



## Examining Relationships Between Financial Capital And Personal Well-Being

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### Abstract

Researchers have traditionally examined economic well-being with income data, yet recent findings indicate positive effects of assets on well-being, independent from income. For this study, baseline data from 904 low-income individuals were used to examine relationships between income, assets, and personal, social, and economic outcomes. Baseline findings indicate that financial assets did not influence perceptions of self-efficacy, economic strain, or social support. However, an individual's age was associated with perceived outcomes, with increased age leading to decreased support and self-efficacy and increased economic strain. A discussion of findings and implications of this research for community-based strategies is provided.

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*Researchers have traditionally examined economic well-being with income data, yet recent findings indicate positive effects of assets on well-being, independent from income. For this study, baseline data from 904 low-income individuals were used to examine relationships between income, assets, and personal, social, and economic outcomes. Baseline findings indicate that financial assets did not influence perceptions of self-efficacy, economic strain, or social support. However, an individual's age was associated with perceived outcomes, with increased age leading to decreased support and self-efficacy and increased economic strain. A discussion of findings and implications of this research for community-based strategies is provided.*

**KEYWORDS** *assets, savings, economic strain, social support, self-efficacy*

The recent economic recession has had a negative impact on the personal, social, and economic well-being of individuals, families, and communities (Butterfield, 2009). It also raises questions relative to its long-term impact on achieving what many have described as the American Dream, namely

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asset development through homeownership in communities throughout the United States. *Asset development* is defined as the financial investment in household wealth to use for future social and economic development (Williams Shanks, Boddie, & Rice, 2010). A downward trend in asset development is especially concerning as the long-term benefits of household wealth are posited by many as superseding that of income alone (Sherraden, 1991) and as instrumental to closing the racial wealth gap (Oliver & Shapiro, 1995). Thus, the purpose of this cross-sectional study was to explore the extent to which financial assets in the form of savings contribute to self-reported measures of well-being, specifically social support, self-efficacy, and economic strain, among 904 low-income savers and nonsavers in Arkansas and New Mexico.

## LITERATURE REVIEW

Although concerns associated with the economy are not restricted to economically disadvantaged populations, low- to moderate-income individuals have historically encountered fewer opportunities and faced more challenges than others in terms of asset development. Disparities associated with intersecting social inequalities such as race, ethnicity, class, and gender also adversely influence the experiences and desired outcomes of marginalized populations (Murphy, Hunt, Zajicek, Norris, & Hamilton, 2009). These disparities have been fostered by public policies that offer income and asset development opportunities for middle- and high-income earners while limiting prospects for low- to moderate-income individuals and families (Sherraden, 1991).

In 1991, social work scholar Michael Sherraden applied an asset-based theory of welfare to suggest that households with assets tend to fare better personally, socially, and economically than households with limited or no assets (Chowa & Sherraden, 2009). Sherraden (1991) hypothesized that, controlling for household income, assets increase self-efficacy and social support and decrease economic strain. Although still in its infancy, asset-based research has produced much information over the last decade about the potential impact of assets on measures of well-being for marginalized individuals and families. For example, findings suggest that low- and moderate-income individuals are able to save when structural incentives are in place and that asset-based programs designed for low- and moderate-income individuals and households lead participants to successfully purchase assets (Schreiner, Clancy, & Sherraden, 2002).

It is only recently that researchers have begun to examine the relationships between household income and assets and well-being outcomes. In terms of the distinction between income and assets, Lerman and McKernan (2008) wrote,

Incomes are flows of resources. They are what people receive as a return on their labor or use of their capital, or as a public program transfer. . . . Assets are stocks of resources. They are what people accumulate and hold over time. (p. iii)

Assets also provide the ability to generate residual income, an increased ability to negotiate the power structure embedded in the economic system, the possibility to draw upon resources during periods of economic hardship, and the likely ability to move current and future generations out of poverty (Lerman & McKernan, 2008; Zhan & Schreiner, 2005). Thus, though researchers have recently begun to explore the outcomes of asset building on well-being (Christy-McMullin, Shobe, & Willis, 2009; Lombe & Ssewamala, 2007; Shobe & Christy-McMullin, 2006), rigorous cross-sectional and longitudinal studies will provide a more in-depth understanding of the effects of financial assets on personal, social, and economic well-being for members of low-income communities.

