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Identifying Motivations to Encourage Women to Adopt Positive Financial Behaviors

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IDENTIFYING MOTIVATIONS TO ENCOURAGE WOMEN TO ADOPT POSITIVE FINANCIAL BEHAVIORS

by

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ABSTRACT

Identifying Motivations to Encourage Women to

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by

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Seventeen women between the ages of 25 and 54 who self-identified as having made a positive financial change within the past two years were interviewed in four focus groups. Participants were asked to identify their motivations for financial behavior change.

The analysis of this research data indicated the participants in this study progressed through the stages of change in Prochaska's Transtheoretical Model while making personal financial changes. Factors such as emotion, family influence, and life transition helped many women move from earlier stages (Precontemplation, Contemplation) to later stages (Preparation, Action) of change. Although participants utilized a wide variety of first steps of change (e.g., reduced spending, increased savings, and so forth), motivations for those changes fell into two categories: goal-centered change and crisis-centered change.

As expected, the participants in this study experienced internal and external setbacks while attempting to make permanent changes. Nearly all participants made use of at least one form of support during their change including educational, social, and professional support. Also, participants divulged their strategies for successful change. Optimism and using financial tricks (e.g., limiting access to credit cards or savings, using automated savings plans) were the two most commonly used strategies. Implications for policy and practice include tailoring marketing messages toward women experiencing life transitions and incorporating concepts from Prochaska's Transtheoretical Model into the development of financial education programs.

(101 pages)

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CHAPTER I

INTRODUCTION

The Problem

Financial security and responsibility have been long-term problems for many Americans. Bankruptcy and mortgage default rates have risen over the past several years (Federal Reserve, 2009; Logan & Weller, 2008), and consumer debt has many Americans spending valuable income on interest. The 2009 National Financial Capability study found that nearly half of Americans have difficulty meeting monthly expenses, and the majority of Americans do not plan ahead for either unexpected expenses or future expenses such as college tuition for children (FINRA Investor Education Foundation, 2009). To add to this disturbing situation, many Americans save very little. In fact, our nation has experienced a steady decline in savings rates over the past several decades (Bucks, Kennickell, Mach, & Moore, 2009; Bureau of Economic Analysis, 2009). Savings rates in the United States hit historical lows in recent years, with the recent increases in savings attributed mainly to the current national recession. A Bureau of Economic Analysis report (2009) indicated that the personal savings rate in the US hovered near zero in 2007. According to a recent article, "excessive credit card debt and tough economic times prevent many Americans from putting away as much savings as they need to" (Survey on Savings, 2003, p. D3).

Tough times and debt are not the only factors contributing to America's low savings rates. A study conducted by the GE Center for Financial Learning found that many people do not save because they enjoy being "impulsive," and because "life is too short" (Survey on Savings, 2003). This study found that even the wealthy and workers with high salaries tend to save little.

While few Americans are saving, few also are investing and planning for the future. According to the Retirement Confidence Survey (Employee Benefits Research Institute, 2009) the proportion of Americans who are confident they will have enough saved for retirement is at the lowest level since the first survey in 1993. Only 20% of Americans are very confident they will have enough money saved for a comfortable retirement (Employee Benefits Research Institute, 2009). According to the 2009 National Retirement Risk Index, about half the population is at risk for being unable to maintain current levels of consumption during retirement (Munnell, Webb, & Golub-Sass, 2009).

Serious consequences lie ahead for many Americans as a result of poor individual financial planning, compounded by the worst recession since the Great Depression. Seventy-six million baby boomers are rapidly approaching traditional retirement age, yet many are ill-prepared for retirement (Munnell, Buessing, Soto, & Sass, 2006). While retirement concerns typically focus on baby boomers, the 2006 National Retirement Risk Index shows younger Americans to be more at risk for inadequate retirement income than baby boomers (Munnell, Webb, & Delorme, 2006). This situation may be due to changing trends in spending and/or debt behavior. However, stagnant wages, which have been an ongoing problem for employees, may also be contributing to reduced purchasing power, and thus, less overall saving (Economic Policy Institute, 1999; Uchitelle, 2002). Finally, younger Americans are less likely than their elders to have defined benefit pension plans, which may contribute to lower overall retirement balances (Munnell & Perun, 2006).

While the United States as a nation is suffering from poor financial practices, women are at particular risk for financial insecurity. This risk for women can be attributed to many factors including traditional gender role socialization, longer life expectancy, career patterns, childbearing, and a host of others (Bajtelsmit & Bernasek, 1996; Glass & Kilpatrick, 1998a; National Endowment for Financial Education, 2000; Sadker, 1999). Single women are at even greater risk for financial instability, with many of them having to make ends meet without the financial support of a partner.

Much research has been conducted on the financial disadvantages experienced by women in the US. However, very little research has been undertaken to determine how to motivate women to take responsibility for their financial futures. This study addresses this important topic.

Need for the Study

Research supports the need for financial education and professional assistance for American youth and adults (Bailey, Sorhaindo, & Garman, 2003; Hilgert, Hogarth, & Beverly, 2003; McCormick, 2009), and research shows appropriate financial education and professional assistance to be effective (Bernheim & Garrett, 2003; Garman, Kim, Kratzer, Brunson, & Joo, 1999; Koonce, Mimura, Mauldin, Rupured, & Jordan, 2008). In fact, there are thousands of professionals and educators available to assist Americans with their financial affairs. However, the real issue is getting people to take action. The challenge is finding what motivates people to take a first step in avoiding financial problems and securing their financial future. According to a think tank sponsored by the National Endowment for Financial Education, "financial education does not necessarily motivate individuals; motivation brings individuals to financial education" (National Endowment for Financial Education, 2004, p. 19).

There is much research on the need for personal financial reform in America (Xiao et al., 2001). Plentiful data confirm that many Americans are in debt and unprepared for retirement. However, there has been relatively little research on how to motivate financially vulnerable Americans, particularly women, to take appropriate action.

The field of behavioral economics, a variation on neoclassical economics that integrates principles of psychology and economics in evaluating decisionmaking, is growing in influence. More researchers are exploring what motivates consumers to spend and save unwisely and how to help individuals change ineffective behaviors (Belsky & Gilovich, 2001; Shockey & Seiling, 2004). The National Endowment for Financial Education (2004, 2006) has held multiple discussions about motivating Americans to begin making positive financial choices, and helping Americans take action toward applying their financial knowledge. Conclusions reached at the conferences included the need for more research on "teachable moments," or potential change moments. Nevertheless, a search of the literature failed to identify sufficient research on appropriate strategies aimed at motivating consumers, either men or women, to adopt positive financial behaviors in order to begin taking action to secure a successful financial future.

Purpose of the Study

The financial situations of many women are at risk because of large amounts of debt, low savings rates, and a host of other factors. The purpose of this study was to identify what motivates women to take more responsibility for their financial futures, to “bring individuals to financial education” (National Endowment for Financial Education, 2004, p. 19). The study explored events and feelings that lead to financial behavior change and sought to identify specific factors that motivated women to positively change their financial behavior.

The major research question is: What are the major motivating factors for women who decide to make positive changes in their financial behavior?

Objectives

1. Identify motivating factors among women who have chosen to positively change their financial behavior.
2. Identify differences in motivating factors among married and non-married women.

Contributions of the Study

Findings from this research have both theoretical and educational implications.

The dearth of prior research in this area has left behavioral economic theory lacking in specifics about what motivates financial decisionmaking. This study contributes to greater theoretical understanding of motivation by exploring behaviors and motivations of women who have recently improved their financial practices. Further, this research aids theory development by exploring what motivates women to take a first step toward change, a necessary addition to earlier research which focused on how to change already established behavior.

Financial planners are interested in learning how to better advise female clients (Loibl & Hira, 2007). A greater understanding of factors motivating financial behavior change among women could be beneficial to many financial educators, counselors, and advisors. Non-profit financial help organizations will be able to use the results in developing strategies to help clients move toward change. Other institutions and financial planners can also use the information in promoting more effective and efficient tactics for behavioral change among clients.

Coupling motivational factors with appropriate marketing strategies will aid these same organizations in creating appealing and motivating messages geared toward women who need help to change. Advertising agencies will be able to use these research results in developing more effective marketing campaigns for financial organizations and institutions.

This study can also act as a springboard for further, in-depth research on motivations and financial behavior. Because there has been so little research conducted on this topic, there is a great need for continued research.

CHAPTER II

LITERATURE REVIEW

Factors Contributing to Women's Financial Disadvantage

Many factors contribute to women's poor financial situations, including psychological, social, and demographic factors. The following section explains many disadvantages women face in the financial world.

Risk Aversion

Financial disadvantages of women are evident in many arenas, some of which may stem from psychological factors. One such disadvantage is risk aversion. Some researchers have found little difference in the risk tolerances of men and women, or for the differences to be reliant on certain factors and situations (Embry & Fox, 1997; Schubert, Brown, Gysler, & Brachinger, 1999). However, the amount of literature in support of the risk tolerance discrepancy between men and women far outweighs studies that show no discrepancy.

An indepth literature review by Bajtelsmit and Bernasek (1996) revealed the psychological factor of risk aversion to be prevalent among women. Women tend to be more risk averse than men, investing in lower risk investments that offer lower overall returns (Glass & Kilpatrick, 1998b; Joo & Pauwels, 2002). Some reasons for this risk aversion might be attributed to the socialization of women to be passive, having been given less classroom attention, and with less pressure than men to be independent and aggressive (Glass & Kilpatrick, 1998a; Sadker, 1999). Grable and Joo (2004) found biopsychosocial factors such as self-esteem to be significant in determining individual risk tolerance. Danes and Haberman (2007) conducted a study on teenage students and financial literacy that supported male confidence and success as a result of socialization. Males in the study expressed significantly higher levels of confidence about making financial decisions before and after receiving financial education, and had greater amounts of knowledge about key financial topics than females before receiving financial education.

Demographic factors such as income and education were also found to be significant. Women with less educated and older spouses allocate their portfolios more conservatively (Lyons & Yilmazer, 2004), suggesting that married women are influenced by their husbands in allocating assets. With women more likely to earn lower personal incomes and to be more passive than men, they may be more prone to invest in low-risk investments or to avoid investing completely.

Life Expectancy

Women's life spans are increasing, and they often outlive their male counterparts. According to the Centers for Disease Control and Prevention (2006), life expectancies continue to rise. The current life expectancy for a woman in the United States is 80.4 years compared to 75.2 years for a male (Centers for Disease Control and Prevention, 2006). Further, women are more likely to spend more years widowed than men. According to the US Census Bureau (2006), 42.4% of women ages 65 and older are widowed, compared to only 13.1% of men in the same age category. Widowhood puts women at financial risk due to reduced Social Security benefits and potential loss of pension benefits that can accompany the death of a spouse (Karamcheva & Munnell, 2007). With fewer financial assets and longer lifetimes than men, women are at greater risk of poverty, especially in later life (Rowland & Lyons, 1996).

