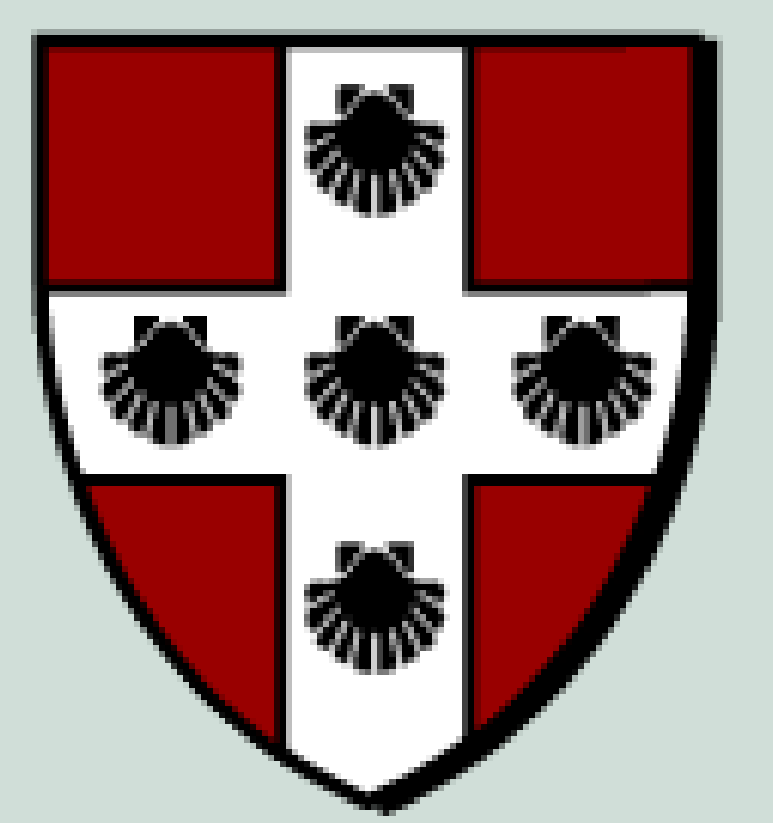


The Association between Financial Well-Being, Self-Control, and Health



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Introduction

- While the associations between financial well-being and self-control, as well as financial well-being and health, have been established in previous literature, less is known about how health interacts with self-control to influence an individual's financial well-being (Cobb-Clark et. al., 2022).
- Self-control affects one's ability to save money and avoid impulsive spending, thus high self-control is associated with having a greater sense of financial security (Strömbäck et. al., 2017).
- Health issues can create significant financial burdens and disrupt long-term financial stability as research has found that medical bills are associated with one's bankruptcy (Warren, & Westbrook, 2000).
- Self-control is a key predictor of disparities across a broad range of life outcomes, including better health and enhanced financial well-being (Cobb-Clark et. al., 2022).

Method

- Sample:
 - The sample consists of noninstitutionalized adults aged 18 and older (n = 6,394) in the United States who participated in the CFPB National Financial Well-Being Survey published in 2017.
- Measures:
 - Financial well-being: score ranging from 14 to 95 based on participant's response to 10 questions related to financial stability.
 - Self-control: score ranging from 1-10 based on the response from 3 questions regarding participant's self-control
 - Financial skill score: score ranging from 0 to 100 based on the response from 10 questions regarding participant's financial skills
 - Health: range from 1 ("Poor") to 5 ("Excellent") based on the response from the question "In general, would you say your health is..."
 - Gender: male (coded as 1) or female (coded as 2)

Research Questions

What is the relationship between financial well-being and self-control?

Does the association between financial well-being and self-control differ for individuals with different health?

Results

- The mean financial skill score is 44.7 (st. dev. 13.99)
 - The mean financial well-being score is 44 (st. dev. 12.52)
 - The mean self-control score is 7 (st. dev. 1.56)
- Multiple linear regression tests shows that self-control is positively and significantly associated (beta = 0.543 , p = .038) when controlling for gender, financial skill score and health. The moderation between health and self-control is also positively and significantly associated with financial well-being in almost all health levels.

- When controlling for self-control that is a statically significant difference between "Poor" and "Fair" than "Fair" and the other levels (figure 1).

- Figure 2 shows how financial skill score is a covariate with self-control score and financial well-being.