### Household Assets and Well-Being

It is reasonable to expect that an increase in household wealth would have a positive effect on specific measures of individual, household, and community well-being. Sherraden's (1991) theory of assets suggests that assets positively affect the following nine areas of individual, family, and community well-being: household stability, future orientation, other asset development, focus and specialization, risk taking, personal efficacy, social influence, political participation, and child well-being.

The intuitive assumption of asset effects on well-being lies at the core of many formal financial policies and practices available to middle- and upper-income households, including investment opportunities, mortgage deductions, and retirement policies. Although our government has long been aware of the positive effects of assets and asset-based tax policies on middle- and upper-income individuals, it is only recently that it has initiated similar policies and practices for low- and moderate-income individuals and households. Using an asset-based theory of welfare, in this cross-sectional study we examine self-efficacy, economic strain, and social support as dimensions of well-being.

### SOCIAL SUPPORT

Individuals generally draw upon social supports when managing stress because kin, friendship, and community relationships have the potential to create "collective action" in times of need. The presence of social supports often has positive effects on individual well-being. For example, perceived social support is found to be significantly associated with better health and

mental health because it helps buffer the impact of major life crises (Thoits, 1995, p. 64). Conversely, lower levels of social support are associated with higher rates of depression (Horowitz & White, 1991).

In terms of household economic resources, researchers found that that social support may play a mediating role in the relationship between financial stress and depressive symptoms for low-income rural parents (Lee, Anderson, Horowitz, & August, 2009). Extending this hypothesis, we use the asset-based theory of welfare to suggest that individual and household assets may have a positive effect on social supports. Using this framework, recent findings suggest that asset building is associated with increased social inclusion (Lombe & Ssewamala, 2007); improved quality of social supports, community involvement, and social status (Moore et al., 2001); and increased civic participation (McBride, Lombe, & Beverly, 2003). In their study of community asset-based programs, Williams Shanks et al. (2010) found that dedicated savings programs help community residents to initiate savings “safety nets” while concurrently developing increased social capital. For the purposes of this study, we examine the relationship between household assets and social support among a representative sample of low-income individuals.

#### SELF-EFFICACY

Clinical psychologist Albert Bandura’s (1994) concept of social learning theory suggests that perceived self-efficacy is related to individuals’ beliefs regarding their ability to achieve certain levels of performance that affect their lives. Thus, people with high levels of perceived self-efficacy approach difficult and challenging tasks with interest whereas individuals with low levels of self-efficacy tend to shy away from challenges.

Self-efficacy has been found to play an important role in the development of future assets. For example, using Vroom’s expectancy-value theory to examine the relationship between self-efficacy and retirement savings behaviors, Oliver (2006) found that self-efficacy beliefs related to planning, saving, and investing for retirement corresponded significantly with reported retirement savings behaviors.

Conversely, using an asset-based theory of welfare, we suggest that the successful attainment of assets can subsequently lead to the improvement of one’s sense of self-effectiveness, or belief in one’s own competency and ability to handle difficult situations in the future. In support of this theory, research has demonstrated that asset building is linked to improved perceptions of economic stability (Christy-McMullin et al., 2009; McBride et al., 2003; Shobe & Boyd, 2005), financial self-efficacy (Sanders, 2007; Shobe & Christy-McMullin, 2006; Yadama & Sherraden, 1996), and future orientation (Christy-McMullin et al., 2009; McBride et al., 2003).

## ECONOMIC STRAIN

The concept of perceived economic strain was initiated by Pearlin and Radabaugh (1976) to define the perceived challenges that individuals experience when attempting to access basic necessities. Shobe and Boyd (2005) examined the relationship of perceived economic strain on specific necessities such as food, shelter, and clothing. Research suggests that there is a relationship between household income and perceived economic strain, also defined as material hardship in the literature. However, using panel data from the Women's Employment Study, researchers found that average income is significantly related to material hardship, whereas the relationships between current and transitory income and material hardship are weak (Sullivan, Turner, & Danziger, 2008). Turning to our European counterparts, using the first wave of data from the European Community Household Panel, researchers found a strong relationship between income and perceived economic strain, with low-income households reporting increased economic strain; however it is important to note that this relationship was significantly influenced by perceptions of economic deprivation (Whelan, Layte, Maître, & Nolan, 2001).