Intermittent Employment

Women's tendencies to have intermittent work careers because of family obligations contribute to financial disadvantages such as lower lifetime wages and missed participation in company retirement plans (Munnell, 2004). A study by Dietz, Corrozza, and Ritchey (2003) found that women were more likely than men to be employed in occupations that offered no employer-sponsored retirement plans.

Caring for children is only one factor affecting women's incomes and retirement prospects. A study conducted by Metlife Insurance Company (1999) on caregiving found that the majority of caregivers to older adults are women. Conclusions of the study indicated that caregivers lose up to $659,000 over a lifetime in lost wages, lost Social Security and pension benefits, and opportunity cost related to missed trainings and other wage enhancing activities.

Low Confidence Levels

Finally, women have clear disadvantages in the financial world that are evident in their low confidence about financial issues, particularly retirement savings. According to the 2000 Women's Retirement Confidence Survey, "women are less likely than men to say they are confident about many financial aspects of retirement. In particular, women are less likely [than men] to be very confident" about those same financial aspects of retirement (Turyn & Helman, 2001, p. 4). Joo and Pauwels (2002) report similar findings, that women tend to experience lower confidence levels with regard to retirement savings than men. This lack of confidence is not surprising considering that women have fewer resources, on average, available for retirement than men (Munnell & Zhivan, 2006).

With women at particular risk for financial insecurity throughout life, targeting them for financial intervention is critical. Furthermore, to effectively lead women toward change, there is a need to know why and how women might be motivated to change.

Psychological Motivation Perspective

Psychologists have been studying motivation for over 50 years. Many theories about personal motivation, and specifically motivation toward positive behavior change, have been developed, utilized, criticized, and modified during that time. A few of the well-used and respected motivation concepts will be discussed here, particularly those likely to shed light on motivation as it relates to financial behavior.

Motivation theorists have long maintained that motivation is induced in some way or other by incentives. These incentives can be internal or external to an individual. Motivation based on incentives that originate internally is referred to as intrinsic motivation, and motivation originating from a source other than the individual, such as a prize or reward, is referred to as extrinsic motivation (Covington, 2000).

Research on these forms of motivation show intrinsically motivated individuals tend to be more successful in their behavior change, both initially and long-term.

Extrinsically motivated individuals can achieve successful behavior change, even long-term behavior change, but generally follow a pattern of relapse once the external motivator is removed. Some studies even show extrinsic motivators to have an undermining effect on intrinsic motivation (Cameron & Pierce, 1994). This trend seems to remain consistent through a variety of studies, including health behavior research and education motivation research (Benabou & Tirole, 2003; Curry, Wagner, & Grothaus, 1990; Deci, Koestner, & Ryan, 2001).

Factors Influencing Financial Change

"Motivation can be described as the driving force within individuals that impels them to action" (Schiffman & Kanuk, 1997, p. 83). Many theorists have proposed hypotheses about motivation and what impels people to change, and some have theorized about change specifically related to financial behavior. Theory of this nature falls under two general areas of study: behavioral economics and consumer economics.

Behavioral Economic Theory

Prospect theory. Tversky and Kahneman (1979) were early pioneers of behavioral economics. These two researchers developed prospect theory, which is based on the way individuals mentally frame financial decisions. The concept relies on individual perception of risk. According to Belsky and Gilovich's (2001) interpretation of prospect theory, "People are more likely to take risks if it means avoiding a sure loss, and to be more conservative when given the opportunity to lock in a sure gain" (p. 54).

Thus, individuals will act differently concerning the same actual risk depending on how the risk is presented (i.e., locking in sure gain versus avoiding sure loss).

Another key component to prospect theory is Weber's Law, which states that "the impact of a change in the intensity of a stimulus is proportional to the absolute level of the original stimulus" (Belsky & Gilovich, 2001, p. 55). So, an individual would be more satisfied by a $10 pay increase if she was making $20 per hour than if she was making $120 per hour. This is due largely to the fact that $10 is a larger proportion of $20 than of $120. Similarly, an individual would be more willing to drive an extra five miles to save $10 on a $25 item than to drive an extra five miles to save $10 on a $1,000 item, although the savings on both items is the same absolute amount.

Mental accounting. Thaler (1985) combined prospect theory with the concepts of transaction utility theory to create the concept of mental accounting. While prospect theory describes how individuals make choices based on their perceptions of the risk involved, transaction utility theory takes into account how good of a "deal" the individual perceives him or herself to be getting with any given transaction, and how fair it appears (Thaler, 1985). For example, an individual offered a New York City apartment for $185/month may not take the deal (though it is clearly a good one) when he discovers another woman rents an apartment in the same building for $100/month. The individual may let perceived issues of fairness hinder good financial decisionmaking. Thaler's concept of mental accounting goes beyond describing individual perceptions of risk by including perceptions of bargain and fairness.

Belsky and Gilovich (2001) described mental accounting as "the tendency [of individuals] to value some dollars less than others and thus to waste them" (p. 33). More specifically, "mental accounting refers to the inclination to categorize and treat money differently depending on where it comes from, where it is kept, or how it is spent" (Belsky & Gilovich, 2001, p. 33). Thus, an individual is more likely to spend gambling winnings differently (more frivolously) than earned income. Also, individuals are more likely to save large amounts of money (e.g., $2,000) and spend smaller amounts of money (e.g., $250), although an individual could end up spending a large amount of money in small increments. This practice is irrational due to the fact that all money holds the same worth and spending power regardless of where it comes from or how/where it is spent. However, mental accounting is practiced by many individuals, usually unconsciously, and is a valuable conceptual contribution to behavioral economic theory.

Thaler's concept of mental accounting and Tversky and Kahneman's (1979) prospect theory are appropriate in analyzing the economic behavior of individuals. Both help describe why people make poor financial choices. One weakness of both views is the lack of explanation of what motivates people to make an initial choice, whether positive or negative. Further, mental accounting and prospect theory describe framing only from a rational perspective. Recent research has shown a need for the incorporation of emotional components into models of individual choice (Bechara & Damasio, 2005; De Martino, Kumaran, Seymour, & Dolan, 2006).

Consumer Economic Theory

Many theoretical viewpoints exist among consumer economists. A few of the most influential and relevant will be discussed here, including the Life Cycle Income Hypothesis, the Absolute Income Hypothesis, and the Relative Income Hypothesis.

Life cycle income hypothesis. Pioneered by Modigliani, and tested by Ando and Modigliani (1963), the life cycle income hypothesis (see Figure 1) is fueled by the idea that a person's financial behavior is based on lifetime consumption rather than the simpler concept of current consumption. According to the hypothesis, an individual will experience negative savings during the early parts of his life while attending school and/or becoming established in a career, positive savings during the middle age years with salary and job experience increases, and negative savings at the end of his life during retirement and old age (Bryant & Zick, 2006).

While the life cycle income hypothesis has been a popular theory used by many consumer economists in the past, it has not withstood empirical testing over time. This

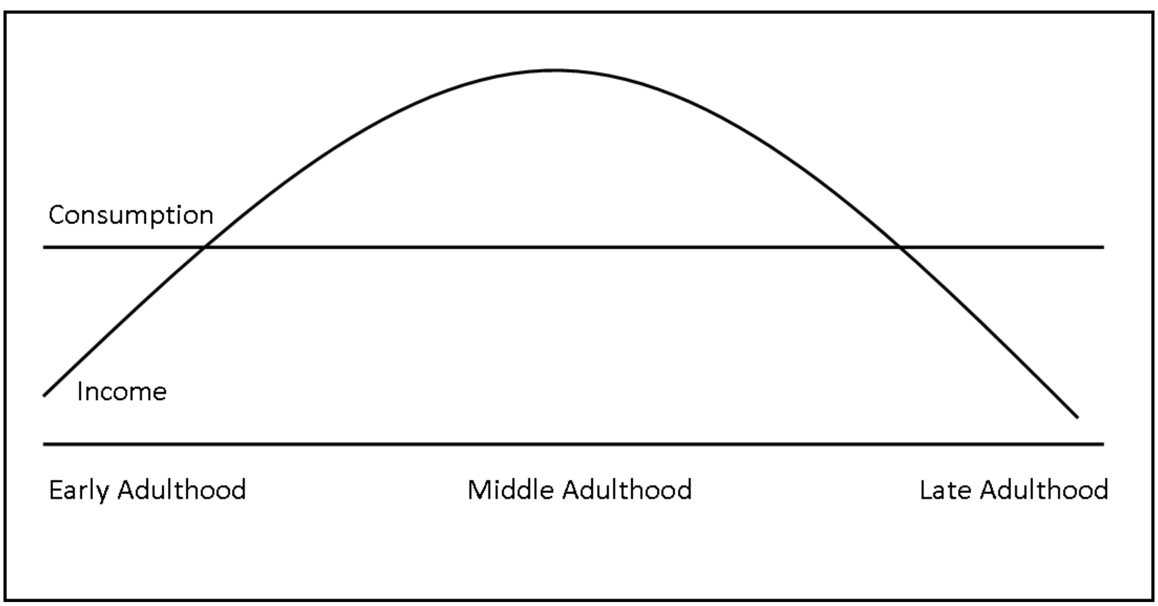

Figure 1. Lifetime income as it relates to consumption.

may be because spending patterns of individuals have changed over the past 30 years. Increased amounts of available credit, mortgage debt, and consumer debt over the past 30 years implies individuals may be exercising less spending control than in years past (Maki, 2002).

Absolute income hypothesis. Keynes' Absolute income hypothesis claims a positive relationship between current income and current consumption. Thus, as current income increases, current consumption increases also. This positive relationship is not 1:1, however. The theory also states that higher income earners save a higher percentage of their income than lower income individuals (Bryant & Zick, 2006). While Keynes' ideas seem to be logically sound, his theory does not adequately explain why savings ratios have not risen along with income increases over the past several decades. The absolute income hypothesis also does not address lifetime income changes and their effects on current consumption decisions.

Relative income hypothesis. The Relative income hypothesis, developed by Dusenberry (as cited in Kosicki, 1987), differs from both the life cycle income hypothesis and the absolute income hypothesis by proposing that saving and consumption of individuals are driven by the saving and consumption of a reference group. It is the idea that individuals save and consume to "keep up with the Joneses," that financial decisions are driven by the desire to rise to or maintain a certain level of social status. This theory has been shown to be helpful in describing consumer behavior (Kosicki, 1987).

However, motivation is a multifaceted issue, and a better developed conceptual framework is needed as the basis for this research. Each theory discussed above attempts to explain why individuals make certain financial choices. None, however, explains why individuals choose to cease poor financial behavior and take steps toward positively changing negative behaviors.

