

The Relationship between Financial Satisfaction and Marital Status of U.S. Women

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The purpose of this study is to measure the financial satisfaction gaps between women of different marital status, and to identify and examine a variety of factors that determine these gaps. The analysis sample comprises 13,815 women who provided valid responses to the financial satisfaction and marital status questions in the 2012 State-by-State National Financial Capability Study (NFCS). The univariate analysis reveals a large financial satisfaction gap between married and divorced women. The multivariate regression analyses that control for a rich set of demographic, socio-economic and behavioral characteristics indicate that the differences in household income, respondent employment status and financial difficulties are the most important determinants of the financial satisfaction gap between wives and women whose marriages dissolved. The Blinder-Oaxaca decompositions suggests that about 80 percent of the financial satisfaction gap between married and divorced women is explained by the estimated models and only about 20 percent of the gap could be attributed to unobserved factors that are not accounted for. Researchers and practitioners in many disciplines, including but not limited to consumer economists, financial planners, as well as scholars in family and women studies, should find the results of this study informative and useful. Policy makers should be cognizant of the determinants of financial satisfaction to develop and/ or improve the effectiveness of financial wellness programs.

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