Figure 1: Predicted Financial Well-being by Self Control Controlling for Health

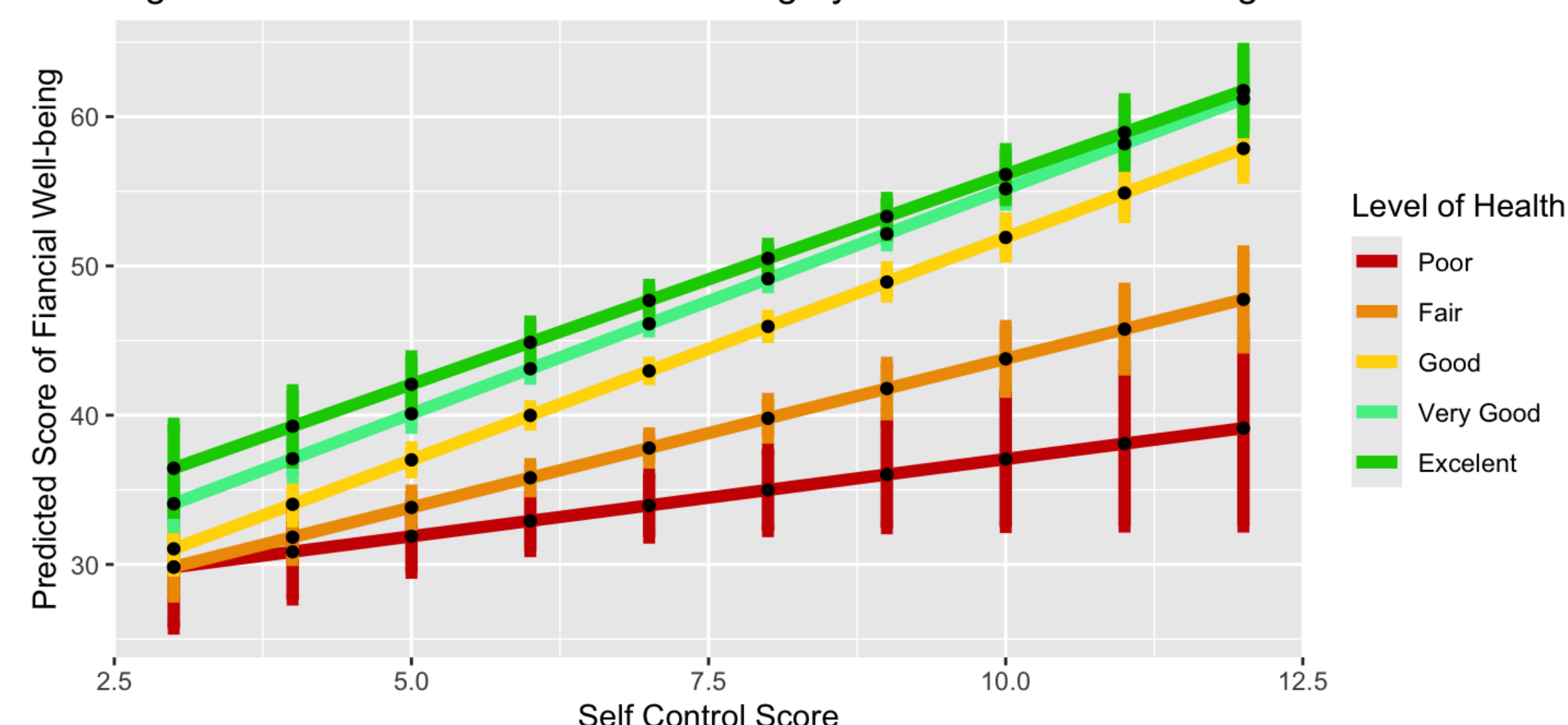
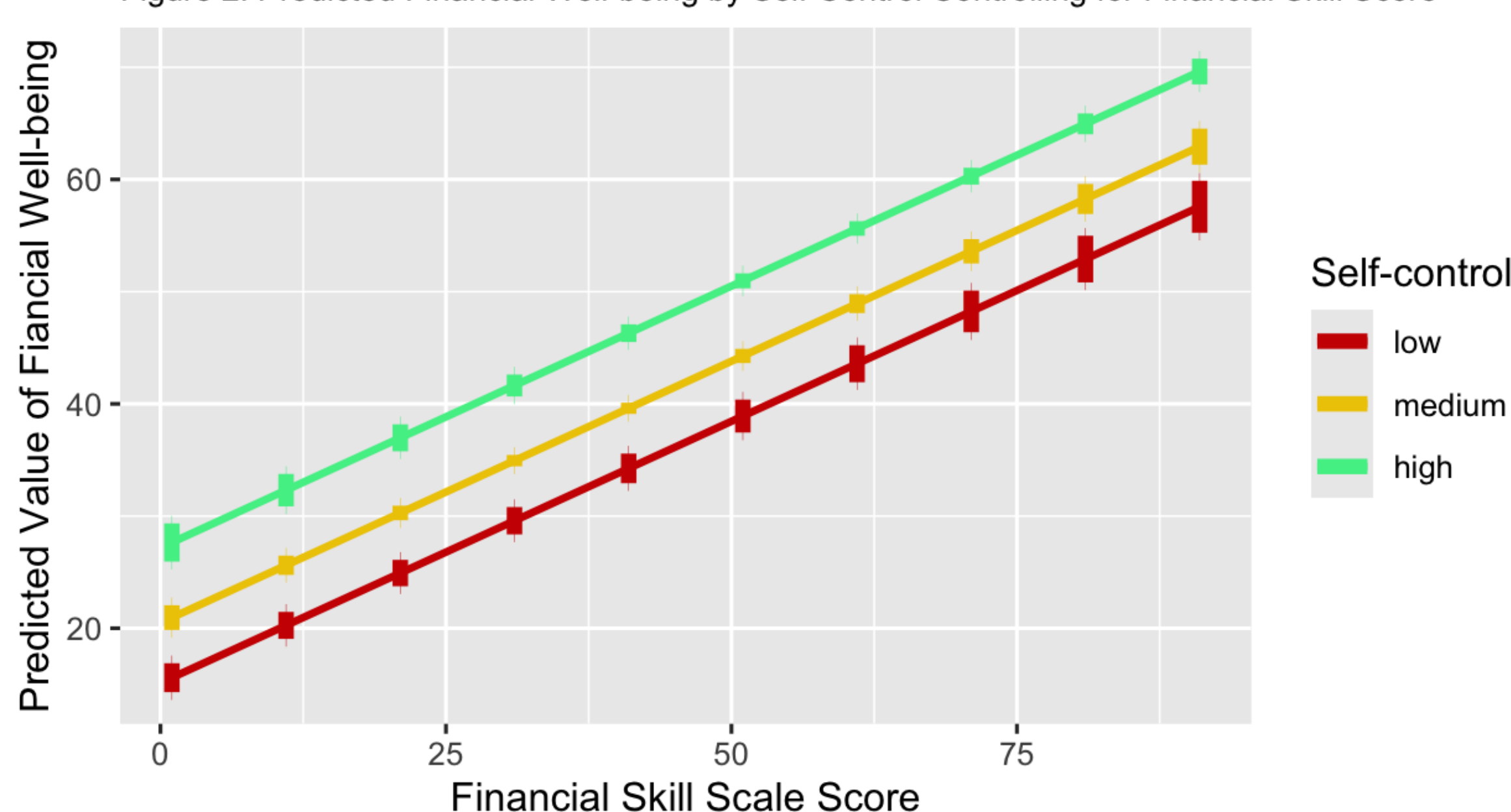


Figure 2: Predicted Financial Well-being by Self Control Controlling for Financial Skill Score



| Variables | Estimate |
|------------------------|----------|
| Intercept | 16.34*** |
| Self-control | .543* |
| Gender(Female) | -0.594* |
| Financial skill score | 0.431*** |
| Health (Poor) | 4.325 |
| Health (Good) | -1.189 |
| Health (Very good) | 1.192 |
| Health (Excellent) | 3.114 |
| Self-control*Poor | -1.1502* |
| Self-control*Good | 0.802* |
| Self-control*Very good | .762** |
| Self-control*Excellent | .531 |

*** p<.001, ** p<.01, p<.05

Discussion

- Health moderates the relationship between financial well-being and self-control for most groups except "excellent".
- Being female decreases your predicted financial well-being score.
- Findings from this study may support that incorporating better health habits and self-control management skills into financial education could be beneficial.
- Some people even with higher self-control might struggle with financial well-being because of health, thus implementing health related policies could be a possible solution to increase financial well-being.
- Future research should focus on specific health variables, such as a physical instead of opinion base score. It may also be advantageous to differentiate between mental and physical health.

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