Conceptual Framework

Behavioral economic and consumer economic theories contribute greatly to our understanding of human behavior as it pertains to finances. And, while all of the above theoretical views create a basis for general understanding, all have flaws, making each deficient as the theoretical basis for this research. However, Hawkins, Best, and Coney (1998) developed a behavioral model based on internal and external influences that effectively describes what motivates individuals to action. The model also addresses the important aspect of emotion in decisionmaking by including emotion and attitude as internal factors that contribute to the making of choices.

Hawkins et al. (1998) hypothesized that individuals are motivated to act as a direct or indirect result of internal (perception, learning, personality, emotions, etc.) and external (culture, demographics, social status, family) influences. These influences in turn develop an individual’s self-concept and lifestyle. The self-concept and lifestyle of an individual become the basis for that person’s needs and desires. The individual then follows a pattern (consciously or unconsciously) for obtaining or reaching any given need or desire. The person begins by recognizing the problem or need (Problem Recognition), and searches for information (Information Search) for a solution. The third step is evaluating alternatives and choosing a course of action (Alternative Evaluation and

Selection). Finally, the action is carried out (Outlet Selection and Purchase), and the decision evaluated (Post-Purchase Processes). The results of the individual's decisions and/or actions contribute to that person's internal and external influences, which contribute to future decisions and/or actions (see Figure 2).

This model addresses human behavior in relation to many internal and external factors, and is a good fit for this research. While the model was originally developed to

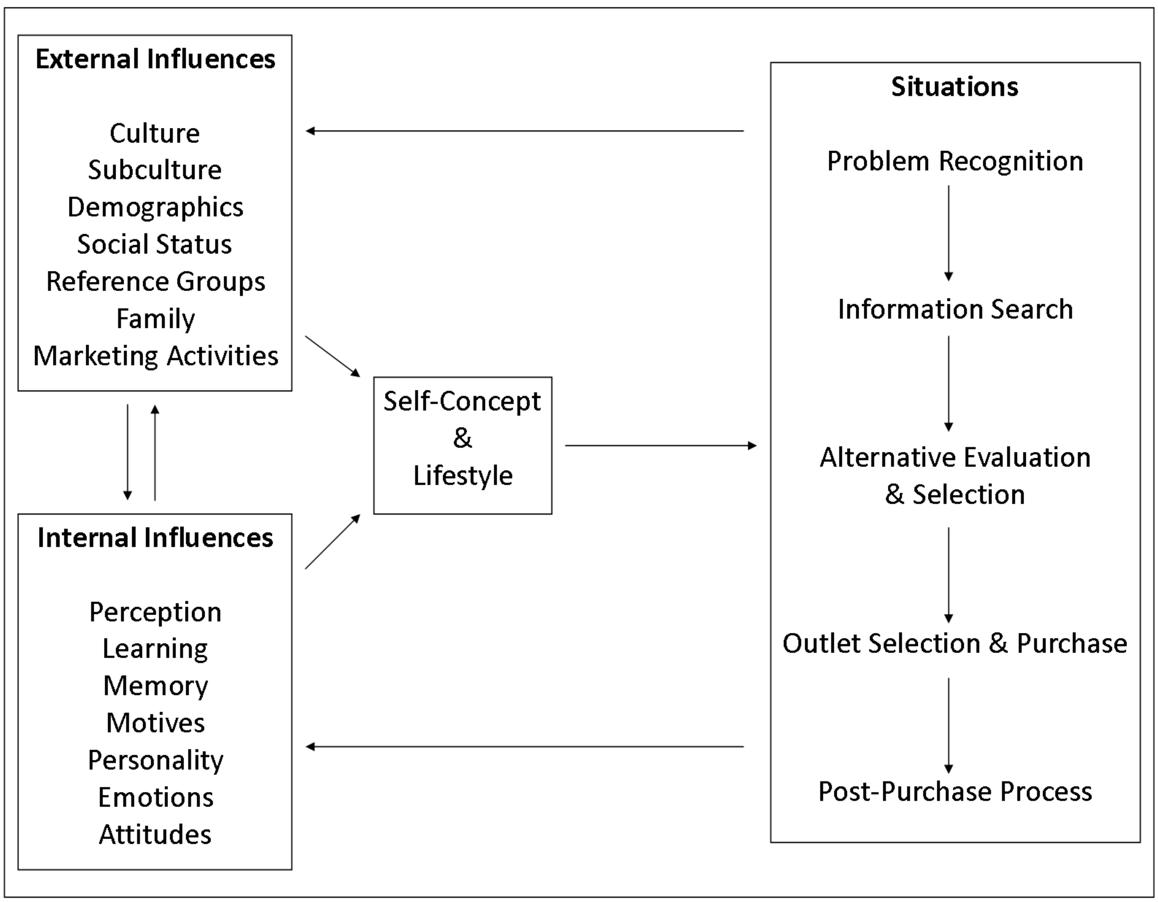

Figure 2. Hawkins, Best, and Coney model of internal and external influences and how they relate to decisionmaking.
Note. From Hawkins, D, I., Best, R. J., & Coney, K. A. (1998). *Consumer behavior: Building marketing strategy* (p. 2). Boston, MA: McGraw Hill.

explain consumer behavior in general, it certainly applies to financial behavior as well. Unlike the models and theories already discussed, this model allows for a multifaceted approach in explaining why women choose to change their behavior. Further, the model relies on factors other than income, and thus eliminates the current versus lifetime income debate. Finally, while the model does retain some similarities to the relative income hypothesis, it is far more detailed and provides a rationale for why individuals may make decisions based on self-concept and lifestyle (or desired lifestyle).

The Hawkins et al. (1998) model guided the researcher in determining which influences, internal and external, played the bigger role in motivating women to change their financial behavior. It also provided insight into which influences kept women from taking action toward financial freedom.

Summary

Many Americans are on the brink of financial trouble (Kim, 2003). Due to multiple circumstances, women are at particular risk for financial stress, and are, therefore, an important target for research and intervention. The field of Behavioral Economics provides some insight into consumer motivation. However, more research needs to be done on the topic, and the Hawkins et al. (1998) model will serve as the theoretical framework for this study.

CHAPTER III

METHODS

Research Framework

This study was based on prior research conducted by Henley and Donovan (2002). Their study attempted to identify which motivations best encouraged people to adopt positive health-related behaviors. Henley and Donovan conducted four focus groups of five to eight participants each who had recently made changes in their diet or exercise behavior. Focus groups were divided by age and gender. The participants were asked what motivated them to change their behavior. They were also asked to rank a number of presented “reasons for change.”

Focus group participants appeared to have responded to positive as well as negative emotions and motivations (i.e., feeling better or fear, respectively). However, many participants indicated a preference for positive rather than negative appeals. While Henley and Donovan’s (2002) research contributes to the health and wellness literature, more research is needed to determine which emotional and motivational appeals should be used to encourage women to change their financial behavior, especially since appeals may be different for men and women.

Henley and Donovan (2002) explored motivation through a social marketing paradigm, but focused on health behavior. Major connections have been found between health and financial behavior (O’Neill & Ensle, 2006; O’Neill, Sorhaindo, Xiao, & Garman, 2005). The nature of health problems and financial problems are similar in many ways, including slow and steady progression characteristics and decreasing social stigmas for both. Further, individuals with health problems and those with financial problems tend to exhibit the same type of denial about the reality of their conditions, making behavior change especially difficult for both groups (O'Neill & Ensle, 2006). Due to the focus group and motivation facets of the Henley and Donovan research, and recognizing connections between health and financial behavior, their study will serve as a framework for this research.

Unit of Investigation

This research was designed to identify the major motivating factors for women who have made positive changes in their financial behavior. Identifying motivating factors for behavior change was accomplished by studying women who self-identified as having made one or more positive changes in their financial behavior within the past two years. Women were targeted as a population for this research in response to empirical evidence that women are in greater need of financial help and security than men. Women who have made financial behavior change(s) within the past two years were the unit of investigation for this research for two reasons. First, finding what motivated women who have already instigated change was easier for research purposes than attempting to create change in individuals. Second, participants who have recently changed their behavior (within the past two years) were more easily able to recall their motivations for change than individuals who made changes long ago.

Researching human subjects requires following specific research protocols. The principal researcher and research assistant were Institutional Review Board (IRB) certified to work with human subjects, and conducted the research within the ethical guidelines developed by the Utah State University IRB.

Sample and Recruitment

The exploratory nature of this study called for a qualitative approach. While quantitative studies thrive on large sample sizes, this study utilized a fairly small sample of 17 participants. Women from the Cache Valley area in Utah were solicited via advertisements placed in businesses throughout the county, including the Utah State University campus and referrals from financial planners and educators, to participate in one of four focus groups. Participants needed to have been between the ages of 25 and 55 at the time of the focus group, and must have self-identified as having made a significant change in their financial behavior within the past two years. An incentive of $20 per participant was offered for participating in a focus group.

Women under the age of 25 were not included because they were unlikely to have had enough experience with money and financial matters to have made significant changes in their behavior. Women over the age of 55 were also excluded based on the assumptions that women over this age may be preoccupied with approaching retirement, and that drastic changes in financial behavior may be a direct or indirect result of their impending retirement.

Women desiring to participate in this study in response to advertisement or referral were directed to call or email the principal researcher with information regarding their eligibility and availability. The principal researcher responded to the potential participant by sending an email with a short questionnaire, and informed the individual that she would be notified concerning her eligibility. The questionnaire was used to collect demographic information such as age, marital status, and education. A question concerning the potential participant's experience with financial behavior change was also included, as well as information about what to expect if the individual was selected to participate in a focus group. The principal researcher responded to all focus group inquiries until enough participants had been confirmed to conduct the focus groups. Those women chosen to participate were contacted with specifics about focus group dates and times, and information regarding compensation. Each participant was also given the opportunity to create a personal pseudonym for use during the focus group process if she had the desire for additional confidentiality. None of the participants took advantage of this option, however.

Before conducting focus groups of women who had changed their financial behavior, personal interviews of five local financial professionals and one marriage and family therapist (see Appendix A) were conducted. The purpose of these preliminary interviews was to explore what helping professionals in the community had observed as motivations for change in their clients. These observations gave the researcher a broader perspective on financial behavior change before beginning the study focus groups. Also, those professionals were asked to evaluate the list of focus group questions and make suggestions for improvement that enhanced the focus group interviews. This analysis contributed greatly to the validity of the focus group questions.

At the time of each focus group, all participants were informed of the purpose of the study, any potential negative outcomes as a result of participation, and their right to withdraw at any time. All participants were required to sign an IRB consent form before their focus group began, and each received a copy of the consent form to keep for personal records (see Appendix B). Furthermore, each participant was required to sign for her stipend, and received a receipt confirming her participation and payment.