Yet the role of finance-related stress for individuals in a household appears to be poorly defined by income alone (Mayer & Jencks, 1989). In fact, economic strain, defined as diminished emotional well-being due to financial concerns, may also be influenced by other financial sources, such as household assets (Sherraden, 1991). Preliminary research findings support this suggestion. For example, researchers found that, controlling for income, savers and homeowners respectively report diminished economic strain (Christy-McMullin et al., 2009; Page-Adams & Vosler, 1997). In addition, using a survey of low-income households from three American cities, Ribar (2005) found that though the relationship between income and financial strain is significant, it is rather weak. His analyses demonstrated a much stronger association between household wealth and financial strain. For the purposes of this study, the asset-based theory of welfare is utilized to hypothesize that, controlling for income, household assets are negatively associated with economic strain.

## METHOD

The cross-sectional study described here of participants at baseline is part of a larger, longitudinal study of 904 low-income Individual Development Account (IDA) program participants and non-IDA program participants in Arkansas and New Mexico. The study uses a nonrandom, purposive sampling design. Participants were recruited from numerous public assistance programs (e.g., public housing, Head Start, Low Income Home Energy

Assistance Program, and a health clinic) throughout New Mexico and in the western region of Arkansas between October 2006 and August 2008. Most of these agencies also operate IDA programs, and participants self-selected into an IDA program, where participation in the study was voluntary for those who joined an IDA program and those who did not join. Data were collected at point of entry for services by agency staff via a seven-page questionnaire (for more information, see Murphy, Jordan, Shobe, & Christy-McMullin, 2009). Multiple regression analyses were conducted with three sets of predictors (demographics, human capital and income, and financial assets) and the three continuous well-being measures (self-efficacy, economic strain, and social support).

### Dependent Variables

Perceptions of self-efficacy were measured using a 4-item Likert-type scale; overall scores range from 4 to 40 with higher scores indicating increased perceived self-efficacy (Cronbach's  $\alpha = .90$ ). Using a scale from 1 to 10, participants were asked their level of belief (1) that they can deal with any problem, (2) that improvements in their situation are primarily the result of their efforts, (3) in their ability to get through the most difficult situation, and (4) in their ability to overcome challenges.

A shortened version of the Family Economic Strain Scale (FESS) was used to measure the ways in which individuals perceive their current economic strain (Hilton & Devall, 1997). Scores from the 13-item scale range from 13 to 65, with higher scores suggesting increased economic strain. Participants were asked to use a 5-point scale on such items as, "In general, it is hard for me and my family to live on our present income," "I have to put off getting medical care for family members because of the expense," and "Financial problems interfere with my relationships with other people." Cronbach's  $\alpha$  for the scales is .90, and construct validity has been demonstrated for the condensed version of this scale (Hilton & Devall, 1997).

A subscale of the Medical Outcomes Study Social Support Survey was used to measure social support. Participants are asked to indicate how often various types of support are available to them if they need it. The types of support include "Someone to confide in to talk to about yourself or your problems," "Someone to turn to for suggestions about how to deal with a personal problem," "Someone who shows you love and affection," and "Someone to help you if you were confined to bed." Scores can range from 15 to 75 for this 15-item scale, with higher scores demonstrating more support. The subscale has adequate construct validity and strong internal reliability (Cronbach's  $\alpha = .96$ ; Sherbourne & Stewart, 1991).

## Independent Variables

### DEMOGRAPHIC VARIABLES

Three demographic variables were entered into the first step of the regression model. Four dummy variables were used to capture race/ethnicity, including African American, Hispanic, Native American, and other (includes Asian and biracial) categories. White is the reference category. Age has four groups: 18 to 25, 26 to 35, 36 to 45, and 46 and older. Gender was measured dichotomously, with female as the reference category.

