

Chapter IV

YOUNG FAMILIES STRUGGLING TO MAKE ENDS MEET: RISING MATERIAL EXPECTATIONS COLLIDE WITH THE “TWO INCOME TRAP”

Traditionally, Young Families (household head under 35 years old) face the most difficult financial pressures of the six life stage groups. On the one hand, like the transition from financially dependent college students to employed single adults, Young Families often have unrealistically optimistic expectations of future income growth since both spouses are typically at the beginning of their respective careers. This is based on the assumptions that they will reduce their living expenses (previously based on two separate residences) and increase their discretionary resources as dual-income households. This cognitive issue is compounded since Young Families tend to underestimate and/or neglect to accurately plan for the loss of household income due to a spouse's temporary (less than a year) or long-term withdrawal from the full-time labor market during the early child-rearing years. In fact, young couples are much more likely to contribute consumer debts rather than savings or other assets to the establishment of their new households. These include educational debts, automobile loans and hefty credit card balances. Furthermore, Young Families must assume costly household “start up” expenses such as home furnishings, a “family” car such as a minivan, soaring child rearing expenses and eventually the purchase of a house or condominium.

In this chapter, a representative mix of White, suburban Young Families from Metropolitan Rochester, New York are examined. With sharp employment reductions in major corporate employers like Kodak and Xerox, Rochester represents a demographically declining, de-industrializing, old Northeast city. Moreover, the affordability of middle-class housing in the region offers a comparison

with high-cost housing markets such as Washington, D.C. and its impact on household saving and spending patterns. More than two-thirds of the participants are homeowners. In terms of the socio-demographic characteristics of the project participants, they range in age from 23 to 34 years old (mean of 29 years old) with from one to four young children. The participants are fairly evenly divided between men (55 percent) and women (45 percent) with 55 percent dual-income and 45 percent single-income households. Most participants had earned at least a bachelor's degree (60 percent) while 35 percent had a community college degree; only 5 percent reported having only a high school degree. Due to the large amount of mothers who had voluntarily withdrawn from the workforce, the household income range is relatively narrow—from the high \$30,000s to the low \$90,000s; the median household income is the mid-\$50,000s. Both blue-collar skilled and white-collar professionals are represented in this broad mix of occupations.

The social and cultural forces that profoundly shape the consumer credit and consumption experiences of Young Families differ sharply from the experiences of their parents' generation. This is due to three key factors. First, the traditional Puritan values ("*Saving for a Rainy Day*") that were passed on to their parents (Empty Nesters of Chapter 6) have not been readily embraced by Young Families. This reflects declining parental influences and the rise of mass marketing campaigns with access to "easy" consumer credit. Second, the resistance to a strict household budget based solely on current income—the "cognitive connect"¹—is a pattern that reflects prior debt-based college lifestyle experiences which underlies the current household saving crisis. Third, the "democratization" of consumer lending provides Young Families with easier access to credit for use in stabilizing household cash flow problems and satisfying the increasingly expensive lifestyle wants and needs of their children. The rapidly rising cost of raising children has led to greater dependence on consumer credit and debt rather than a rejection of competitive consumption pressures.

The financial “squeeze” encountered by most American families underlies the record-setting debt burden of U.S. households.² On the one hand, U.S. Bureau of the Census data indicates that middle-class families have experienced a real (after inflation) decline in household income during the 2000s, a nearly 5 percent decline between 1999 and 2004. Overall, median U.S. household income (reported in 2003 dollars) has remained virtually unchanged since the late 1990s, rising from \$52,675 in 1998 to \$54,191 in 2000 and then falling back to \$52,680 in 2003. For Young Families (household head 25-34 years old), the sharp increase in income during the late 1990s (from \$43,176 in 1995 to \$49,019 in 2000) was followed by a surprising decline to \$47,622 in 2003.³ At the same time, this unexpected decline in household income coincides with one of the most robust housing markets in U.S. history. These twin economic pressures have been especially burdensome for Young Families since they were most likely to have bought their first home during this period and thus are least likely to have enjoyed the financial windfall of real estate price appreciation. Indeed, for the majority of economically distressed American families, net asset formation offers only modest financial relief. For instance, between 1998 and 2001, the bottom 40 percent of American households registered less than a \$2,000 gain in net worth while the next 20 percent or “middle” quintile registered less than a \$9,000 gain in net worth.⁴

