

Assessing Financial Distress/Financial Well-Being via Computer-Assisted Telephone Interview: Preliminary Results

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The Personal Finance Employee Education Foundation's Personal Financial Wellness Scale (Prawitz et al., 2006) is an eight-item scale that was developed to measure financial distress/financial well-being. The Scale is used by an increasingly diverse cadre of more than 180 practitioners and researchers in business, counseling, financial literacy, and academic research settings (PFEEF, 2010). Though in existence only a few years, the rapid adoption of the Personal Financial Wellness Scale (PFW) highlights the demand for a robust measure of financial well-being that may be used in a range of settings.

This manuscript and presentation reported the preliminary results of the first use of the Personal Financial Wellness Scale (formerly known as the InCharge Financial Distress/Financial Well-Being Scale) in a random-digit-dial computer-assisted telephone interview (CATI) of 515 adult, married, cohabiting respondents. Because the PFW was initially developed as a paper-and-pencil assessment then later modified for use on the Internet, the Scale as used here required modification for use in the CATI, including reordering of items to reduce potential respondent confusion, modifying the anchors for consistency within the scale and other CATI items, and rephrasing of each item so telephone respondents would understand each question without visual cues. Specific PFW Scale modifications are available upon request.

After data collection by the University of Georgia Survey Research Center, the psychometric properties of the Personal Financial Wellness Scale were assessed under alternative methods, including listwise deletion and a nine-implicate multiple imputation procedure, that accounted for missing data common to telephone interviews. Confirmatory factor models assessed the attributes of the original single factor measurement model and an alternative two-factor measurement model. All preliminary analyses indicated that the Personal Financial Wellness Scale as adapted for CATI was robust and performed well as a single latent construct measurement model and as an alternative two-construct model with separate objective and subjective latent variables. Cronbach alpha reliability coefficients remained high under all original and alternative measurement models. Recommendations for the use of the Personal Financial Wellness Scale in telephone interviews—including specific CATI scale modification suggestions, estimation methods under which the use of subscales would be appropriate, placement of Personal Financial Wellness Scale items in the larger CATI survey instrument, and the utility of multiple imputation of missing Personal Financial Wellness Scale data—were offered.

References

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