### HUMAN CAPITAL AND INCOME

Step 2 of the regression analyses included household income and three human capital measures: employment, educational attainment, and health insurance. There are eight categories for household income: \$0 to \$4,999; \$5,000 to \$9,999; \$10,000 to \$14,999; \$15,000 to \$19,999; \$20,000 to \$24,999; \$25,000 to \$29,999; \$30,000 to \$34,999; and \$35,000 and up. *Educational attainment* refers to the highest level of education achieved and has five categories: less than high school graduate, high school diploma or General Education Diploma, some college, graduated from college—either 2- or 4-year, and graduate school. Employment status is a trichotomous variable: employed full-time, employed part-time, and unemployed; health insurance is measured as a dichotomous variable.

### FINANCIAL ASSETS

Three variables were included in the final step of the regression analyses. Homeownership and business ownership were measured dichotomously. Because this study is only examining baseline data, none of the participants had an IDA account. Therefore, the savings variable at this point in time is non-IDA savings accounts, which has four categories: no savings account, \$0 to \$99, \$100 to \$999, and \$1,000 or more in savings.

## RESULTS

This study examined the incremental effect of the financial asset variables on social support, self-efficacy, and economic strain. Table 1 provides a snapshot of the participants in the study. Our sample comprised primarily low-income (mean and median = \$15,000–\$19,999) women (75%) and Whites (81%), with a large portion identifying as Hispanic (41%). Almost one half (47%) of the participants had a high school education or less, whereas

**TABLE 1** Descriptive Statistics of the Study Sample ( $N = 904$ )

| Variable                                 | <i>n</i>          | Percent           |            |
|--|-------------------|-------------------|------------|
| Female                                   | 674               | 74.6              |            |
| Race                                     |                   |                   |            |
| African American                         | 50                | 5.5               |            |
| White                                    | 734               | 81.2              |            |
| Asian American                           | 7                 | 0.8               |            |
| Native American                          | 71                | 4.5               |            |
| Other                                    | 41                | 4.5               |            |
| Hispanic                                 | 373               | 41.3              |            |
| Education                                |                   |                   |            |
| Less than high school                    | 120               | 13.4              |            |
| High school or General Education Diploma | 301               | 33.3              |            |
| Some college                             | 283               | 31.3              |            |
| College graduate                         | 145               | 16.0              |            |
| Grad school                              | 48                | 5.3               |            |
| Employment                               |                   |                   |            |
| Full-time or more                        | 435               | 48.1              |            |
| Part-time                                | 235               | 26.0              |            |
| Unemployed                               | 226               | 25.0              |            |
| Homeownership                            | 261               | 28.9              |            |
| Business owner                           | 127               | 14.0              |            |
| Health insurance                         | 521               | 57.6              |            |
|  | Mean              | Median            | <i>SD</i>  |
| Age (range 16–83)                        | 35.67             | 34.00             | 11.9       |
| Household income                         | 4.03              | 4.00              | 2.2        |
|  | (\$15,000–19,999) | (\$15,000–19,999) |            |
| Savings account ( $n = 347$ , 38%)       | \$703.37          | \$145.00          | \$1,408.40 |
| Self-efficacy (range 4–40)               | 33.21             | 35.00             | 6.5        |
| Social support (range 18–75)             | 57.12             | 60.00             | 14.8       |
| Economic strain (range 13–65)            | 36.78             | 36.00             | 11.2       |

three fourths worked at least part-time. Approximately two thirds of the participants fell into the age 24 to 48 range, and more than half (58%) had health insurance. Few participants were homeowners (29%) or business owners (14%). Only 38% of the participants had a savings account. The average amount of savings was \$703, whereas the median was just \$145. The participants also reported moderate levels of self-efficacy ( $M = 33$ ), social support (57), and economic strain (37) (see Table 1).

As noted in Table 2, the regression model for Step 1 ( $p < .01$ ,  $R^2 = .03$ ) indicated that as people got older, their self-efficacy decreased ( $p < .01$ ). Additionally, African Americans reported more self-efficacy than Whites ( $p < .05$ ). In Step 2 ( $p < .01$ ,  $R^2 = .098$ ), those with more income and those with more education reported higher levels of self-efficacy ( $p < .05$  and  $p < .01$ , respectively) whereas those with more employment reported less self-efficacy ( $p < .01$ ). The change in  $R^2$  from Step 1 is .068 ( $p < .01$ ).

