How parents, romantic partners influence student spending

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When college students introduce a new boyfriend or girlfriend to their parents for the first time, Mom and Dad may have lots of questions for the love interest: Where did you grow up? What's your major? What are your plans after graduation?

New research suggests there might be another question worth asking: How do you manage your money?

A study co-authored by researchers at the University of Arizona, University of Minnesota, University of Alabama and University of Wisconsin, Madison, suggests that romantic partners have a significant influence on the financial behavior of college students, even beyond that of students' parents.

Published in the the journal *Family Relations*, the study explores the unique impact both parents and romantic partners have on the way college students spend, save and budget their money.

Researchers looked at college students in committed relationships and found that the students' financial behaviors were positively and directly influenced by the responsible financial behaviors of both their parents and their romantic partners, with students modeling their own behaviors after both parties.

Yet, romantic partners had a stronger influence than Mom and Dad when it came to students' attitudes about finances, which, in turn, indirectly influence students' financial behaviors.

Researchers say the study has implications for financial education programs targeting young adults, which often focus solely on individuals without considering the people in their lives who may be most influential.

"There is such a push to help young adults improve their financial decision-making capabilities," said lead study author and former UA faculty member Joyce Serido, now an associate professor of family social science at the University of Minnesota. "How about offering education for couples or for parents and their kids, involving more couples and families in discussions about finances?"

The researchers' findings were based on the ongoing APLUS, or Arizona Pathways to Life Success for University Students, study, which began collecting data from first-year University of Arizona students in 2008 and continues to follow them into adulthood.

Researchers focused specifically on students who reported being in a committed relationship during their fourth year of college.

Students were asked to report their perceptions of how often their parents and romantic partners engage in these behaviors: tracking monthly expenses, spending money within budget, paying credit card balances in full each month, saving money each month for the future and learning money management regularly.

They were then asked to report their own attitudes—ranging from very unfavorable to very favorable—toward those same behaviors.

They also were asked how often they themselves had engaged in these activities in the previous six months: budgeting regularly, tracking monthly expenses, spending within budget, paying bills on time each month, saving monthly for the future, saving for emergencies, contributing to an investment/retirement account and investing for long-term financial goals.

The fact that parents' financial behaviors significantly influenced their children came as no surprise to the researchers, especially in a time when more and more young adults are relying longer on financial support and guidance from their parents—a finding highlighted in a previous APLUS study publication.

The fact that romantic partners also have such a powerful influence is likely due to the fact that coupled-up college students are spending more time with their significant others than with their parents, said study co-author Melissa Curran, associate professor in the UA's John and Doris Norton School of Family and Consumer Sciences in the College of Agriculture and Life Sciences.

Curran and Serido said college students are in something of a "melding stage," in which parents and new social influencers, such as romantic partners, are having a combined effect.

"From birth across the lifespan we're very reliant on our parents in terms of finances," Curran said. "It's interesting to look at romantic partners at a time in people's lives when many are starting to develop committed romantic partnerships for the first time. We predict that as these students continue to age, the influence from family origin will fall further away, although not diminish altogether, and romantic partners' influence will become even stronger."

Although the students in the APLUS study were all in early committed relationships when surveyed, future data collection from the same cohort will help researchers understand more about how financial influences, decision-making processes and behaviors evolve as young adults grow older, settle down and potentially start families of their own.

At the next wave of data collection, scheduled to take place in March and April, the study participants will be between the ages of 26 and 29.

"Finances are something that impact people all across the lifespan, yet we as romantic partners are not very good at bringing up money. It's kind of a taboo topic," Curran said. "It really does help when people are on the same page financially."

More information: *Family Relations* Volume 64, Issue 5, Article first published online: 9 DEC 2015.
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