Focus Groups

Rationale

Focus groups were chosen as the method for this research for two reasons. First, conducting focus groups allowed the researcher to hear the opinions and experiences of participants in far less time and with greater breadth than is normally the case with in-depth, personal interviews and greater depth than can be acquired through most surveys (Morgan, 1996). Second, focus group research is a widely used, effective method for obtaining insights into behavior motivation (Morgan, 1996). According to Krueger (1994), "The focus group…allows for group interaction and greater insight into why certain opinions are held" (p. 3).

In the past, the recommended number of participants for a focus group was between nine and 12. However, research has shown that smaller focus groups of four to six participants are more easily organized, and promote an atmosphere of comfort and participation (Krueger, 1994; Lown, 2000). While smaller focus groups carry the risk of too few experiences being available for discussion, several small focus groups can still host enough participants to gain a wide array of experience. Thus, focus groups conducted for the purposes of this research contained between three and five participants each. In order to obtain enough information without the data becoming saturated, four focus groups were held, in addition to the financial professional interviews.

A wide array of experiences and opinions is desired when forming focus groups. However, a certain amount of homogeneity within each group is advantageous in that participants can relate to one another's similarities while discussing differing experiences and opinions (Krueger, 1994). The researcher planned to divide focus groups by marital status and age. However, the availability and demographics of the sample made this plan impractical. Thus, groups were formed based almost entirely on participant availability.

Procedures

A standardized list of focus group questions was developed (see Appendix C), and the same list of questions was used for each focus group. While a less standardized format, which allows for the evolution of questions with each succeeding group, can be beneficial to the research process, standardization of questions lends to greater comparability among focus groups (Morgan, 1996). Because the focus groups contained a fair amount of homogeneity (participants were all female, ages 25 and 55, and were currently living in the Cache Valley area in Utah) the researcher planned to make comparisons between groups as part of the analysis process.

In general, a focus group moderator can play a significant role in the data collection process. Some research topics require a less structured approach with minimal involvement from the moderator, and some research topics require a more structured approach with more guidance and participation from the moderator (Morgan, 1996). This research topic is fairly specific and required a more structured approach. Therefore, the moderator (also the principal researcher) asked several standard questions and guided the group through the discussion. The moderator encouraged group members to expand upon their answers and ideas by the use of probing questions and inviting body language, but also directed them back to the research topic when the conversation strayed. Finally, the moderator made every effort to create a comfortable atmosphere for discussion by being engaged by participants' responses, controlling more outspoken members of the group, and encouraging participation of quieter members (Robinson, 1999).

The moderator did more than listen to participants and take notes about their responses. As part of the data collection process, the moderator observed participants' interactions with each other, as such communications can reveal much about the prevalent cultural norms existent within the group (Robinson, 1999). Also, observations of individual characteristics, mannerisms, and reactions can enhance the quality and depth of the data (Rossman & Rallis, 2003).

Moderation of a focus group often requires at least two individuals (Robinson, 1999). Thus, the moderator (also the principal researcher) was accompanied by an IRB certified assistant moderator who made a seating chart of the participants, oversaw the tape recording process, took notes (in addition to those taken by the principal moderator) on the discussion, and assisted in the analysis process by giving feedback, opinions, and drawing conclusions about each focus group with the principal moderator. Dual researchers combining to evaluate the data created triangulation, and thus added to the validity of preliminary analysis (Rossman & Rallis, 2003).

Data Collection and Recording

The principal researcher collected data from preliminary qualitative questionnaires, focus group dialogue, and observations of the participants. During focus groups, each moderator used a note sheet divided into sections, one each for notes on dialogue and notes on moderator observations, thoughts, and reflections. Notes on observations were made adjacent to notes on dialogue only if the dialogue and observation were interconnected. Otherwise, notes followed the flow of the focus group discussion.

As recommended by Krueger (1994) and Rossman and Rallis (2003), both focus group moderators took time at the conclusion of each focus group session (after the participants had exited) to discuss the group, dialogue, flow, and any other important aspects that they noticed.

Each focus group was audio tape recorded and later transcribed for ease in analysis. All field notes, audio tapes, and seating charts were labeled and filed immediately following each focus group in order to ensure organization and ease during final analysis (Krueger, 1994). Once the analysis was completed, recordings and transcripts of focus group proceedings were kept in a safe location, and then delivered to the USU IRB office for further safekeeping for the remainder of the required keeping time (7 years past data collection date). After 7 years, the data will be destroyed to avoid any chance of exposing the identities of the participants.

Data Analysis

Conceptual Framework Revisited

The original conceptual framework chosen as the basis for this research was the Hawkins et al. (1998) model of internal and external influences and how they relate to decisionmaking. Those influences contribute to the development of the individual's self-concept and lifestyle, which, in turn, affect the individual's needs and wants. Those needs and wants then drive decisionmaking behavior.

After analyzing the data, it became apparent that the data did not reflect the concepts of the Hawkins et al. (1998) model. The data indicate change and motivations for change as a process and progression from one step to the next rather than a cycle of influences and decisions. The data fit much more closely with Prochaska's Transtheoretical Stages of Change model (Norcross & Prochaska, 2002), which is based on several stages of change through which an individual passes as she makes life changes. The transtheoretical model was first applied to smoking cessation and other health behaviors. However, the model has been effectively applied in research to other problem behaviors (Prochaska et al., 1994), including financial decisionmaking (Gutter, Hayhoe, & Wang, 2007; Kerkmann, 1998; Shockey & Seiling, 2004; Xiao et al., 2004).

The model outlines five stages of change: Precontemplation, Contemplation, Preparation, Action, and Maintenance. Persons in the precontemplation stage have not yet begun to think about changing their behavior. Those in the contemplation stage are aware of the existence of a problem, have thought about changing, but have not made a serious commitment to modify their behavior. In the preparation stage individuals have plans to change within the next month and may have unsuccessfully attempted to change in the past. In the action stage people are changing their behavior. Their change has lasted anywhere from 1 day to 6 months. Finally, those in the maintenance stage have employed strategies to avoid relapse, and have maintained their state of change for at least six months. Figure 3 illustrates each step of Prochaska's model (Prochaska & DiClemente, 1983).

In addition to five stages of change, the transtheoretical model also includes ten processes of change which help individuals progress from one stage of change to another. These ten processes are divided into two categories, those that are experiential in nature, and those that are behavioral in nature (Prochaska & DeClemente, 1983). In short, half of these processes tend to be experienced by individuals, while the other half require that the individual take some sort of action. The experiential processes are consciousness

Precontemplation	Contemplation	Preparation	Action	Maintenance
No thoughts about change	Aware of problem, thought about change	Plans to change within one month	Actively engaging in behavior change	Maintained change for at least six months

Figure 3. Prochaska's Transtheoretical Stages of Change model.

raising, dramatic relief, social liberation, self-reevaluation, and environmental reevaluation. The behavioral processes are counterconditioning, stimulus control, reinforcement management, self-liberation, and helping relationships (Prochaska & DiClemente, 1983; Prochaska, Redding, & Evers, 1996). Each of these processes can be effective in different stages of change. For example, those in the precontemplation stage generally do not respond well to any of the 10 processes. Those in the contemplation stage respond best to consciousness raising and self-reevaluation. Self-liberation, helping relationships, and reinforcement management are most helpful for those in the action stage. Counterconditioning and stimulus control help those in both the action and maintenance stages (Prochaska & DiClemente, 1983).

Due to the fact that participants in this study self-selected for having made positive changes in their financial behavior, at the time of study most participants were in the action or maintenance stages. However, the data indicated that most of the participants passed through the preliminary stages of change before reaching the action and maintenance stages.

Analysis Procedures

Data analysis procedures need not be identical for every qualitative study. However, once an appropriate data analysis method has been established for any given study, consistency in following prescribed analysis procedures is critical in ensuring that as many errors as possible be avoided (Krueger, 1994). For this study, a transcript-based analysis process was used. Tape recordings of focus groups were transcribed and organized using a word processor and spreadsheet software, respectively. The transcribed data was then transferred to NVivo 8 qualitative data analysis software. The researcher reviewed the data in its entirety to get an overview of the data. After becoming familiar with the data, the researcher began the task of identifying recurring themes such as attitudes, motivations, and so forth. Once those themes were identified and labeled, the researcher began coding the data by focus group question. New codes and themes were developed and re-organized as the coding process progressed. Coded data was originally placed under “nodes,” or categories, organized via the software. These nodes were developed independently during the early stages of the coding process, and then linked together as “tree nodes” as the coding process developed and links between coded data became apparent. The researcher ultimately created a coding tree (see Appendix D) within NVivo 8 to hierarchically arrange the coding scheme.

Three very broad main themes emerged through the coding process: circumstances prior to change, the action of change, and strategies for success. Each main theme contained many categories of data beneath it, and each was arranged hierarchically. Once the data had been refined, the researcher used the identified themes and categories to interpret the data and develop explanations.

Data interpretation is a very important and challenging part of the analysis process. A co-researcher, a USU professor with extensive qualitative research experience, was utilized throughout the analysis, but especially in interpreting and finding meaning in the data. This process included drawing conclusions, making inferences, and challenging existing understandings to find alternative perspectives on the data (Rossman & Rallis, 2003). The findings were used to describe the motivational factors most effective for changing financial behavior among focus group participants. Findings also assist in developing questions for future research.

CHAPTER IV

RESULTS

The main objective of this research was to identify factors that motivated women to positively change their financial behavior. Examples of positive changes made by participants were efforts to control spending and impulse purchases, beginning or increasing contributions to savings or investment accounts, and the acquisition of financial education. The general findings of the research are that, while many of the participants experienced circumstances that influenced their choices, the main motivating factors fell into two categories: crisis-centered and goal-centered. A small percentage of the participants were motivated to change by financial crises such as maxed out credit cards or impending bankruptcy. The majority of participants, however, were motivated to change by recognizing the need to change in order to accomplish their financial goals such as financial independence, home ownership, retirement security, and desires for financial education and knowledge.

A secondary objective of the research was to identify differences in motivations to change among married and non-married participants. Because participants self-selected for the study, it was impossible to end up with an equal number of married and non-married participants. At the conclusion of the participant recruitment process, 4 of the 17 participants were non-married. No significant motivational differences were found between these two groups. Like married participants, the majority of non-married participants also had goal-oriented motivations. Circumstances surrounding motivations for change were also similar, with very few married participants' motivations being related to their marital status. Some single participant motivations, however, were influenced circumstantially by divorce.