Not surprisingly, Mishel, Bernstein, and Allegretto reveal in their analysis of the most recent U.S. Federal Reserve data that American households in general and Young Families in particular responded by maintaining their standard of living through lower savings rates and the greater use of consumer credit. Over the last two decades, American households assumed unprecedented amounts of consumer debt—climbing from 73.2 percent of disposable personal income in 1979 to 114.5 percent in 2003. Of course, the overwhelming proportion of this new household debt is due to escalating home mortgage debt. Between 1979 and 2003, the share of discretionary household income allocated to housing soared from 46.1 percent to 85.0 percent.⁵ This enormous growth in housing costs absorbed previous

discretionary personal income that was used for other personal or family needs. Although mortgage debt is the least expensive consumer loan, this sharp increase has squeezed the ability of households to pay for other purchases and/or finance unexpected expenditures such as medical expenses or auto repairs. As a result, the last decade has witnessed a sharp escalation in other forms of consumer debt. Between 1995 and 2003, consumer loans such as credit cards jumped from 20.7 to 24.0 percent of disposable personal income while home equity loans nearly doubled from 6.2 to 10.9 percent.⁶

The Psychology of Debt: Decline of ‘Old School’ Values of Sacrifice and Rise of ‘New School’ Values of Indulgence

The young family life-cycle illustrates the ongoing generational shift in personal attitudes toward debt—from frugality and thrift to self-indulgence and instant gratification. In fact, disciplined fiscal restraint is becoming an attitudinal anachronism among Young Families in sharp contrast to the prevailing values that fundamentally shaped American behavior only a generation ago. During the 1960s and 1970s, social attitudes were clearly defined by “good” (‘need’ such as home mortgage) as opposed to “bad” (‘want’ such as a fancy car) debt; the accumulation of consumer debt was typically frowned upon as evidence of personal indolence. Those unable to pay their debts were stigmatized by the social shame of bankruptcy.⁷ My, how times have changed!

Today, social attitudes—especially influenced by mass marketing campaigns—associate frugality with “old school” values of past generations as distinct from the “hip” values of contemporary U.S. society.⁸ The following responses from participants in the Rochester, New York study illustrate this point. For example, Nicole, a 31-year-old college-educated mother of a four-year-old son explained the centrality of consumer credit and debt in America and how sharply it deviated from

her childhood experiences: *“It’s [just] not a stigma to be in debt anymore, it’s [more] commonplace.”* For middle-income households like Nicole’s (mid-\$60,000 annual income), use of consumer credit is *“Very Important”* in managing household resources and making consumption decisions. As she emphasized, *“especially for big purchases... the need for [extended] time to payoff is very important.”*

A core theme of household consumption decisions among Young Families is the increasing importance of consumer credit in the purchasing process, particularly for larger non-essential goods and services. As a strategy for augmenting one’s standard

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-Nicole, 31***

of living, consumer credit functions as a mechanism for stretching the household’s purchasing power, even when earnings from dual incomes are insufficient. The use of consumer credit, of course, has a long tradition in satisfying household needs during periods of cash-flow shortages as well as in cases of family emergencies. However, the most

notable influence on household consumption attitudes is the growing use of credit for satisfying wants such as a hot tub and desires such as a vacation cruise that could hardly be rationalized as addressing family “needs” such as auto repairs or a new roof. Indeed, consumer credit has emerged as the struggling family’s “best friend”—by providing rewards for a stressful day with the kids or a hard day at the job.

Greater access to consumer credit is clearly identified as a major facilitator of ‘purchase upgrades,’ even as it relates to the fulfillment of basic functional needs, e.g., housing, transportation, furnishing and clothing. In many cases, the families included in this study subconsciously used consumer credit for status competition, by satisfying wants rather than fulfilling household needs. These decisions were made regardless of the individual household’s ability to afford such costly purchases. Even among those with a strong commitment to a traditional “cash only” policy, the temptations of consumer credit can radically alter purchasing decisions. For example, Dave, a 34-year-old blue-collar father of two, who repeatedly emphasized

his frugal and financially industrious lifestyle, confided with a degree of embarrassment about the acquisition of his costly and seldom used personal “toy”: “*I have a Harley [motorcycle]. I don’t need a Harley. I desired a Harley. I did not have \$24,000 cash that I could spend on a Harley; but I did anyway because of credit.*” This view is exemplified by Cassandra, a 32-year-old stay-at-home mom and part-time real estate agent:

I think a lot of it is peer pressure. I live in a 1,500 square foot home; and when I show these homes [that are] 2,500, 2,800, [and] 3,000 square feet, I come home and [I feel like] we need a new house. We don’t need a new house. I just want it because I see it and it’s better than what I have. It’s like there is always something better; and it’s really not that much better...it’s just that you want it. I know that’s my problem.