**TABLE 2** Regression Analysis for Self-Efficacy

| Self-efficacy ( $N = 848$ ) | $b$   | SE  | $\beta$ | Cumulative $R^2$ - | $R^2$ change |
|-----------------------------|-------|-----|---------|--------------------|--------------|
| Demographic variables       |       |     |         | .030               | .030**       |
| African American            | 2.53  | .95 | .09*    |                    |              |
| Native American             | 0.42  | .81 | .02     |                    |              |
| Asian, Biracial, other      | 1.40  | .97 | .05     |                    |              |
| Hispanic                    | 0.21  | .46 | .02     |                    |              |
| Age category                | -0.73 | .20 | -.12**  |                    |              |
| Male                        | 0.74  | .50 | .05     |                    |              |
| Human capital variables     |       |     |         | .098               | .068**       |
| Income category             | 0.25  | .11 | .09*    |                    |              |
| Education level             | 0.94  | .21 | .15**   |                    |              |
| Employment status           | -1.05 | .28 | .13**   |                    |              |
| Health insurance            | -0.39 | .44 | -.03**  |                    |              |
| Financial assets            |       |     |         | .102               | .004         |
| Own home                    | 0.32  | .51 | .02     |                    |              |
| Own business                | 0.86  | .64 | .05     |                    |              |
| Savings category            | 0.40  | .41 | .03     |                    |              |

\* $p < .05$ , \*\* $p < .01$ .

In Step 3, self-efficacy was not statistically significantly associated with any of the financial assets.

In terms of social support, in Step 1, we see that as people aged, they reported having less social support ( $p < .01$ ,  $R^2 = .028$ ). Those with more income reported higher levels of social support in Step 2 ( $p < .01$ ,  $R^2 = .092$ ). The change in  $R^2$  from Step 1 is .065 ( $p < .01$ ). Human capital, income, or financial assets were not related to social support (see Table 3). Turning to economic strain, Step 1 ( $p < .01$ ,  $R^2 = .046$ ) suggests that non-Hispanics

**TABLE 3** Regression Analysis for Social Support

| Social Support ( $N = 845$ ) | $b$   | SE   | $\beta$ | Cumulative $R^2$ | $R^2$ change |
|------------------------------|-------|------|---------|------------------|--------------|
| Demographic variables        |       |      |         | .028             | .028**       |
| African American             | 0.18  | 2.16 | .01     |                  |              |
| Native American              | 0.87  | 1.85 | .02     |                  |              |
| Asian, Biracial, other       | -0.71 | 2.22 | -.01    |                  |              |
| Hispanic                     | -0.13 | 1.05 | .00     |                  |              |
| Age category                 | -2.41 | 0.45 | -.20**  |                  |              |
| Male                         | -1.78 | 1.14 | -.05    |                  |              |
| Human capital variables      |       |      |         | .092             | .065**       |
| Income category              | 1.32  | .25  | .20**   |                  |              |
| Education level              | 0.37  | .48  | .03     |                  |              |
| Employment status            | -1.13 | .64  | -.06    |                  |              |
| Health insurance             | 1.17  | 1.01 | .04     |                  |              |
| Financial asset variables    |       |      |         | .099             | .007         |
| Own home                     | 1.50  | 1.16 | .03     |                  |              |
| Own business                 | 2.52  | 1.47 | .05     |                  |              |
| Savings category             | 0.88  | 0.92 | .06     |                  |              |

\* $p < .05$ , \*\* $p < .01$ .

