



FINANCIAL TRANSPARENCY AND MARITAL SATISFACTION

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Key words:

Financial transparency, Marital satisfaction; Financial trust; Social exchange theory

ABSTRACT

Previous studies suggest that financial distress, financial management, and financial counselling can impact relationship satisfaction among married couples. Utilising a unique Financial Transparency Scale (FTS), we examine the relationship between couples' financial transparency and their marital satisfaction. We demonstrate that couples who jointly engage in financial partnership activities, such as making joint financial decisions, financial planning, and budgeting, experience a higher level of relationship satisfaction. We additionally find a positive association between a married person's relationship satisfaction and the degree to which their partner is financially transparent. Our ordinal regression results highlight the importance of financial trust and open financial discussions.



Introduction

Among married couples, consumer debt, financial disagreements, and a lack of financial assets are all associated with a higher divorce rate, and even marriages that continue become more unstable as these issues increase in severity (Johnson et al., 2023; Juhari & Sarani, 2020; Karney & Bradbury, 2020; Kelley et al., 2022; Lee & Dustin, 2021). In contrast, when couples fight less about money, they are more committed to the marriage and feel more respect for each other (Addo & Zhang, 2020; Evertsson & Nyman, 2021; Wheeler & Brooks, 2023). It should come as no surprise that, more generally, an individual feeling financially dissatisfied and strained tends to have less overall satisfaction with his or her marriage (Falconer & Jackson, 2020; Kruger et al., 2023).

“Financial transparency” represents a novel measure of how couples interact on issues concerning money. To be precise, relationships are considered more financially transparent when couples are open about their financial decisions (Koochel et al., 2020). We apply this novel financial transparency scale (Koochel et al., 2020) to couples’ survey response data gathered from a convenience sample of faculty and staff at a large university in the southern United States and employ an ordinal (ordered) regression empirical analysis.¹ We find that measures of financial partnership, along with trust and disclosure, relate positively to relationship satisfaction. It is also the case that one’s level of financial transparency relates positively to their spouse’s relationship satisfaction. We consider this work to be a unique addition to the literature since we are among the first to empirically document the importance of this new concept of financial transparency and to test it within the realm of relationship satisfaction. We hope that future authors will employ additional samples and analyses to extend and strengthen our novel findings.

Literature Review

Finances and Marriage

Marriage and finances are inextricably linked (Hill et al., 2023; Olson & Rick, 2022). Having fewer financial assets (Dew, 2009; Johnson et al., 2023; Juhari & Sarani, 2020), more consumer debt (Dew, 2011; Williamson et al., 2013), and more frequent financial disagreements, particularly about big-ticket purchases and expenses (Britt and Huston, 2012; Meyer & Sledge, 2021; Peetz et al., 2023) are all associated with lower levels of marital satisfaction and a higher probability of divorce. Finances also relate to general marriage destabilisation, with Gudmunson et al. (2007) finding a positive correlation between greater perceived financial strain and increased marital instability.

Higher levels of marital commitment and respect are additionally related to decreased financial conflict (Dew and Stewart, 2012; Kelley et al., 2022). Conversely, when couples say that they are experiencing higher levels of financial strain—whether from their own or their partner’s perception—marital satisfaction is less likely to stabilise the relationship (Archuleta et al., 2013; Gajos et al., 2022; Kelley et al., 2018).^{2,3} It is even the case that perceiving one’s partner as a “tightwad” versus a “big spender” may affect marital happiness (Kelley et al., 2022).

¹ While this is a very new indicator, there are already one or two studies that have operationalized the FTS in other contexts. As an example, Ross et al. (2022) used the FTS to find that childhood trauma affects one’s relationship style in terms of financial transparency.

² As an added benefit, even after accounting for the effects of debt, savings, investments, and relationship satisfaction, higher levels of financial management increased overall individual happiness (Spuhler and Dew, 2019).