A significant psychological factor in escalating indebtedness among Young Families is the self-justification that treating oneself to finer material accoutrements is a well-earned reward for hard work and a stressful lifestyle.

This rationale is buttressed by the view that succumbing to personal wants and desires represents a form of generational reparations for past childhood experiences, largely shaped by conditions of scarcity and self-denial enforced by earlier generational norms. These sentiments of generational resistance to the social control effects of living “within the limits of a budget” are expressed with a strong sense of entitlement—the right to enjoy life now—not after some ambiguously defined period of self-sacrifice.

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-Dave, 34***

For instance, as a college-educated 29-year-old stay-at-home mom with three children, Christine’s preference is to adhere to the family budget. Nevertheless, Christine acknowledged that she frequently turns a blind eye to her household’s financial realities and openly stated that, “*the attitude now is ...we deserve those things... and work really hard and so you deserve to spend your money on stuff,*

[although] you may not really need [them].” This sense of generational entitlement is a recurring theme that shapes consumption choices among household decision makers. It is especially influential in their evaluation of “appropriate” purchasing decisions in regard to their peers (“keeping up with the Joneses”) and their parents’ material achievements (upward mobility).

According to Stacy, an employed mother with three kids: *“I work hard and I’m not willing to sacrifice some things... I work just as hard as everyone else, [and] I have to come home to three screaming kids. You work hard and you think, I want to have a little something. And it’s not necessarily the best answer, because where am I going to be [financially] in a couple years?”* For younger families, this highlights the rebellion against those Puritan values that elevate discipline, work, and saving over fun, leisure, and debt.

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-Stacy***

An expected finding of this study is that Young Families are likely to spend more money when using a credit card or other forms of consumer borrowing in comparison to cash purchases. This result is consistent with other social science research that reports the role of effective marketing campaigns in manipulating the psychological relationship between the use of credit and the greater likelihood of more costly expenditures.⁹ This is illustrated by 33-year-old Brian; a computer technician and father of six children, whose moderate household income provides little discretionary income for family activities. When asked about the psychological factors that influence consumer purchasing decisions, Brian responded that consumer credit offers the opportunity to explore purchasing decisions that are outside the scope of a ‘pay as you go’ budget and thus offers a constant temptation to spend more than you earn: *“I think with cash, if you’re going out to dinner, you say, this is all I have, let’s get the ‘special’... But with credit you may say, let’s get the appetizers, let’s get dessert.”* Brian’s parents, on the other hand, view this behavior as irresponsible since it encourages living beyond his financial means and

incurring costly consumer debt obligations that will impede other financial goals such as saving/investing for retirement.

The Household Savings Conundrum: Financial Realities Clash with Inflated Consumption Aspirations

Despite rising household indebtedness, Young Families in the Rochester, New York sample were loath to make appropriate financial adjustments in response to rising lifestyle costs and falling “real” incomes. Instead, consumer credit appears to serve as the financial bridge between declining purchasing power on the one hand and increasing household expenses on the other. Indeed, recent home purchases and low housing appreciation underscore the limited “wealth effect” that these families have enjoyed. This explains the paucity of home equity loans among these households. A notable exception is the soaring cost of gasoline. The immediate impact on household cash flow prompted some Young Families to economize by switching from SUVs to smaller, more fuel-efficient vehicles. Significantly, these transportation-related savings were not used to increase mortgage payments, college or retirement investments, or reduce other financial obligations. Instead, such household savings tended to be reallocated to other budgetary needs or simply reduced the monthly financial deficit.

