

Financial Independence by Education Attainment of Young Adults: Evidence from the 2009 Transition to Adulthood National Study

Jing Jian Xiao, University of Rhode Island¹
Swarn Chatterjee, University of Georgia²
Jinhee Kim, University of Maryland³

The purpose of this study is to identify factors associated with perceived financial independence among a national sample of American young adults aged 18-23 transitioning from financial dependence to independence. Specifically, the association between education attainment and financial independence of young adults is examined. Data used are from the 2009 Transition into Adulthood and its parental companion data set, Panel Study of Income Dynamics. Results indicate that college graduates demonstrate a higher level of financial independence than their counterparts who never attended college or are currently in college. Common and different factors associated with financial independence are also identified among four education groups: having never attended college, been in college, dropped out of college, and graduated from college.

¹Professor, Department of Human Development and Family Studies, University of Rhode Island, Kingston, RI, USA. Phone: 401-874-2547. Email: xiao@uri.edu.

²Assistant Professor, Department of Consumer Economics, University of Georgia, Athens, GA, USA. Phone: 706-542-4722. Email: swarn@uga.edu.

³Associate Professor, Department of Family Science, University of Maryland, College Park, MD, USA. Phone: 301-405-3500. Email: jinkim@umd.edu.