³ Controls of this form are important since income and economic pressure themselves predict increased financial conflict and increased relationship distress (Britt and Huston, 2012; Cano et al., 2002; Dew and Stewart, 2012; Markman et al., 2010).



In keeping with the idea that communication helps many marriages thrive (Bourdeaux & Bright, 2021), the goal of our larger research is to create an improved methodology in joint financial and marital counselling. To date, very few marital counselling interventions have included financial training, and there remains a dearth of studies that examine the effects of this training on improving marital happiness and marital stability.⁴

Despite a handful of papers indicating that couples may tend to favour going individually to financial counselling (Zeamer & Estey, 2021) or that couples are happier when they stay in their own lanes in terms of financial responsibilities (Gupta et al., 2022), there are several studies showing the opposite pattern. Couples who choose to merge their finances and manage them together tend to experience higher marital satisfaction (Olson et al., 2023), as do couples who perceive that they are receiving marital support through some sort of intervention (Ross et al., 2021). Taken together, there does seem to be a place for marital counselling involving financial training and intervention.

Papers in the burgeoning field of financial intervention indicate an overall improvement in marital longevity and satisfaction after introducing financial management practices (Dew & Xiao, 2013; Kerkmann et al., 2000; Ksendzova et al., 2017; Skogrand et al., 2011; Zimmerman & Roberts, 2012).⁵ To this end, a primary goal of our research is to determine how transparency, or a lack thereof, may benefit or harm members of a couple in terms of their relationship satisfaction.

Financial Transparency and Marriage

Financial transparency is defined as the practice of spouses openly and honestly sharing financial information with one another (Koochel et al., 2020). The opposite extreme of a relationship, now termed ‘financial infidelity,’ would involve individuals in the couple hiding and lying about financial information (Garbinsky et al., 2020). In fact, social exchange theory predicts that financial transparency will differ based on a cost-benefit calculation employed by each person in the couple (White & Klein, 2002). Specifically, each tries to avoid being exploited in the relationship by disclosing information (cost) but also values a potential increase in marital happiness (benefit) resulting from said financial disclosure (Thibaut and Kelley, 1959). Ultimately, it appears that withholding information and engaging in financial dishonesty is a large part of why relationships fail (Saxey et al., 2022).

In the context of financial transparency, a partner may, for example, choose to withhold information regarding an expensive purchase because the perceived benefits of conflict avoidance outweigh the potential costs of withholding information (Koochel et al., 2020). Decreased financial transparency can also lead to feelings of a power imbalance in the relationship and a decreased sense of fairness (Evertsson & Nyman, 2021), which may ultimately lead to the downfall of the marriage (LeBaron-Black et al., 2024). Specifically, the partner perceiving themselves to be less powerful is more likely to conceal money in a secret account or engage in other instances of financial infidelity (Weil, 2009). Unfortunately, these choices to withhold information regarding spending, i.e., a decrease in financial transparency, may ultimately impact the relationship satisfaction of the other partner in the relationship (Britt et al., 2008).

⁴ In this vein, a recent article by Irving (2021) highlights the importance of psychological factors related to financial planning during the COVID-19 pandemic and onwards.

⁵ Financial management includes various activities such as budgeting, saving, and maintaining insurance. This is in keeping with the literature on the importance of financial literacy training. See Vaghela et al. (2023) for an example in the context of university students.



The present analysis makes its contribution in this regard. Specifically, we employ data on financial transparency and use the financial transparency scale introduced by Koochel et al. (2008) to determine how it relates to marital satisfaction.⁶ Due to the novelty of the indicator, we are one of the first studies to employ this methodology. We believe our results are critical to understanding relationships in the area of financial transparency within the larger context of seeing how finances and marriage intertwine. In particular, our very novel contribution to the literature is in determining how a person's perception of his or her partner's financial transparency affects marital satisfaction. Specifically, our Hypotheses are:

Hypothesis A

H_{0A} : An individual's marital satisfaction is unaffected by their own level of financial transparency.