A striking cognitive feature of these Young Families is their acknowledgement that saving and debt reduction are crucial to their long-term financial prosperity; the overwhelming response was a savings goal of 10 to 20 percent of annual household income with some families specifying even higher goals (25-30 percent). Yet, with the exception of employer-matched contributions to 401(k) pension plans, none of the families achieved their savings goals; only two families reported a five to ten percent savings rate whereas the overwhelming majority increased their household

debt levels. Indeed, the cognitive disconnect between understanding the importance of saving (emergencies, college tuition, retirement) and the failure to implement necessary spending reductions suggests a future financial crisis among many members of this life stage group. This is intriguing since many respondents talked passionately about the current period of economic uncertainty, with specific references to the future of Social Security, rising medical expenses, and the downsizing of corporate America in which jobs are being relocated to low-wage countries. Although the rational behavioral response to economic uncertainty is to cut back on household expenditures and increase saving rates, very few respondents replied that they were willing to pursue such drastic strategies. Interestingly, higher income white-collar households were willing to assume much greater debt-to-income levels than lower income, blue-collar households.

Rather than shaping household consumption decisions based on realistic economic assumptions, most Rochester, New York participants asserted that their future income growth would compensate for their currently rising debt levels, despite acknowledging negative employment and wage trends in the Upstate New York regional economy. Hence, many of these Young Families justified their ability to assume higher levels of consumer debt on optimistic financial assumptions that defy many prevailing economic and sociological trends. This view is epitomized by Alison, a 32-year-old MBA graduate, who is currently a stay-at-home mother with four kids: *“My husband always says, this is the least that [he is] ever going to be making in order to justify doing something ridiculous like buying a [new] house or a car.”* According to Alison, her husband exclaimed, *“If we can’t afford it right now...in five years we’ll have more money. So why [should we] wait?”* Such rosy economic forecasts overshadow the need to save for financial emergencies and thus increase the future household dependence on consumer credit.

The ramifications of “living for today” and without saving for unexpected economic crises is illustrated by Barbara, a 35-year-old high school graduate and mother of a

nine-year-old daughter and three-year-old son. In 2004, the family moved from rural Maryland to suburban Rochester, New York. With two incomes, Barbara purchased a horse that she always wanted for her daughter. She paid \$2,000 by taking a cash advance from her credit card with the expectation that her impending federal tax return would pay off the balance. Unfortunately, Barbara's husband became ill soon after moving to Rochester and has been unable to work full-time. Instead of paying off her credit card, Barbara found herself encumbered with the initial cost of the horse and monthly boarding fees while abruptly adjusting to a single household income.

Faced with the perilous reality of her family's financial circumstances, Barbara candidly admitted that the access to easy consumer credit seduced her to fulfill the desire for a horse rather than focusing on the need to pay off their debts and begin an emergency saving fund: *"We have a lot of debt! Unfortunately my husband has been in and out of the hospital for the last five or six months, and I've had to use credit cards to pay those [medical bills]. It's [credit cards that] have kept us financially afloat for that length of time. Unfortunately, the unexpected has put us in a situation where we have tripled our debt."* Although Barbara dislikes her job as a shift manager at a fast food restaurant and would like to find a job with a more "family friendly" work schedule, she is unwilling to quit because of the health insurance benefits that she receives. Such examples underscore the peril of families that refuse to plan for unexpected financial hardships.

The inability to cope financially with unexpected household emergencies raises serious questions about the importance of financial planning and personal management skills. What are the primary influences in setting family financial goals? Indeed, all of the Young Families expressed a desire to increase their savings rate. Nevertheless, most contended that current economic conditions precluded the pursuit of this goal

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-Kyle, 33***

or they were reluctant to make the necessary lifestyle adjustments. For example, even with two incomes, 33-year-old Kyle related his frustration in failing to save for important financial goals: *“Every year we go, next year after we do this and this, we’ll start savings for the kids’ education, [and] then we’ll start saving for retirement more. It’s every year [we say this] and then every year goes by and [instead] we go and buy furniture, or we buy a new house, and so we need [more] new furniture. This year we want to finish our basement. And so by the time our children get to college [age] we’re not going to have any money.”*

This resistance to fiscal discipline illuminates how middle-class families are unwittingly fostering an inter-generational cycle of consumer debt dependence that is exacerbated by the erosion of traditional attitudes toward consumer debt and a lack of training in the field of personal finance. Not surprisingly, the availability of revolving credit cards has displaced the traditional need to save for household emergencies. Almost every family that participated in this study agreed that their household’s line of credit served as their principal source of crisis funds. As one respondent remarked: *“I don’t agree with it...but that’s what it is.”*

