

## PURPOSE

- To investigate racial differences in money conversations
- To increase cultural competence of financial professionals and educators

## DATA

- Source: Rounds 2010, 2011, 2013 and 2015 of the 1997 National Longitudinal Survey of Youth (NLSY97)
- Sample Size: Total 29,096
- Racial Proportion: Black 28%, Hispanic 21, NBNH 51%

## RESULTS

Table 1. Race by Whom Spoke to About Money (Proportions of Sample N=29,096)

Race	Spouse/Partner	Family	Friend	Fin Prof	Other Prof	No One
Black	3.42%	4.46%	1.66%	2.95%	0.35%	87.15%
Hispanic	6.35%	3.70%	0.86%	2.26%	0.26%	86.57%
NBNH	9.95%	6.56%	1.10%	3.11%	0.25%	79.03%

## LITERATURE REVIEW

- Black respondents are more likely to engage a financial planner than other racial groups (Elmerick, Montalto & Fox, 2002; Hanna, 2011; White & Heckman, 2016)
- Lack of trust and a desire to conceal vulnerabilities affect financial behaviors of Black respondents ((Chambers & Kravitz, 2011)
- Money conversations can increase 1) intimacy, 2) financial well-being, and 3) insight into financial situations (Kashdan, McKnight, Fincham, & Rose, 2011; Skogrand, Johnson, Horrocks, & DeFrain, 2011).

## VARIABLES

- Dependent variable with Six responses (Partner, Family, Friends, Financial Professional, Other Professional, No One)  
 Q1. In the past twelve months, who have you talked with about money issues most often?  
 Q2. In the past twelve months, have you talked with anyone about how to handle your finances?
- Independent variable  
 Race/Ethnicity: Black, Hispanic, and Non-Black/Non-Hispanic
- Control variable  
 Marital, Health, Education, Income, Area, Age, and Year

## RESULTS

Table 2. Mixed Effect Logistic Regression

Ref	Partner			Family			Friend		
	β	SE	p-value	β	SE	p-value	β	SE	p-value
Race(NBNH)									
Intercept	-3.888	0.135	<0.0001	-2.398	0.131	<0.0001	-4.257	0.251	<0.0001
Black	-0.579	0.090	<0.0001	-0.367	0.083	<0.0001	0.458	0.137	0.001
Hispanic	-0.163	0.084	0.053	-0.480	0.094	<0.0001	-0.070	0.173	0.684
Ref	Fnanc Prof			Other Prof			No One		
	β	SE	p-value	β	SE	p-value	β	SE	p-value
Race(NBNH)									
Intercept	-3.864	0.171	<0.0001	-5.77	0.507	<0.0001	1.889	0.092	<0.0001
Black	0.144	0.097	0.139	0.012	0.268	0.965	0.273	0.06	<0.0001
Hispanic	-0.142	0.111	0.201	-0.201	0.309	0.516	0.323	0.064	<0.0001

## RESEARCH QUESTION

Does race have an effect on whom respondents talk with about money?

## METHOD

Mixed Effect Logistic Regression

$$\log\left(\frac{p}{1-p}\right) = X\beta + Z\gamma$$

Where  $p$  is the probability of some event,  $X$  is the vector of fixed effects, and  $Z$  is the vector of random effects

## CONCLUSION & LIMITATIONS

### Conclusion

Black respondents less likely than NBNH to talk to a partner or family member about money, but more likely than NBNH to talk to a friend or no one about money

### Limitations

- Omitted variable bias among the control variables
- No information about quality of money conversations

## Reference & Contact