H_{1A} : An individual's marital satisfaction is positively affected by their own level of financial transparency.

Hypothesis B

H_{0B} : An individual's marital satisfaction is unaffected by their partner's level of financial transparency.

H_{1B} : An individual's marital satisfaction is positively affected by their partner's level of financial transparency.

Research Methods

Sample Selection

Faculty and staff at a large university in the southeastern United States were recruited (by email blast) in May-June 2022 for our online survey. The initial email of invitation (May 25th, 2022) was followed by two follow-up emails of invitation spaced, respectively, two weeks later and one month later. Each email contained the same instructions. We employed a convenience sample with a total of 163 potential participating faculty and staff. Of these, we received responses from approximately 28%. While low, we felt that this was in keeping with response rates from other comparable surveys during this time, such as the Household Pulse Survey (Peterson et al., 2021). Inclusion criteria required that participants be (1) married or cohabiting for at least five years and (2) in a monogamous relationship. After choosing to participate, the partners were asked to privately complete the survey in a separate and sequential fashion.

Participants were asked to employ an anonymous email address, and their answers were linked to those of their partner through a unique code of the first partner's choosing. After both partners in the relationship had completed the identical survey, each of them was emailed a \$25 Amazon claim code. This procedure ensured confidentiality and survey independence in how partners answered questions in each of their individual surveys.⁷

Our total sample of first-responding partners who had completed the full survey included 40 individuals; however, 11 of their partners either provided incomplete responses or did not

⁶ The Financial Transparency Scale (FTS) was introduced by Koochel et al. (2020), and it was designed to correlate with the Kansas Marital Satisfaction Scale, as well as the Shared Goals and Values Scale (Archuleta, Grable and Britt 2013).

⁷ Our study was deemed IRB-exempt.



respond at all. Additionally, one partner completed the survey twice. Our final sample thus included 28 couples composed of 56 individuals. Although we did not specifically target couples based on their gender composition, the final sample included exclusively heterosexual couples. As a caveat, we note that it may be difficult to generalise our sample to a larger population with varied incomes and lower levels of education and that our results should be interpreted with this in mind.

Questionnaire Content

In addition to the inclusion criteria, our survey included four sections focused on: (1) happiness in, and strength of, the relationship, (2) confidence regarding one's financial situation,⁸ (3) financial transparency and trust, and (4) demographic characteristics.

In the first section, respondents first rated their relationship satisfaction using a seven-option Likert-type item, increasing from "Very dissatisfied" (=1) to "Very satisfied" (=7). They next projected the likelihood of the partnership remaining intact in five years. This value ranged from "Absolutely not/Definitely not" (=1) to "Absolutely/Definitely" (=7).

Participants next ranked their feelings about their finances and their emotional state in reference to these finances (worried, anxious, stressed). We use those questions from the 2018 National Financial Capability Survey (NFCS) conducted by FINRA (Financial Industry Regulatory Authority), a government-authorised not-for-profit organisation that oversees U.S. broker-dealers. FINRA is authorised by Congress to protect and support America's investors. FINRA's NFCS has provided data on financial behaviours, attitudes, etc. Those responses to seven questions employed an increasing seven-point Likert scale where 1 = "Strongly disagree" and 7 = "Strongly agree."

Section three included all 25 questions from Koochel et al.'s (2018) Financial Transparency (and trust) Scale. We were particularly interested in the frequency with which partners engaged in various financial communications, such as planning, keeping records, and deciding together, as well as the frequency with which they engaged in financially trusting behaviours. These would include disclosing earnings or disclosing a bonus. These questions were coded using a five-item response scale ranging from 1 = "Never" to 5 = "Always."

Finally, following Gudmunson et al. (2007) and Britt et al. (2008), we collected demographic information focused on each participant's age, number of children, racial identity, and birth nationality (U.S. vs. non-U.S.), as well as an open-ended estimate of their household's net worth.