Early instruction (both good and bad) on personal financial issues were primarily provided by the respondents’ parents. Although nearly all families in this study were able to clearly distinguish good from bad consumer debt, it is apparent that a variety of social and economic pressures have created more ambiguous categories of socially defined needs, wants, and desires. Even so, parents still exercise considerable influence over the consumption decisions of their adult children. This is partly explained by the scarcity of personal finance classes in high schools and college. The consensus is that the lack of formal financial education is a severe deficiency and contributes to generally poor or undisciplined financial planning/management. This view is succinctly summarized by Alison, the self-anointed “queen of the credit card.” According to Alison: *“Even in college [there was no talk of personal finance]. I’m an MBA and an economics major, and I don’t remember a class...not one... about credit or personal finance.”* In fact, parental warnings about the potential pitfalls of consumer

indebtedness appear to have had a greater influence among Young Families than the few admonishments circulated on high school and college campuses.

Despite the acknowledged role of family influences in molding consumption decisions, the Young Families involved in this study showed a conscious and often deliberate rejection of the Puritan ethos of their parents. Indeed, more than three-fourths of the respondents stated that their use of consumer credit was much more “*Liberal*” than their parents. In many cases, there was a conscious effort to hide their most imprudent financial decisions from parents and other family members. As 29-year-old Nicole explained: “*I bought an SUV when I was 22 and my grandmother had a really tough time with it... she said that it cost more than she paid for her house. And so I couldn’t drive it to my grandmother’s house; I would take my mother’s car to [my grandmother’s] house so I wouldn’t get verbally beat up about it.*” Casandra, a 26-year-old working mother of two,

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-William***

was so concerned about her father’s criticism of her “extravagant purchases” that: “*When we purchased a hot tub, I had to cover it up and hide it when my father came over to visit.*” Even Alison was fearful of her parents’ reaction to the decision to lease rather than buy a new car. She confided that, “*I didn’t tell my parents for two years.*”

Now consider Dave, who finds it difficult to justify his Harley to his parents:

I have a motorcycle that sits in my garage. What little time I have to myself I like to go out on it. But it pretty much sits there...and my mother wanted to strangle me when she found out. Looking back I love having it, but ultimately I didn’t need [the motorcycle], it was just one of those things that I could be as happy without it. But I bought it...because of [consumer] credit.

Significantly, affordability today is typically based on the ability to make the specified monthly payment rather than an assessment of the total cost of borrowing. This decision-making calculus is illustrated by William, a service team leader at grocery

chain for 15 years, who explained that the use of consumer credit is “*Very Important*” in his household consumption decisions, especially since he and his wife do not follow a monthly budget: “*I sometimes ‘rob Peter to pay Paul’ [Ultimately,] if I can afford the monthly payment then it’s all okay.*” In discussing a purchase of a new automobile, he explained that the sale price was less important than the financing terms: “*Nowadays if I can afford the monthly payment then [that means] that I can afford it... For example, if you get the monthly payments in my range, then I can afford that car.*”

Most Young Families in the Rochester, New York cohort are not sufficiently disciplined to prepare and adhere to a household budget. According to 31-year-old Lisa, a stay-at-home mom with three children, it’s like trying to commit to an exercise/weight loss program: “*We’ve tried budgets but we always blow it... we can never stick to it.*” Not surprisingly, budgets are not viewed as a positive tool for managing household resources and maximizing potential savings. To the contrary, they are perceived as a method for monitoring self-denial and rarely are designed with annual or even semi-annual savings or consumption objectives. The budgeting objective of Young Families is to simply manage household cash flow on a month-to-month basis, as explained by Stacy, whose budgetary purview extends almost exclusively to her list of monthly bills. As a result, budgetary scrutiny is limited and seldom involves meticulous itemization of possible tax deductions. The Ben Franklin adage that “*A Penny Saved is a Penny Earned*” falls on deaf ears among this group, who may think nothing of spending more than \$3 for a cup of coffee without considering the total monthly expenditures for this discretionary purchase. Psychologically, the families in this sample appear to cope by plugging the gaping holes in their financial ship and avoiding even rudimentary accounting of household expenditures. According to Kyle, a 33-year-old assistant in a family business: “*Credit is turning a lot of people into irresponsible spenders... No one is really educated about how to make a true budget. You can major in whatever in college to do a certain thing, [but] who is there to*

***We’ve tried budgets but we always blow it... we can never stick to it.
-Lisa, 31***

really teach you how to [make, much less] keep a budget or to check a budget... and so no one knows how to do it.”