Sample Demographics

The principal researcher was originally contacted by 31 potential focus group participants. After scheduling the focus groups, 17 female subjects actually participated in the study (see Table 1). Participants ranged in age from 25 to 54. At the time of the

Table 1
Participant Demographics

Pseudonymn	Age	Marital status	Education
Amber	38	Married	Bachelor's
Barbara	49	Married	High School
Camille	54	Married	High School
Darla	44	Married	Master's
Elizabeth	54	Married	High School
Fran	26	Unmarried	Bachelor's
Gloria	34	Married	Bachelor's
Hannah	28	Married	Bachelor's
Irene	41	Unmarried	Bachelor's
Julia	29	Married	Master's
Karen	27	Married	Bachelor's
Leslie	30	Married	Bachelor's
Marnie	34	Married	Master's
Nellie	46	Unmarried	Bachelor's
Olivia	39	Married	Bachelor's
Priscilla	33	Married	Bachelor's
Ronda	25	Unmarried	Bachelor's

focus groups, 13 were married and four unmarried. Three of the women had completed high school only, 11 had bachelor's degrees, and three others had master's degrees.

Change as a Process

After data review, it became clear that change came as a process for many of this study's participants. Participants described their circumstances before change occurred and elaborated on familial influences, cognitions, emotions, financial status, and life transitions that occurred during this time. As many described the beginning of their change processes, it was clear that they had progressed through the contemplation or preparation stages of change as described in the transtheoretical model of behavior change (TTM). As answers to focus group questions progressed into the realm of personal change, it became evident that many participants had progressed from their earlier stages of contemplation and preparation to the critical action stage. They discussed in detail their first steps of change, motivations for these steps, setbacks they encountered, and the support they utilized during their progression through the change stages. Finally, evident in the data were strategies used by many participants that aided in their success, a topic that will be discussed in detail later in this chapter.

Circumstances Prior to Change

Emotion

As participants discussed the circumstances in their lives before they initiated change, a few main themes emerged that were experienced by a majority of participants.

Negative emotions about their financial status, and fear in particular, were common. Participants who expressed fear were afraid of many different things. One woman, Nellie, was afraid for her future because she did not actually know the details of her financial status. She said, “I had that fear of not knowing where I stood.” Another woman experienced fear because she felt she had no control over her financial situation. Priscilla, a 33-year-old college graduate, reached a point in her life where she had absolutely no financial resources. After borrowing money from her father she described herself as “scared to death.”

Fear was the most common emotion experienced by these women in the precontemplation and contemplation stages, but other negative feelings about financial woes surfaced such as guilt, embarrassment, anger, and jealousy. It was evident that negative emotions about finances worked as a catalyst for many in their progression through the change process. One woman, Amber, described her anger as an overwhelming emotion experienced before she started to change. She was angry about how she and her husband had allowed their financial situation to deteriorate: “[I was] Angry at myself for letting us get that way; angry at my husband for his contributions to it; angry at my grandmother for not lending me money…yeah, I was angry.” The recognition of these emotions helped many identify the financial problems they were experiencing and provided the momentum to pass from precontemplation to the contemplation stage of change.

Family Influence

Connected to negative emotions about participants’ financial situations before change were negative feelings about familial influences with regard to money management. To clarify, many participants expressed negative emotions not only about their own financial situations, but about the lack of familial support and guidance about financial matters provided early in life. Most women who expressed these negative feelings were displeased with the way they were taught (or not taught) about money by their parents. Leslie, a 30-year-old participant with a bachelor's degree, said, speaking of herself and her husband, "I think we were frustrated that we didn't feel we were ever taught really well how to manage things, how to avoid putting ourselves in the position we saw ourselves in at the time." Marnie, a 34-year-old participant with a master's degree, expressed similar frustrations:

> Nobody talked about money in our family, and I have huge frustration with that. And no schooling ever goes over that. So definitely there's frustration of why wasn't somebody doing this when I was 14? Why didn't they just show you how to balance a checkbook?

Life Transitions

While emotion about financial difficulties played a large role in the change process for participants, the most compelling factor helping women make the jump to the contemplation and preparation stages of change appeared to be their life transitions. For many, the realization of the need for change came as a result of some sort of life transition such as marriage, divorce, having children, entering or leaving school, moving from one location to another, and loss or gain of employment.

These life changes did not serve as the main motivation for participants' changes, however, but often pushed them to evaluate their current situations and acknowledge existing problems. Leslie experienced a dual transition. At the time she and her husband moved across the country, they experienced a reduction in income when her husband went back to school. The two circumstances combined made purchasing and maintaining a home much more difficult than she had experienced before her transitions. She said about this experience, "…we moved here two years ago for my husband to go to school, and it was a real wake-up call that even though we could afford a house, everything else that came with it was tough." Marnie also experienced a dual transition. She said the combination of having kids and her re-entering school "shook things up" for her family financially.

One very powerful transition described by two participants was divorce. Divorce can be devastating to a woman's finances. Many divorced women experience financial strain due to loss of a spouse's income, insufficient child support, and low paid or no employment (Arditti, 1997; Hilton & Anderson, 2009; Seiling & Jackson, 1990). Women in this study experienced similar financial frustrations. Darla, a 44-year-old woman with a master's degree, experienced a drastic change in her standard of living. She was dissatisfied with her post-divorce living conditions and said, "I found out that after I got divorced that I needed to do something different." Darla changed her financial behavior by "looking at how [she] could downsize." She took in a roommate and reduced her expenses.

Thirteen of seventeen participants described some sort of life transition as part of her circumstances leading to change. Life transitions are not essential to the change process as demonstrated by four participants who made financial improvements without experiencing life transitions. However, transition did help most of the participants in this study advance to more active and involved stages of change, and prepared them to recognize their underlying and true motivations for eventual change. Figure 4 provides a coding hierarchy of participant circumstances before change.

1: Circumstances before Change

- Cognition
  - Desire for Independence
- Emotion
  - Fear
  - Guilt
  - Regret
  - Other Negative Feelings
- Family Influence
  - Negative
  - Positive
- Financial Status
  - Debt
  - Financial Crisis
  - Review of Personal Finances
- Life Transitions

Figure 4. Coding hierarchy of participant circumstances before change.

The Action of Change

Motivations

The main objective of this study was to determine motivations for women engaging in positive financial behavior change. Information about participants' circumstances before change provided insight into the background and history of the participants, as well as the setting in which change occurred, and which circumstantial factors were prevalent among participants. However, underlying motivations for change were often not directly related to circumstance, only influenced by it.

Goal-centered Change

Motivations for participants fell into two main categories: goal-centered and crisis-centered. When asked about the major motivator in the decision to change, the majority of participants spoke of personal goals that would lead them toward (1) changing their current financial situations, (2) changing their future financial situations, or (3) increasing their knowledge and confidence about financial terms, investment vehicles, and money management strategies.

Change in current financial situations. Participants who desired immediate change also desired long-term change that would enhance their future financial situations. However, their current financial situations were uncomfortable enough to warrant immediate change before contemplating long-term goals. After her divorce, Nellie moved from a new large home to an old small home in disrepair. She said of her feelings at that time, “I sat there and looked and went this is not how I want to live my life.” Darla had similar concerns:

> I got tired of deciding whether I was going to pay a bill or buy my daughter her Halloween costume. I mean that sounds kind of pathetic when you’re in a situation where you’re only making it paycheck to paycheck, if even that. I wanted to be empowered again….

Rather than desiring to change their current financial situations, other participants set goals to maintain their current situations. This came largely in the form of setting goals and taking action to avoid debt. Hannah, a 28-year-old participant with a bachelor’s degree, described her and her spouse’s goal to remain free of student loans, “I think ours was not wanting to get in major student loan debt or anything…trying to keep our heads above water was the main motivator.”

Change in future financial situations. Most participants who indicated change to enhance future financial status as their main motivator had some sort of trigger that inspired their new-found goals. Interestingly, for many, recognizing others’ financial success or failure acted as this inspiration. Priscilla, a 33-year-old participant, described feelings about her father-in-law’s financial choices: “I realized here was a 78-year-old man who was gonna be bankrupt before he died. And all I could see was the writing on the wall. I could see myself.” Irene, a 44-year-old single participant, had a similar experience:

> I have a co-worker who is retirement age but can’t retire because they have a mortgage still and debt. And I thought, you know, I don’t wanna be there. And if I kept on going the way I was going, I would be there without a house. And so I wanted to have a home and have it paid for, and have a retirement savings at retirement age. And so that was the big motivation.

Some participants were inspired by the success, rather than failure, of others. Seeing others in similar circumstances succeed financially gave some the hope that they were also capable of such success. Marnie, a 34-year-old with a master's degree, commented, "My husband's parents did an early retirement, and are travelling, and are able to do family trips…. I just thought, wow, they did it right when they were younger…. So that motivated me a lot."

Change in financial knowledge. A certain amount of financial knowledge is necessary for one to make financial changes. Opening a savings account generally requires at least some knowledge of interest rates and conditions of the account. Starting or increasing contributions to an individual retirement account (IRA) typically requires some knowledge of stocks, bonds, mutual funds, money market funds, cash accounts, and other options for investment, as well as company and/or fund performance, fees, and a host of other factors. Reducing expenditures usually requires some knowledge of budgeting and budgeting strategies. It is this knowledge, knowledge of the financial world, that some of the women in this study were seeking.

Julia, a 29-year-old married woman with a master's degree, did not feel she understood enough to make good investment decisions. Of her desire for knowledge, she said "I was tired of not knowing and not understanding…whether it was insurance or mortgages or anything…I was tired of not getting it." Likewise, Olivia, a 39-year-old married woman with a bachelor's degree had similar feelings, "I… thought, I should know more. I felt like I should for a long time. I mean, I'm a grown-up."

Julia and Olivia were frustrated by their lack of financial knowledge and thus desired to learn more. Other women desired this knowledge based on their excitement for the topic of finances, or simply the desire to learn new things. One woman, Camille, said, “I get excited!” referring to the challenge of mastering the financial world. Another woman, Karen, said “It sparked a real interest for me.”

Other Catalysts for Change

As mentioned earlier, catalysts were present for some participants during goal setting. Some long-term goal-setters, for example, were inspired to set goals based on their observances of the successes and failures of others. Some catalysts for change were present across all three categories of goal-setting participants. While seeing others’ success was a specific catalyst seen only in long-term goal-setting participants, some catalysts seemed to jump-start the goal-setting of participants across all three goal-setting categories. The two most compelling catalysts were (1) a personal financial review and (2) financial education.

Personal financial review. The term *personal financial review* refers to participants evaluating their personal financial situations as a whole. This usually meant participants took time to look at their debt, income, savings (if any), expenses, and evaluate their financial situations in relation to their personal goals. One woman created a spreadsheet during this process and used it as part of her change strategy. The others used this review process mostly as a catalyst for goal-setting and change.

Karen, a 27-year-old married woman with a bachelor’s degree, experienced a personal financial review moment. She said about her experience:

> I think one thing that really helped motivate me was looking at the overall numbers. Adding up what I spent in the month, looking at the debt-to-income ratio, and just seeing the numbers in black and white on the paper was a real eye-opener for me…I went oh, that's not wise. That's not going to get me where I wanna be.

