting FP will correlate with the six dimensions of general need-supportive and -thwarting parenting

N = 589	Financial parenting					
General parenting	AS-FP	AT-FP	CS-FP	CT-FP	RS-FP	RT-FP
Autonomy-supportive	.59 ^{***}	-.42 ^{***}	.57 ^{***}	-.42 ^{***}	.59 ^{***}	-.44 ^{***}
Autonomy-thwarting	-.33 ^{***}	.55 ^{***}	-.37 ^{***}	.52 ^{***}	-.31 ^{***}	.47 ^{***}
Competence-supportive	.57 ^{***}	-.27 ^{***}	.55 ^{***}	-.30 ^{***}	.61 ^{***}	-.40 ^{***}
Competence-thwarting	-.39 ^{***}	.60 ^{***}	-.45 ^{***}	.62 ^{***}	-.38 ^{***}	.56 ^{***}
Relatedness-supportive	.54 ^{***}	-.33 ^{***}	.52 ^{***}	-.34 ^{***}	.58 ^{***}	-.38 ^{***}
Relatedness-thwarting	-.43 ^{***}	.48 ^{***}	-.44 ^{***}	.49 ^{***}	-.51 ^{***}	.56 ^{***}

Measures to assess criterion validity

(H5) The six dimensions of need-supportive and -thwarting FP will correlate with the corresponding dimensions of basic psychological need satisfaction and frustration.

Basic psychological need satisfaction and frustration (BPNSF)

BPNSF was measure using the 24-item scale developed by (B. Chen et al., 2015) that has six subscales:

autonomy satisfaction

(e.g., “I feel my choices express who I really am”; $\alpha = .78$)

autonomy frustration

(e.g., “I feel pressured to do too many things”; $\alpha = .74$);

competence satisfaction

(e.g., “I feel competent to achieve my goals”; $\alpha = .85$);

competence frustration

(e.g., “I feel insecure about my abilities”; $\alpha = .85$);

relatedness satisfaction

(e.g., “I have the impression that people I spend time with dislike me”; $\alpha = .87$)

relatedness frustration

(e.g., “...do not connect with me”; $\alpha = .83$).

Criterion validity:

Correlations with general basic psychological need satisfaction and frustration

N = 589	Financial parenting					
Need-satisfaction and frustration	AS-FP	AT-FP	CS-FP	CT-FP	RS-FP	RT-FP
Autonomy-satisfaction	.35***	-.22***	.37***	-.22***	.30***	-.20***
Autonomy-frustration	-.21***	.32***	-.26***	.34***	-.18***	.29***
Competence-satisfaction	.36***	-.26***	.40***	-.29***	.35***	-.25***
Competence-frustration	-.21***	.26***	-.29***	.32***	-.16***	.26***
Relatedness-satisfaction	.48***	-.45***	.50***	-.42***	.47***	-.42***
Relatedness-frustration	-.38***	.48***	-.40***	.49***	-.36***	.46***

Measures to assess criterion validity

(H6) Need-supportive FP dimensions positively correlate with thriving and financial satisfaction and negatively correlate with negative affectivity and financial stress. In contrast, need-thwarting FP dimensions are negatively correlated with thriving and financial satisfaction and positively correlated with negative affectivity and financial stress.

Negative affectivity

Depression, Anxiety, and Stress Scale (12 items; $\alpha = .91$; Antony et al., 1998)

Thriving

Brief Inventory of Thriving (10 items; $\alpha = .93$; Su et al., 2014)

Financial stress

A measure adapted from Ponnet (2014) tapping into financial need; financial burden, and financial insecurity ($\alpha = .79$)

Financial satisfaction

Four items from the Multidimensional Subjective Financial Well-being Scale (Sorgente & Lanz, 2019). $\alpha = .91$

Criterion validity:

Correlations with subjective financial and overall well-being

N = 589	Financial parenting					
	AS-FP	AT-FP	CS-FP	CT-FP	RS-FP	RT-FP
Thriving	.44***	-.22***	.47***	-.27***	.37***	-.22***
Financial satisfaction	.24***	-.14***	.29***	-.20***	.14**	-.09*
Negative affectivity	-.15***	.24***	-.20***	.28***	-.12**	.22***
Financial stress	-.17***	.29***	-.26***	.34***	-.12**	.23***

Correlations between different dimensions of financial parenting

N = 589	Financial parenting					
Financial parenting	AS-FP	AT-FP	CS-FP	CT-FP	RS-FP	RT-FP
Autonomy-supportive		-.40***	.82***	-.40***	.76***	-.38***
Autonomy-thwarting	-.40***		-.45***	.84***	-.35***	.76***
Competence-supportive	.82***	-.45***		-.52***	.71***	-.42***
Competence-thwarting	-.40***	.84***	-.52***		-.35***	.76***
Relatedness-supportive	.76***	-.35***	.71***	-.35***		-.44***
Relatedness-thwarting	-.38***	.76***	-.42***	.76***	-.44***	

Testing alternative factor score structures: Comparing bi-factor and second-order modelling

Model tested (Model compared with)	Model fit statistics					Model comparison	
	χ^2	df	CFI	RMSEA [90% CI]	SRMR	Δ CFI	Δ RMSEA
Comparison of 24- and 30-item versions of the instrument							
M0: Final 24-item version	291.20**	237	.990	.020 [.010 .027]	.027	.005	-.004
Second-order model (M0)	369.27***	245	.977	.029 [.023 .035]	.035	-.013	.009
Bi-factor model (M0)	962.65***	228	.864	.074 [.069 .079]	.131	-.126	.054

Note. χ^2 – Model Chi-square statistic; df – degrees of freedom; CFI - Comparative Fit Index; RMSEA – Root Mean Square Error of Approximation; SRMR – Standardized Root Mean Square Residual. *** $p < .001$; ** $p < .01$.

Conclusions

- D-NEST-FP also offers the potential to gain more insights into family financial socialization and parent-child financial relationships.
- It could be used as a supplementary instrument in the studies interested in all three aspects of financial parenting: *content*, *access*, and *style*
- It may also aid in research on becoming an adult, the shift in parent-child relationships during this process, and emerging adults' well-being.

Item examples of D-NEST-FP

Autonomy-supportive financial parenting

Supported my choices about what I did with my money.

Assured me that I am capable of managing my own money.

Competence-supportive financial parenting

Were positive about me trying to set and achieve financial goals.

Told me that I was using my money properly.

Relatedness-supportive financial parenting

Were not indifferent to my financial situation.

Listened attentively when I wanted to talk to them about my money.

Autonomy-thwarting financial parenting

Interfered with my money matters.

Controlled where I spent and how I used my money.

Competence-thwarting financial parenting

Repeatedly criticized how I handled my money.

Implied that I was not competent in handling my money.

Relatedness-thwarting financial parenting

Acted like strangers when we discussed my financial situation.

Became cold and distant when we started talking about my money.

Incremental validity:

Correlations with subjective financial and overall well-being after controlling for general parenting

(H7) need-supportive and -thwarting FP dimensions correlate with thriving, financial satisfaction, negative affectivity, and financial stress even after controlling for the corresponding dimensions of general parenting

N = 589	Financial parenting					
	AS-FP	AT-FP	CS-FP	CT-FP	RS-FP	RT-FP
Thriving	.28***	-.12**	.35***	-.12**	.25***	-.13**
Financial satisfaction	.17***	-.08	.24***	-.13**	.07	-.02
Negative affectivity	-.10*	.10*	-.20**	.11**	-.10*	.08
Financial stress	-.11**	.20***	-.26***	.21***	-.09*	.14**