All Flash, No Cash: The Perils of Raising Kids on Plastic

The single most important factor underlying the debt accumulation patterns of Young Families is the elevated lifestyle activities of their children. First, the efforts of parents to provide their children with a standard of living that exceeds the material conditions of their own childhood is striking. This often assumes a form of vicarious adolescence whereby young parents relive their childhood through the

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-Cassandra, 26***

material objects that they were denied by their own parents. Second, the desire of parents to provide their children with life experiences and material accessories that facilitate acceptance within their preferred peer group. As Cassandra, noted: *“The kids...you want to make them happy. Personally I have an attitude that I want to give them a better life than I had when I was a kid and we can now. So it's like the difference when I was a kid, I want them to have that stuff because I didn't.”* Furthermore, expenditures on children have become the justification for activities that would normally be deemed unnecessary or too costly. This is explained by William: *“I am more likely to spend on something*

that I want to do or something that we could do as a family, without regard to how I'm going to pay for it later. Just to have things that are important in life that you can't really afford but you want.”

The culture of peer-based competitive consumption not only shapes the lifestyle activities of young adults but, through the target marketing of their children, can indirectly influence household purchasing decisions. The desire of Young Families

to acquire for their children the material accoutrements that were previously denied them by their parents—as loyal adherents to the Puritan ethic—underscores the effectiveness of these mass marketing campaigns. Savvy marketers, armed with sophisticated demographic and socio-cultural research, are carefully refining and marketing a proliferating array of brands that are designed to stimulate the consumption appetites of adolescents and even toddlers—as young as two or three years old.¹⁰ Sadly, these parents rationalize the overindulgence of their children (extra-curricular activities, personal accessories, entertainment, travel, and gifts) as conscientious efforts to better prepare them for adulthood at the expense of saving for their college education. This unintended consequence underscores the importance of personal finance education for even the most well-intentioned parents.

Harmonizing Divergent Spousal Attitudes: For the Good of the Family

For young parents, the attitudinal challenge of affirming traditional values toward credit and debt is exacerbated because many households include partners that have sharply divergent attitudes toward saving and spending. With mounting external economic pressures and the anxiety of accommodating/resisting the more restrictive consumption expectations of their parents, many fiscally conservative spouses tolerate and eventually even adopt less disciplined attitudes toward the use of consumer credit in order to reduce marital discord. This trend is reinforced by the general lack of financial education and long-term planning by Young Families in pursuing their household economic objectives.

Divergent spousal attitudes towards spending and debt are significant factors that shape household behaviors toward consumption, especially as it relates to the use of consumer credit. As Alison explained:

I never had any credit card debt [before getting married]. When my husband and I got engaged and I saw his level of credit card debt... I was horrified. [Only] two years [later] I was the 'queen of the credit card'... and I wasn't agonizing about it [whereas] in the beginning I was so crazy about it... now I just think that we'll pay it later. He has definitely been influential in me not being concerned about [consumer debt] anymore.

For Christine, a recently remarried 34-year-old with two children, the stress of adhering to a strict personal budget while working overtime to reduce her consumer debt was exacerbated by her husband's irresponsible spending sprees. Today, she equalizes his spending habits by increasing her own personal expenditures in an attempt to reduce their marital conflicts. Christine justified this decision by complaining that, "*When my husband goes out and spends \$50 on drinks with friends, I feel like I should be able to go out and buy some shoes.*" Although household finances are so tight that they can not save for retirement or pay down their debts, Christine believes that she is entitled to make discretionary purchases since her husband does not feel obligated to curtail his spending. In this case, embracing more spendthrift attitudes as a coping mechanism in order to save the marriage is a problematic response since financial strains are the most common factor in marital dissolution.¹¹ Even so, harmonizing personal attitudes toward household spending appears to be an important factor in sustaining long-term relationships.

When my husband goes out and spends \$50 on drinks with friends, I feel like I should be able to go out and buy some shoes.
-Christine, 34

ENDNOTES

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