It's interesting that many women did not have a good idea of their overall financial situations before reviewing them it their entirety. Gloria, a 34-year-old with a bachelor's degree, had a similar experience to Karen. When relaying her personal financial review, she said the "numbers just looked nasty. So, [I] just had to change."

Financial education. Financial education appeared to play a dual role in participants' change process. For some, financial education acted as a catalyst for action, preparing women to advance from the contemplation to the preparation stage of change. For others, financial education provided support during the action and maintenance stages of change. The first role of financial education will be discussed here, and the second in a later section.

Women utilizing financial education as a catalyst for change most often recalled previous education about finances. This financial knowledge provoked emotional feelings of guilt or regret for not acting on that knowledge, and instilled in them the desire to act. Fran, a single woman, said her failure to take action on her financial knowledge had been "nagging at me for a while, like you should really start saving a lot."

Goal-centered change was a motivator for nearly all participants. However, three women experienced a very different kind of motivator: financial crisis.

Crisis-centered Change

A minority of participants were motivated to change by financial crisis. Although the number of women experiencing this type of motivation was small, the experiences described by all in this category were strikingly similar to one another, and distinct from goal-centered participants' experiences. Those motivated by financial crisis each had two things in common. First, each woman experienced a complete lack of discretionary income at some time, a result of maxed credit cards and lack of liquid assets. Second, each reached the conclusion that change was imperative or serious consequences would result. Amber, a married woman with a bachelor's degree, reflected on her experience when she said:

> I think it was just…finally a realization, something that's been slowly building for several years, just kind of a slap in the face of if you don't do something you're gonna lose the house or declare bankruptcy…

Two of the three women who experienced crisis-centered change spoke of an actual event that brought them to the realization of the need to change. One woman, Ronda, had exceeded the limit on her credit card so could not afford to buy groceries, an event that she claimed was her "kick in the butt." Another, Priscilla, a woman who experienced both crisis-centered and goal-centered change motivators, had a similar experience where lack of financial resources forced her to ask her parents for financial help.

First Steps of Change

The first steps in the change process, marking entrance into the action stage, differed among participants. Some started with very basic steps such as speaking to a spouse about finances, or reviewing personal financial statements. Others set goals to reduce expenses or impulsive spending. Many women utilized financial education in some way. Examples ranged from surfing the internet for financial information to taking courses about finances. Still others sought professional advice from financial planners or debt settlement companies.

After reviewing the steps of change taken by each woman, the actual step taken did not seem to have any bearing on the woman's success. Something interesting, however, was the approach some women took. Nearly half of the participants utilized more than one first step of change, an indication that these women were attempting to change their lifestyles rather than simply deal with one or two financial problems. Elizabeth, a 55-year-old high school graduate, described her many first steps of change:

> I talked to my husband and we discussed what we could do, and I talked to the accountant that does our taxes…and we set up a couple of annuities. Then I talked to a financial planner, then found out about [a financial education program geared toward women] and learned a lot of things in there to help. [The instructor] said you ought to have an online savings account, so I opened up one of those…

Amber had a similar multi-faceted approach. She discussed the situation with her husband, she spoke with her boss, she contacted a debt settlement company, and she developed a budget for the first time in her nearly 18 years of marriage.

It is possible that some participants who initially started their change process with only one step later incorporated more actions of change into their financial behavior. For example, three participants mentioned some form of financial education as their first step. One read a self-help financial book, another took a formal financial education course, and the third participated in a financial education support group. It is likely that these participants utilized their newly-acquired financial education to make further changes. It is worth noting that nearly half of participants entered the action stage by utilizing multiple approaches.

Support During Change

All but one participant utilized some sort of support source during the action and maintenance stages of change. For some, their resources for initial change also acted as support during change. Examples of this are education opportunities and financial professionals. All sources of support for participants fell into three categories: educational, social, and professional.

Educational Support

One very common form of support for participants was formal financial classes or seminars. Marnie said of her source of educational support, “Mine’s definitely been the USU Financial Planning for Women. That’s been fantastic. More than anything it gives me the confidence to do things I know I need to do.” An equally common form of support was financial literature. Many women stated that financial self-help books provided motivation and support. Priscilla said she read a lot of books. That form of support was attractive to her because “it’s private. [She] can just take ’em home” and learn without anyone else knowing she needs that kind of help. Another frequently noted source of support was the media, usually in the form of television shows about finances and internet articles on money management.

Social Support

The second most frequently mentioned support system was social support from families and friends. Each participant who mentioned social support sources used examples of familial support. The two most common references were to parents and spouses. Hannah mentioned her siblings as a source of support. She shares financial circumstances with many of them, and said "I think we just kind of talk to each other. I think we feel like we have a bond with some of them because we're all in the same boat. So we share stories and things."

One point worth mentioning is that participants who cited education as a source of support also received social support from some of those same sources. Financial classes and seminars, for example, tended to provide a small amount of social support in addition to an increase in knowledge.

Professional Support

The most common source of professional support for participants was financial planners. Some personally sought out financial professionals. Others had access to financial planners by way of another support resource, usually an educational source such as a class. Leslie relayed an experience she had with her financial professional friend. She was purchasing insurance from him, and he said "don't you want more money than what you have?" She said, "…yes!" She continued with her account, "And he's like let's talk about it; what can you do? So he's been a good support for this [her behavior change]."

Setbacks During the Change Process

Making financial change is difficult for many persons. Experiencing setbacks and even relapse is not only common but expected among those who are attempting to change their behavior (Prochaska, DiClemente, & Norcross, 1992). Nearly every participant in this study experienced some sort of setback while in the action or maintenance stage of change. Some of the setbacks faced by participants were minor and did not result in backsliding to an earlier stage of change. Other setbacks, however, affected participants more so that they regressed to an earlier stage, forcing them to progress again through already-visited stages. The setbacks themselves varied greatly among the individuals. However, two categories of setbacks emerged from the data: internal and external.

Internal Setbacks

Internal setbacks are categorized as setbacks that come from within the participant, usually in the form of emotion or temptation. Many women viewed their failure to control their spending as a setback. Some were tempted to spend by their own internal need for spending. Others felt pressure from others, such as family, to spend. Julia described her “constant daily struggle for self-control” as a setback. Priscilla described pressure from family members to participate in extravagant gift giving as an internal setback. She said, “It’s almost like peer pressure with me. It’s not only that I feed my own emotions. I’ve got like family and friend peer pressure…. With my family I just can’t be the one that’s not giving….”

One woman, Olivia, felt her lack of interest in finances was a continual setback for her. She said, “When you’re just trying to learn something new, it’s intimidating I think. And it’s not very interesting to me. Like I can fall asleep reading about anything that has to do with financial terminology.”

External Setbacks

External setbacks were defined by participants as events that made continuing on the path of change difficult. Unlike internal setbacks, external setbacks are uncontrollable and often unforeseen events that kept participants from achieving their goals. Examples of external setbacks are unexpected expenses such as car and home repair, or the absence or loss of expected income such as student loans or income from employment. Elizabeth described external setbacks she experienced during her time of change: “Life just does it…. Yeah, the furnace can quit, the washer can quit, you know… all kinds of things.”

Another setback mentioned by several participants was unexpected medical expenses. Darla, a 44-year-old woman with a master’s degree, expressed her feelings about medical setbacks:

> I think another setback can be medical. Even if you’ve got great insurance or your spouse has insurance, that medical can really be something that just sneaks up on you and takes money out of your pocket.

Four participants mentioned both internal and external setbacks. The remaining women identified just one type of setback, with the majority noting external setbacks. Figure 5 illustrates the coding scheme for participants’ actions during the change process.

Strategies for Success

It became apparent during data analysis that participants, consciously or unconsciously, utilized a variety of strategies to succeed at achieving their goals. The two most obvious strategies are optimism and financial tricks such as personal mind games and automation.

- **2: The Action of Change**
  - First Steps of Change
    - Multi-Faceted
    - Single Steps
  - Motivations for Change
    - Goal-Centered
    - Crisis-Centered
  - Setbacks During Change
    - Internal
    - External
  - Support During Change
    - Educational
    - Professional
    - Social
    - None

Figure 5. Coding hierarchy of participant actions during the change process.

Optimism

Women in this study expressed optimism both about their financial futures and about their abilities to succeed financially. Many women, after taking one or more steps toward change, expressed confidence in their capacity to implement the things they had learned.

Julia said she realized "…it wasn't so difficult, and it wasn't so overwhelming. It was like, okay, I can start out just doing a few things…." Priscilla, expressed her optimism by saying success is "…attainable, and it is something that I'm not half bad at."

It appears that many of these women used their optimism to keep going after one initial step of change. For many, the initial step was some sort of financial education, and participants utilized their optimism to take action on their new-found knowledge.

Financial Tricks

Those women who knew themselves and their financial tendencies put financial tricks in place to avoid falling into previously experienced pitfalls. Some examples of financial tricks are limiting access to savings by banking in another state, using automated savings plans, rounding up to the next dollar while calculating grocery costs, and placing credit cards in an inaccessible location. Ronda explained "I put my credit card in the freezer in a block of ice. It was drastic, but I had to do it."

Nellie described two of her strategies for success:

> I like to surround myself with people that are living their life the way I want to. That's a good influence. So I don't hang out with people who like to shop, I just don't. And I ride my bike when I go grocery shopping. Oh my gosh, you can't carry that much stuff, so I don't buy anything extra.

These women took actions in addition to their steps of change to ensure their success. They clearly reflected on their negative behaviors and tendencies, and took action toward avoiding previously destructive behavior. These strategies have helped these women avoid relapse while still in the maintenance stage of change. See Figure 6 for a complete coding hierarchy of participant strategies for success.

Summary

The analysis of this research data indicates the participants in this study progressed through Prochaska's Stages of Change while making personal financial changes. Factors such as emotion, family influence, and life transition helped many women move from earlier stages (precontemplation, contemplation) to later stages

3: Strategies for Success

- Financial Tricks
- Had a Plan
- Financially Content
- Optimistic
- Persistent
- Seized Opportunity

Figure 6. Coding hierarchy of participant strategies for successful financial behavior change.

(preparation, action) of change. Although participants utilized a wide variety of first steps of change, motivations for those changes fell into two categories: goal-centered change and crisis-centered change.

As expected, the participants in this study experienced internal and external setbacks while attempting to make permanent changes. Nearly all participants made use of at least one form of support during their change, including educational, social, and professional support. Also, participants divulged their strategies for successful change. Optimism and using financial tricks were two of the most commonly used strategies.

CHAPTER V

DISCUSSION

Key findings are featured in this section and compared to the results of related research in the realm of motivation, women and finances, and financial education. The implications of these findings are discussed later in the chapter, along with the limitations of this study and proposals for future research.