**TABLE 4** Regression Analysis for Economic Strain

| Economic Strain ( $N = 843$ ) | $b$   | SE   | $\beta$ | Cumulative $R^2$ | $R^2$ change |
|-------------------------------|-------|------|---------|------------------|--------------|
| Demographic variables         |       |      |         | .046             | .046**       |
| African American              | -3.03 | 1.59 | -.06    |                  |              |
| Native American               | -2.24 | 1.37 | -.05    |                  |              |
| Asian, Biracial, other        | 2.57  | 1.64 | .05     |                  |              |
| Hispanic                      | -2.47 | .78  | -.11**  |                  |              |
| Age category                  | 1.53  | .35  | .15**   |                  |              |
| Male                          | -2.72 | .84  | -.11**  |                  |              |
| Human capital variables       |       |      |         | .116             | .070**       |
| Income category               | -0.68 | .19  | -.13**  |                  |              |
| Education level               | -1.20 | .36  | -.12**  |                  |              |
| Employment status             | 0.32  | .47  | .02     |                  |              |
| Health insurance              | -2.62 | .75  | -.12**  |                  |              |
| Financial asset variables     |       |      |         | .130             | .014**       |
| Own home                      | 0.17  | .86  | .01     |                  |              |
| Own business                  | -1.02 | 1.08 | -.03    |                  |              |
| Savings category              | -2.39 | .68  | -.12**  |                  |              |

\* $p < .05$ , \*\* $p < .01$ .

( $p < .01$ ), women ( $p < .01$ ), and older participants ( $p < .01$ ) were more likely to report higher levels of economic strain (see Table 4). In Step 2 ( $p < .01$ ,  $R^2 = .116$ ), income ( $p < .01$ ), education ( $p < .01$ ), and health insurance ( $p < .01$ ) were negatively related to economic strain. Adding financial assets increased  $R^2$  significantly from 11.6% to 13%, with a decrease of 2.4 points in economic strain for each higher category of amount in savings ( $p < .01$ ).

## DISCUSSION AND IMPLICATIONS

Findings from this study provide some insight into the facilitators and barriers for self-efficacy, social support, and economic strain for our low-income sample. First, many variables help predict self-efficacy for individuals in this study including race, age, income, education, and employment. Second, age and income are significantly related to social support. Third, financial assets help predict perceptions of economic strain. Findings also demonstrate important statistical relationships between financial assets, namely savings, and economic strain outcomes.

Turning to demographics, older members do not fare as well in terms of reported self-efficacy, social support, and economic strain compared with younger individuals. This may mean that as we age, we tend to feel less able to handle problems on our own, we feel less connected to our friends and family, and we are less able to make ends meet. These findings may also support cumulative disadvantage theory, which suggests that the disadvantages with which individuals are born follow them and, in a sense, accumulate across the life course. In other words, the length of time an individual

remains at a disadvantage may predict the level of disadvantage that individual experiences through the life course (Pavlova & Silbereisen, 2012). Thus, children and young adults with low levels of self-efficacy, social support, and economic stability are at higher risk for similar levels of disadvantage in later life (Ferraro & Kelley-Moore, 2003).

In terms of economic strain, cumulative disadvantage theory can also support our findings, particularly as they related to older participants. Although antipoverty federal policy programs such as Social Security and Medicare were designed to help offset income insecurity postretirement and health needs of older Americans, they do not offset the markers of disadvantage experiences by many individuals who had limited income and access to quality healthcare services across the life cycle.

Race, age, income, education, and employment are all predictors of self-efficacy. In terms of race/ethnicity and self-efficacy, African Americans were the only group to report higher rates of self-efficacy at baseline. Interestingly, this finding is in contrast to efficacy studies among African Americans from the 1950s to 1970s. Using cross-sectional data from the National Survey of Black Americans (NSBA), Hughes and Demo (1989) examined self-efficacy among African American males and females. Findings from their study suggest that socioeconomic status, positive support from family and friends, being male, and increased age are related to a greater sense of efficacy. A study by Mizell (1999) found that self-efficacy, also defined as “adult master” for his study, serves as a greater buffer for African American males to avoid depression than for non-Hispanic White males. Additional inquiry regarding why African Americans in this study may have higher self-reported self-efficacy is warranted in future analyses.

Higher income and educational attainment appear to help individuals feel that they are better able to handle challenges when they arise. On the other hand, the more hours an individual worked, the lower their reported self-efficacy. This finding may be due to the fact that many low-income workers have to work more hours and/or hold more than one minimum-wage job in order to earn a living wage. In addition, the mean annual household income for the sample is between \$15,000 and \$19,999.