Data Scaling

In addition to examining individual question responses, we also created "scaled" scores focused on "topic areas." Items were initially rescaled to a numeric value ranging from zero to one prior to employing an arithmetic averaging procedure.⁹ Specifically, we created these three scales:

- (1) Action and Transparency: Composed of twenty-five (five-item response) financial communication questions.

⁸ We did not ask couples if they were currently, or had previously, engaged the services of a financial planner. This is noted as a caveat.

⁹ We do not believe there are scaling concerns, as the scaled variables display approximately the same range as the non-scaled variable in other categories.



- (2) Financial Concern: Composed of four (five-item response) questions related to the participants' concern for and confidence in their financial situation.
- (3) Psychological Worry: Composed of three (seven-item response) questions related to an individual's emotional reactions to their financial situation.

Model

In the ordinal (ordered) regression analysis, we test for an association between financial disclosure behaviours—financial partnership, transparency, trust & disclosure—with relationship satisfaction. We are interested in both one's own and one's partner's level of satisfaction. Because relationship satisfaction is a categorical variable measured on an ordinal scale, an ordinal regression analysis is the most appropriate functional form. We further believe that determining how our other right-hand-side control variables relate to relationship satisfaction provides valuable insight into couple dynamics in the context of financial transparency.

To be precise, for individual i with partner j , we have:

$$\text{Relationship Satisfaction}_i = f(\text{NumKids}_i, \text{Age}_i, \text{Race}_i, \text{Birth Location}_i, \text{Financial Transparency}_i, \dots, \text{Financial Transparency}_j, \text{Financial Partnership}_i, \text{Financial Partnership}_j, \text{Financial Concern}_i, \dots, \text{Trust and Disclosure}_i, \text{Trust and Disclosure}_j, \text{TimeInMarriage}_i, \text{NetWorth}_i)$$

Where TimeInMarriage_i indicates how long the individuals have been married as specified by time grouping breakdowns. In terms of standard demographic controls, Race_i indicates the individual's race as specified by a Boolean indicator; Age_i indicates an individual's age after categorical breakdowns; Birth Location indicates whether the individual was born in the United States, born abroad to non-U.S. citizens, or born abroad to U.S. citizens; and NumKids_i indicates the number of children in the house in categorical groupings.¹⁰ $\text{Financial Concern}_i$ was created as a scaled average of seven questions related to financial worry/concern (1-7). In terms of money, NetWorth was defined as an individual's specified Assets- Liabilities (\$000), when Assets include cash, saving and checking account balances, real estate property value, retirement money, and cars. The regression specification employed $\text{Ln}(\text{NetWorth})$.

In terms of variables from the FTS, the first 18 of the 25 five-option item questions from the Koochel et al. (2020) FTS scale were grouped into the category of *Financial Partnership*, the next three were grouped into the category of *Financial Transparency*, and the last four were grouped into the category of *Trust and Disclosure*. The *Financial Transparency* variable was derived by reversing the answers to the three financial secrecy questions. For each of these categories, the i or j subscript indicates whether the individual's feelings or their partner's were used to construct the variable.¹¹

Our left-hand variable, *Relationship Satisfaction*, included a set of Boolean indicators for whether the individual was: 1=Very dissatisfied, 2=Dissatisfied, 3=Somewhat dissatisfied,

¹⁰ Time in Marriage included the categories: 1-6 years, 7-12 years, 12-16 years, and >16 years. Race included the categories: White/Caucasian, Hispanic/Latin, Black/AfrAm, Asian, and Other race. NumKids included the categories: 0, 1, 2, 3, 4, 5 or more. Age included the categories: 18-25 years old, 25-35 years old, 35-45 years old, 45-55 years old, 55-65 years old, and >65 years old. For Birth Location, we have 1=Born in the US or Territories, 2=Outside the US to US Citizen parents, and 3=Outside the US to non-citizen parents.

¹¹ Three FTP variables are constructed as the average values of the related questions. We also employed Koochel et al.'s (2020) factor loadings to compute weighted averages. Results remained qualitatively similar in both instances.