Key Findings

Circumstances Surrounding Change

Life transitions. Life transitions such as changes in marital status, student status, and employment surfaced as key events that provided the impetus for change. While the transitions themselves did not appear to be the main motivating factors for financial behavior change, they provided opportunities for reflection on the need to change, and helped shed light on true change motivators for participants. This finding is consistent with the Processes of Change found in the Transtheoretical Model (TTM) of behavior change (Norcross & Prochaska, 2002).

Previous research and the TTM did not directly identify the importance life transitions can have in influencing the change process. However, much research has been conducted on life transitions, especially in the field of sociology. Many of the transitions cited by participants in this study mirror those that have been the focus of past research: marriage, divorce, completion of school or education, entrance into the workforce, raising children, retirement, and so forth (George, 1993). In recent years the likelihood of experiencing multiple transitions has increased for many Americans. Career stability, for example, is much different now than in past generations. Americans have experienced a decline in job tenure since 1996 (Bureau of Labor Statistics, 2008), which implies workers are more likely to experience multiple changes in career paths and employment than in years past. Further, recent economic conditions have created more opportunities for Americans to experience life transitions through increased unemployment (Bureau of Labor Statistics, 2010), rates of bankruptcy (US Courts, 2009), credit card delinquency (National Foundation for Credit Counseling, 2009), and return to institutions of education to retrain for new careers (Fry, 2009).

Life course theory (Elder, 1998) explains the prevalence and importance of life transitions during an individual's lifespan. This theoretical perspective cites life transitions not only as events that occur in the lives of all, but also as events that help shape the outcomes of an individual's life (George, 1993). Such concepts about life transitions imply that transitions are periods of importance in each individual's life, and can provide opportunities for an individual to shape the outcome of his or her life. Thus, life transitions can lead to decisions that send people on trajectories that may be different from the pre-transition trajectory.

Life transitions could be considered experiential processes of change that contribute to the realization of the need for change. However, the prevalence of these transitions in the change processes of the individuals studied indicates the need to focus on times of transition as opportunities for real behavior change.

Motivations for Change

A majority of participants cited attaining financial goals as their main motivation for taking initial change steps. Financial goals fell into three main categories: (1) improving their current financial situations, (2) changing their future financial situations, and (3) increasing their knowledge and confidence about financial terms, investment vehicles, and money management strategies.

A minority of participants cited a financial crisis as the main motivator for change. For these women, a financial crisis was defined by the absence of discretionary income, usually brought on by maxed out credit cards and no liquid assets. The lack of spending power experienced by these women brought them to the conclusion that change was imperative or serious financial consequences would result (e.g., bankruptcy).

A review of the literature found no studies that attempted to identify motivations of financial behavior change. However, the results of this study support years of psychological research that indicate intrinsically motivated individuals are more successful at achieving positive behavior change than extrinsically motivated individuals (Middleton, 1995). The vast majority of participants were motivated by internal desires for change which surfaced as financial goals. Only three achieved behavior change by way of extrinsic motivators (i.e., financial crises).

Some research sought to utilize the transtheoretical model to identify the stage of change of individuals at a given point in time (Gutter et al., 2007; Shockey & Seiling, 2004; Xiao et al., 2004). Kerkmann (1998) was the first to propose using the TTM to motivate financial counseling clients, but did not conduct any formal research. Shockey and Seiling (2004) studied how to motivate individuals to utilize newly-acquired financial knowledge, but did so within the confines of curriculum development and did not evaluate what motivated individuals to seek financial education initially. Xiao and colleagues (2004) applied the TTM to consumer debt behavior, but did so to determine readiness for change rather than underlying motivations that created readiness for change.

This research does support existing studies that successfully apply the transtheoretical model of behavior change. Discussion on that topic can be found in the next section of this chapter. Two unique contributions of this research include data about what events and experiences can help prepare individuals for the action stage of change, and what specifically motivates women to take a first step in the change process.

Participants in this study also shed light on the underlying motivations for behavior change. The TTM describes processes of change that can help individuals progress from one stage to another, processes that if applied during certain stages of change, greatly increase the likelihood of change within an individual. However, the results of this study emphasize the potential significance of goal evaluation as an effective process of change, at least for women. Participants indicated that goal evaluation occurred before action was taken to change their financial behavior. Thus, goal evaluation could be a process of change most helpful to women in the contemplation stage of change.

Further, the idea of crisis-centered motivation was identified by a minority of participants and should not be overlooked. Recent TTM-based research on finances and the TTM fail to account for individuals who are pushed to change by the pressures of life crises. Life crisis, financial crisis in this case, seemed to act as an experiential process of change that motivated subsequent movement into the action stage of change. A potentially helpful addition to the transtheoretical model may be an experiential process of change that promotes thought or reflection on current or past life transitions or crises. Perhaps of more use to those in a helping capacity is access to personal and contact information about individuals experiencing life crises. Since life crises present opportunities for change for some individuals, educational and/or behavioral intervention by financial professionals or counselors during that critical time could greatly improve an individual's chance for successful behavior change. Financial information and resources could be distributed to those seeking help with resume development or interview help, for example, as those seeking employment help are likely experiencing at least one life transition.

Setbacks During Change

Nearly all of the participants experienced one or more setbacks during the course of behavior change. Setbacks experienced by participants fell into two categories: internal and external. Internal setbacks were those that occurred within the person, and usually came in the form of spending as a result of emotion or temptation. External setbacks came in the form of life events that occurred independently of the emotions and internal struggles of the individual, and created difficulty for the participant as she tried to change her spending practices. External setbacks generally arose in the form of unexpected financial expenses such as medical expenses and home repair costs.

The TTM accounts for setbacks, or relapse, and conceptually explains the commonality of relapse as part of the change process. Further, much research has been conducted on changing behavior and avoiding relapse, signifying the commonality of backwards movement in the change process (Longo, Johnson, Kruse, Brownson, & Hewitt, 2001; Noe, Sears, & Fullenkamp, 1990).

Support During Change

Most participants utilized some sort of support while making financial change. Educational, social, and professional forms of support were most commonly used, with educational support cited most frequently. Examples of this support include educational courses, literary resources, friends and family members, and financial professionals and agencies.

Theoretical Implications

A review of recent financial behavior literature shows that application of the transtheoretical model of behavior change is becoming more common in the field of personal finance (Gutter et al., 2007; Kerkmann, 1998; Loibl & Hira, 2007; Shockey & Seiling, 2004; Xiao et al., 2001, 2004). The findings of this research further support the value of applying this model to understand financial behavior change. Many of the key findings in this study support both the stages of change and processes of change within the transtheoretical model.

Stages of Change

The transtheoretical model postulates that individuals pass through several stages on their paths toward change: precontemplation, contemplation, preparation, action, and maintenance (Prochaska & DiClemente, 1983). Women in the study followed patterns that indicated they progressed through these stages of change. Although the focus group participants self-identified as having already made financial changes, and had, therefore, reached the action or maintenance stage of change, answers to focus group questions asking them to reflect on how and why they made these changes indicated that participants had progressed through earlier stages of change before reaching the action and maintenance stages.

Processes of Change

The transtheoretical model also advocates ten processes of change that individuals often utilize to successfully progress from one stage to the next. These ten processes are categorized as experiential and behavioral, and include the concepts of consciousness-raising, dramatic relief, social liberation, environmental reevaluation, self-reevaluation, self-liberation, counter conditioning, stimulus control, reinforcement management, and helping relationships (Prochaska et al., 1996).

Many of the findings of this research support the validity of these processes of change. Participant motivations identified in this study appear to be independent from the constructs contained in the transtheoretical model. Goal-centered change, for example, does not fit well with the TTM. However, the purpose of the model is to identify the process of change rather than the motivations for change. Thus, the methods used by participants during their change processes align with the constructs of the model.

Experiential processes. Three of five experiential processes of change (Prochaska et al., 1996) are convincingly supported by the data. Consciousness-raising, defined as finding and learning new facts and ideas to support the desired behavior change, was a process utilized by many of the participants in the form of financial education. While some participants cited financial education as a motivation for change, the majority utilized education as a way of learning information to support their desired change. Dramatic relief, defined as experiencing negative emotions that accompany negative behaviors, was also experienced by many of the participants. Participants experienced negative emotions such as fear, embarrassment, guilt, anger, and jealousy during their progressions from early to late stages of change. Self-reevaluation, defined as realizing that behavior change is an important part of an individual's identity, was also experienced by many participants. Several women came to this realization as they observed the consequences of financial decisions made by people they knew. Witnessing both financially successful and unsuccessful family members and friends helped these participants become aware of their own financial success as part of their desired identities.

Two experiential processes of change as defined by Prochaska in models applied to health behaviors (Prochaska et al., 1996) were not reported by participants in this study. However, these concepts were alluded to or mentioned by participants in light of financial change. Social liberation, defined as realizing social norms are changing to support the positive behavior change, was not a concept commonly applied to personal finance until recently. Until the severe economic recession that began in December 2007, few social norms supported positive financial behaviors. As stated in the literature review, many Americans were not engaging in positive financial practices. However, this recent severe economic downturn has helped sway some social norms toward more responsible behavior such as increases in personal savings and spending control (National Foundation for Credit Counseling, 2009). Focus groups were held during 2008 during the depths of the recession. So, while the participants in this study may not have been influenced by social norms during their progression through the stages of change, several did mention feelings of relief and comfort as a result of the changes they made before America's economic crisis hit.

Environmental reevaluation, defined as realizing the harmful impact of negative behavior or the constructive impact of positive behavior on one's social and physical environment, was both supported and contradicted by participants. Some participants discussed the desire for changes in their physical environments as a process of change, mainly in the form of improving current living conditions. However, other participants noted a negative impact on social environment as a result of change. These negative impacts came in the form of judgmental family members who were unsupportive of controlled spending and who disapproved of fewer social engagements with friends and family due to cutbacks in spending.

Behavioral processes. All but one of the behavioral processes of change were supported by the data. Self-liberation, defined as making a firm commitment to change, was an action taken by every participant in this study. Most participants came to their decision to change after experiencing many of the experiential processes above, and demonstrated their commitment by engaging in essential steps of change such as budgeting, saving, seeking financial education, and reviewing personal financial statements.

Counter conditioning, defined as substituting positive for negative cognitions and behaviors, was also evident in participant processes. In fact, like self-liberation, counter conditioning was also evidenced by first steps of change. Further, participants demonstrated shifts in cognitive processes as a method for progression. Optimism, for example, was a tool used by many participants to continue their progression.

Stimulus control, defined as removing reminders or cues to engage in negative behavior and adding cues or reminders to engage in positive behavior, was evident in the actions of many participants, and was defined in Chapter IV as using “financial tricks.” Participants removed negative behavior stimuli by doing things like hiding or destroying credit cards, biking to the grocery store to limit the number of items purchased, using automated savings plans, and limiting access to savings funds by banking in other states.