Our research also fits with findings from a qualitative study of 31 women who transferred from the welfare system to work. Although the opportunity to no longer depend upon the welfare system was perceived positively by women in this study, the fact that they had to accept any low-wage employment led to decreased economic self-efficacy (Grabowski, 2006). Our finding may also be related to the types of low-wage jobs participants in this study hold. For example, a focus group study by Verma and Mann (2007) found that though employees who hold low-wage jobs have a high motivation to learn new skills and thus report higher self-efficacy, they also experience fewer learning opportunities for advancement because management tends to provide training resources to higher wage employees. This lack of

employment support is significantly related to lower rates of self-efficacy. Given that the participants in this study have low-wage employment, it is highly probable that they are employed in high-stress, low-skilled positions that do not provide positive supervision. Further examination of this finding is warranted in future analyses.

Finally, when controlling for numerous demographic and human capital variables, such financial assets as savings, homeownership, and business ownership did not influence perceptions of self-efficacy. This finding may have more to do with the fact that participants in this study all had low levels of assets at baseline; therefore it may be premature for us to speculate more on this finding at this time. However, given that more than one half of our sample joined a dedicated savings program after baseline data were collected, it will be interesting to examine whether increased savings, homeownership, and/or business ownership have a significant effect on perceived self-efficacy over time. Because we plan to collect data over a 10-year period, we will be able to examine the longitudinal relationships between these concepts.

Of the variables examined for this inquiry, only age and income are predictors of social support. As with self-efficacy, financial assets did not affect perceptions of social support. Although these findings may suggest that financial assets are not related to social support, it may be that other financial asset variables that we did not collect, such as vehicles or computers, are associated with social support.

However, the significant association between age, income, and social support fits with recent findings from a Canadian study of 1,399 older adults (age 65 and older). Gadalla (2009) found a significant correlation between household income and self-reports of social support. In addition, life course changes as individuals' age, such as retirement, often result in decreased social networking opportunities (Cornwell & Waite, 2009). As a result of these findings, it is important for community-based social work agencies and practitioners to further develop community networks for low-income, older residents, particularly those who live alone.

Many of the variables in this study are associated with perceived economic strain. Interestingly, Hispanics in this sample report significantly less economic strain than do their non-Hispanic counterparts. Qualitative studies to obtain more in-depth data may help increase our understanding of this finding. For example, it may be that Hispanics have protective factors that non-Hispanics do not have, such as strong familial support, to assist them with economic strain. Because this study examined perceived economic strain, it would be useful to include a more objective measure of economic strain to better assess if the economic hardship experienced by Hispanics and non-Hispanics are similar but their perceptions of economic hardship differ.

Given that the elderly make up the second largest impoverished population in the nation, our finding that perceived economic strain increases

with age is not surprising. Indeed, recent reports suggest that nearly one half of the elderly, with a large majority among minority groups, will experience income poverty at some point as they age. In addition, 58% of individuals between age 64 and 84 will not have enough liquid household assets to use to offset expenses at some point in time (Rank & Williams, 2010). Again, the concept of cumulative disadvantage may help explain why perceived economic strain continues across the life course. Future studies that either (1) collect retroactive data or (2) follow perceptions of economic strain from childhood to later adulthood can better inform us regarding these relationships.

However, economic strain is the only outcome variable in which financial assets (savings) are a predictor. When controlling for all income, demographic and human capital variables, participants with higher savings rates report significantly lower economic strain. In other words, individuals with increased savings report decreased anxiety regarding household finances and increased perceived ability to manage costs related to education, clothing, medical care, and family-related activities. This finding supports Sherraden's (1991) asset-based theory of welfare whereby savings have positive effects on economic strain for low- and moderate-income individuals and households. Future research that examines the qualitative nature of how savings play a role in the real and perceived ability to afford household costs is suggested in order to obtain a deeper understanding of this phenomenon.

This research study demonstrated significant findings related to facilitators and barriers to achieving increased self-efficacy and social support and decreased economic strain for this sample from low-income communities in two southern states. Although we found that household assets in the form of savings are significantly related to decreased economic strain, we did not find significant relationships between savings and self-efficacy or social support. This lack of significance might suggest that, at least for this sample, financial assets play a limited role in specific measures of well-being included in our analyses. Because this larger study is longitudinal in nature, our future analyses will examine the long-term effects of community-based asset development programs for savers and nonsavers. We hope that later analyses will provide additional information regarding possible changes as personal well-being as assets increase over time.

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