4=Neither dissatisfied nor satisfied, 5=Somewhat satisfied, 6=Satisfied, 7=Very satisfied with their relationship.¹²

Results

Summary Statistics

Demographics and Happiness

In terms of age, 35-45 year-olds compose almost half of the sample (43%), and a significant majority of respondents fall between the ages of 25 and 55. The sample is also mostly composed individuals identifying as white (71.4%) followed by Asian (14.3%) and Hispanic/Latin (7.1%). Individuals identifying as Asian are overrepresented in our sample compared with the 2023 U.S. Census (6.3%), and individuals identifying as Hispanic are underrepresented in our sample as compared to their representation in the 2023 Census (19.1%).¹³

Since foreign-born individuals in the 2023 US Census comprise only 13.9% of the overall population and 75% of our sample participants were born in the U.S. or its territories, foreign-born individuals are overrepresented (25%). Nevertheless, it appears that these distributional differences in race and birthplace as compared to the general population are reflective of those in other US Universities (Weber and Yang, 2014).

Respondents also generally have some children living at home, with 43% of respondents reporting that they have two children under the age of eighteen living at home, and 27% reporting three or more children.

Our survey is generally composed of individuals in “happy” relationships, with participants scoring an average of 6.41 on the seven-point Likert scale on relationship satisfaction and 6.75 on the seven-point scale for the likelihood of remaining together for at least five years. The scores are also relatively concentrated, with a narrow spread (s.d. ~ 1) on relationship satisfaction and an even narrower spread on relationship longevity (s.d.=.61). This last piece of information indicates that not only are respondents generally happy, but there are also a few unhappy outliers in the data.

In terms of *Financial Concern*, this scaled variable has a mean value of 3.2, and a standard deviation of 1.1. It ranges in value from a low of one to a high of 5.43. We take this as evidence that individuals were not particularly concerned or unconcerned with their finances.

Financial Transparency

Participants also reported that they “occasionally” engaged in *financial partnership* activities (average score of 3.2, s.d. 0.95), and they were very transparent in their financial transactions, purchases, and spending, with an average *financial transparency* score of 4.6. Finally, values for our *trust and disclosure* activity score are also relatively high (average of 4.3). We take this as

¹² Robustness analyses collapse the indicators to account for the possibility that not all seven categories in the Likert Scale are particularly distinct. Regression results did not qualitatively change with the collapsed indicators.

¹³ All Census Estimates can be accessed from the American Community Survey tables located at: <https://www.census.gov/programs-surveys/acs/data.html>



Table 1. Variable Distribution

Panel A: Age			
Age category	Frequency	Percent	Cum Percent
1=18~25	3	5.4	5.4
2=25~35	13	23.2	28.6
3=35~45	24	42.9	71.4
4=45~55	12	21.4	92.9
5=55~65	3	5.4	98.2
6= >65	1	1.8	100.0
Total	56	100.0	
Panel B: Race			
Race	Frequency	Percent	Cum Percent
1=White/Caucasian	40	71.4	71.4
2=Hispanic/Latin	4	7.1	78.6
3=Black/AfrAm	1	1.8	80.4
4=Asian	8	14.3	94.6
5=Other	3	5.4	100.0
Total	56	100.0	
Panel C: Birth location			
Birth location	Frequency	Percent	Cum Percent
1= US/Territories	42	75.0	75.0
2=Outside US Citizen parents	1	1.8	76.8
3=Outside US non-citizen parents	13	23.2	100.0
Total	56	100.0	
Panel D: Number of children under 18 living at home			
Number of children	Frequency	Percent	Cum Percent
0	13	23.2	23.2
1	4	7.1	30.4
2	24	42.9	73.2
3	9	16.1	89.3
4	4	7.1	96.4
5 or more	2	3.6	100.0
Total	56	100.0	

evidence of moderate levels of both financial transparency and financial trust displayed by the couples in our sample.