Helping relationships, defined as seeking and using social support for positive behavior change, were used by most participants. Social support, as defined by this researcher, was obtained most often from family members. However, professional and educator support utilized by participants in this study could also be considered use of helping relationships.

Reinforcement management, defined as increasing rewards for positive behavior and decreasing rewards for negative behavior, was one behavioral process not heavily supported by this research. Financial and emotional rewards naturally resulted in the positive behavior changes of participants. However, very few participants indicated taking action to increase positive behavior rewards and decrease negative behavior rewards.

Summary

Considering the many theories and models available for both development and application of personal finance research, the transtheoretical model of behavior change has been very useful in interpreting and applying data gathered in this study. Data from this study support both the stages of change and processes of change contained within the model. While it was not the model initially chosen for application during development of the study, it was the best fit for the data. Further, the successful application of the model in this case provides support for the continued use of this model in personal finance and motivation research.

Strengths and Limitations

A few limitations of this study and its results exist. First, the qualitative nature of this research required that participants self-select for this study based on the specified criteria for participation. The subjects in this study do not represent the general population of American women. Each participant had already progressed through the stages of change in relation to financial behavior, making each inherently different from those who have not yet engaged in financial behavior change, or even those currently on the path toward change. Also, every woman in this study resided in the Cache Valley area in Utah at the time of the study, which means the focus group responses and results could have been affected by cultural, social, and religious factors unique to this region of the nation.

Another limitation to this research is inherent in the design. Participants were questioned about their experiences with financial behavior change after the change had occurred. Some participants had experienced their initial steps of change nearly two years before participating in these focus groups. Thus, recall bias could not be ruled out.

As is common in qualitative research, the researcher introduces some level of bias to the results of this study. The main researcher in this study is a firm believer in the benefits of positive financial behavior change, and has implemented some changes in her own life. As a result, she may unknowingly have provided opportunity for bias by exhibiting sympathies toward participants with similar experiences as hers, for example.

Although limitations were present in this study, as they are with any study, many strengths were also embedded in this research. The study was well designed to accomplish its objectives. The use of qualitative methods, particularly focus groups, was appropriate for this research topic considering the lack of prior research on the topic. Further, the structure of each focus group, particularly the questions chosen and their order, was carefully planned and organized by the researcher with the help of four financial professionals who provided insight about the most effective approach.

Research Recommendations

Suggestions for future research include further application of the TTM to financial behavior by studying individuals in the early stages of change, particularly precontemplation and contemplation. There is also a need for research on how helping professionals can assist in the progress of individuals stuck in early stages of change with further exploration of life transitions and individual goals as opportunities for change.

Another area in need of further exploration is how to reach the general population, not just those who enroll in financial education or counseling. Much of the current research focuses on individuals who have already self-selected for behavior change. The need exists to find out more about individuals who could benefit from behavior change but remain out of the reach of researchers. Studies about the nature of individuals who seek financial help versus those that do not, including differences in personality, risk aversion, life circumstance and demographics, and motivations for change, would help educators and those in the helping profession better target the financial help avoidant population. Further, studies about both men's and women's motivations for financial behavior change would be helpful considering many Americans make financial decisions and changes alongside a partner or spouse.

Finally, many women experience aversion to risk and have difficulty investing confidently. Research on women who do successfully overcome their risk aversion and choose wise investments confidently is needed. This information may shed light on barriers that exist for women who are risk averse, and how to effectively help women overcome those barriers.

Implications for Policy and Practice

The findings of this and related research suggest a great need for financial education improvements in America. Many of the participants of this study expressed frustration with the lack of financial knowledge they acquired from parents and schooling. While some states across the nation have added financial education courses to their high school curriculum requirements, most K-12 students do not learn about personal financial management in school. Further, the effectiveness of these programs in helping high school students take action on acquired financial education is less than conclusive. The National Endowment for Financial Education developed a High School Financial Planning Program (HSFPP) that has been shown to be effective in increasing teens' financial knowledge, behavior, and self-efficacy (Danes, Huddleston-Casas, & Boyce, 1999). Broader implementation of this type of program in high schools could help teens avoid financial pitfalls and be more prepared to make wise financial decisions later in life.

The findings of this research also suggest a need for the financial help sector (financial educators, planners, advisors) to develop marketing campaigns that effectively target individuals in the contemplation and preparation stages of change. Campaigns targeted toward individuals experiencing life transitions or financial crises could be effective in drawing those in need of change toward much needed financial services. A social marketing approach, one designed to improve personal or societal well-being rather than sell a product (Weinreich, n.d.), could be taken to help women consider life transitions before they occur, and reflect on how they might cope under similar circumstances. Such reflection may help women identify motivations for change without having to experience the life transition or event first hand.

A need for well-developed financial education programs targeted toward women also exists. Given that women are more likely to be single late in adulthood, less confident about retirement planning, and poorer later in life than men, the need to reach women and provide financial change strategies, tools, and opportunities is crucial. Critical to developing these programs is considering the issues faced specifically by women (as mentioned above). Second, educators should consider the implications of this research by incorporating principles from the TTM in the planning and implementation of programs, taking into account key life events or transitions that could create opportunity for reflection on personal financial goals, planning for and creating help for potential internal and external setbacks faced by women during change, and providing support options for women during change (social, educational, and professional).

Low confidence levels about financial issues experienced by many women are an indicator for financial educators, planners, and advisors that a need exists to boost women's confidence in their abilities to succeed financially. Results from this research indicate life transitions are a good time to target women and empower them to make changes and increase confidence about finances. Further, the women in this study showed that optimism about their ability to succeed, and about the future, helped them progress on their path toward change. Taking steps to instill optimism in existing clients could be helpful in aiding the confidence levels and success of women in need of financial change.

Finally, several participants indicated they learned poor financial habits from parents and family members. Involving children in family financial education and counseling could be a beneficial way to teach children important financial management skills, and expose them to the financial issues faced by adults.

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APPENDICES

Appendix A. Financial Professionals List

Financial Professional Interview List

Scot Allgood
Marriage and Family Therapist and Professor
Family Life Center
Utah State University

Glade Christensen
Financial Peace University Instructor
Zions Bank

Wendy Gittins
Family Life Center Financial Counselor
Utah State University

Kent Hauter
Certified Financial Planner
Harold Dance Investments
Logan, UT

Alena Johnson
Family Finance Lecturer
Utah State University

Cindy Stokes
Family Life Center Financial Counselor
Utah State University

Appendix B. Focus Group Consent Form

Informed Consent for Focus Group
Identifying Motivations to Encourage Women to Adopt Positive Financial Behaviors

Introduction

Megan Rowley, a graduate student in the Family, Consumer, & Human Development Department at Utah State University, is conducting a research study to identify what motivates women to take a first step toward financial freedom. This study is taking place under the supervision of Dr. Jean Lown, also of the Department of FCHD. You are invited to take part in this study.

Procedures

The study consists of focus group discussion of what motivated you to take your first step toward financial freedom. The focus groups will be held at the Lundstrom Student Center at Utah State University and will last about 1-1.5 hours. They will be tape recorded and transcribed. The tapes and transcripts will be kept in a locked cabinet in the researcher's office. Once transcribed, the tapes will be destroyed.

Risks

Participation in the focus group will not include any risk beyond what you choose to reveal about your personal finances or your attitudes about retirement or finances.

Benefits

There may not be any direct benefit to you from participating in the study. The results will aid education and planning professionals in developing more effective strategies to motivate women to take steps toward financial freedom. You will be offered an executive summary and access to the full findings of the research.

Explanation & Offer to Answer Questions

If you have questions you may contact Megan Rowley via phone at (435)797-0494, or via email at m.rowley@usu.edu.

Right To Withdraw Without Consequence

Participation in this research is entirely voluntary. You may refuse to participate or withdraw at any time without consequence.

Confidentiality

If you participate in the focus groups, all participants will be urged not to reveal any personal information which is discussed. If you wish, you may use a pseudonym to protect your identity. The researchers will maintain the confidentiality of all information from the focus groups.

Informed Consent for Focus Group
Identifying Motivations to Encourage Women to Adopt Positive Financial Behaviors

IRB Approval Statement:

The Institutional Review Board (IRB) for the protection of human subjects at Utah State University has reviewed and approved this research. If you have any questions or concerns about your rights as a participant or if problems arise which you feel can not be discussed with the researcher, please contact the IRB office at (435) 797-1821.

Copy of Consent

You have been given two copies of this Informed Consent. Please sign both copies and retain one copy for your files.

Investigator Statement

I certify that the research study has been explained to the individual by research staff, and that the individual understands the nature and purpose, the possible risks and benefits associated with taking part in this research study. Any questions that have been raised have been answered.

______________________	___________	______________________	________
Jean Lown Principal Investigator Dept. of Family, Consumer & Human Development Utah State University (435) 797- lown@cc.usu.edu	Date	Megan Rowley Graduate Student Dept. of Family, Consumer & Human Development Utah State University (435) 797-0494 m.rowley@usu.edu	Date

By signing below, I agree to participate.

______________________ ___________

Signature of Participant Date

Appendix C. Focus Group Questions

Phase I: Low-key Introductory Statement

1. You are all here because you have something in common: you have taken a step toward your financial freedom. I commend you for your efforts, and want to express my gratitude for your willingness to share your experiences here. The things you share will ultimately be beneficial in helping other women take steps toward their own financial security.

Phase II: Introduction to Topic and Background of Change

Everyone is here tonight/today because they have made some significant change(s) in their finances.

2. When did you first recognize the need to make financial changes in your life?
3. What life events or circumstances contributed to your financial situation?
4. How did you feel about your financial situation before deciding to make a change?
5. What was the first step you took toward financial behavior change?

Phase III: Motivators of Financial Behavior Change

6. What motivated you to take your first step toward changing your behavior?

    a. Overall, what was the most influential motivator in changing your financial behavior?

7. What individuals or organizations, if any, did you use to for support as you changed your financial behavior?

8. Sometimes what initially motivates us to change is different than what motivates us to remain on the path of change. What motivated you to change initially, and what has motivated you to maintain that change?

Appendix D. Coding Scheme of Results

Coding Scheme of Results

- **1: Circumstances before Change**
  - Cognition
    - Desire for Independence
  - Emotion
    - Fear
    - Guilt
    - Regret
    - Other Negative Feelings
  - Family Influence
    - Negative
    - Positive
  - Financial Status
    - Debt
    - Financial Crisis
    - Review of Personal Finances
  - Life Transitions
- **2: The Action of Change**
  - First Steps of Change
    - Multi-Faceted
    - Single Steps
  - Motivations for Change

- Goal-Centered
- Crisis-Centered

- Setbacks During Change
  - Internal
  - External
- Support During Change
  - Educational
  - Professional
  - Social
  - None

3: Strategies for Success

- Financial Tricks
- Had a Plan
- Financially Content
- Optimism
- Persistence
- Seized Opportunity