Ordinal Regression

Table 3 displays both the coefficient estimates and the related odds ratios stemming from our ordinal regression analysis.¹⁴ One important analysis method we employed is called the “test of parallel lines.” The associated null hypothesis is that the slope coefficients are identical across the various response categories. Since we failed to reject the null hypothesis, there

¹⁴ Both the significance of the chi-square value and the relative strength of the pseudo R² (.349-.568) gives overall credence to our choice of right-hand-side variables in the analysis.



Table 2. Summary Statistics

(n = 56)		Min	Max	Mean	Std. Dev
You have been part of the relationship in question for how long?	1=1~6years 2=7~12 3=12~16 4= >16	1	4	2.79	1.155
If you had to rate your relationship satisfaction/quality, it would be	1=Very dissatisfied 2=Dissatisfied 3=Somewhat dissatisfied 4=Neither dissatisfied nor satisfied 5=Somewhat satisfied 6=Satisfied 7=Very satisfied	2	7	6.41	1.041
In your opinion, the Likelihood that you will be with your partner in 5 years is:	1=Absolutely not 2=Extremely unlikely 3=Unlikely 4=Unsure 5=Likely 6=Extremely likely 7=Absolutely	4	7	6.75	0.611
Financial Concern: Average of 7 worry/concern variables		1.00	5.43	3.2015	1.1188
Financial Partnership: Average of 18 variables from Koochel et al. (2020)		1.22	5.00	3.2321	0.9518
Financial Transparency: Average of 3 reversed "Financial Secrecy" variables ¹		2.00	5.00	4.5536	0.7143
Trust & Disclosure: Average of 4 related variables		1.00	5.00	4.2768	0.8403

¹Value of 5 denotes 'Never Lie.'

Source: AUTHOR CALCULATIONS.

is some evidence for a similar association between *financial partnership, transparency, and trust and disclosure* with the level of relationship satisfaction. As one example of an important association, when financial concern increased by 1 unit, relationship satisfaction had a 94% probability of decreasing by one category. Despite our interpretation, however, we note the possibility that couples who always disclose or plan with their partners may, in fact, be more subject to 'control' or 'distrust' rather than true partnership, and this may explain some of our later negative correlations between relationship satisfaction and either trust or financial partnership.¹⁵

Regarding our primary research hypotheses, we find evidence for rejecting both H_{0A} and H_{0B} . In particular, it appears that one's level of financial transparency relates positively with that person's level of relationship satisfaction. It is also the case that one's partner's *financial transparency* relates positively with that individual's own level of relationship satisfaction. Specifically, increasing the partner's financial transparency score by one point means that the individual is 127% more likely to experience a one-point increase in their own marital satisfaction. In short, individuals who are more open and transparent with their partner about their finances tend to be happier with the relationship themselves and also have partners who are more satisfied with the relationship. Our findings underscore the importance of couples engaging in open and honest financial conversations to help increase transparency and, ultimately, increase relationship satisfaction.

¹⁵ We would like to thank the editorial team for this suggested possible interpretation of relationships.



Table 3. Ordinal Regression

	Estimate	SE	Sig.	Odds Ratio
Financial Worry	-2.840	0.850	0.001	0.058
NumKids	1.343	0.493	0.006	3.830
Ln(NetWorth)	-0.337	0.327	0.302	0.714
Financial Transparency (self)	0.240	0.305	0.431	1.272
Financial Transparency (partner)	0.818	0.347	0.018	2.267
Financial Partnership (self)	-0.170	0.067	0.011	0.844
Financial Partnership (partner)	-0.008	0.042	0.855	0.992
Trust and Disclosure (self)	-0.498	0.265	0.060	0.608
Trust and Disclosure (partner)	-0.547	0.344	0.112	0.579
Marriage Length: 1~6 years	3.440	2.193	0.117	31.192
Marriage Length: 7~12 years	2.965	1.478	0.045	19.395
Marriage Length: 12~16 years	1.100	1.301	0.398	3.005
Marriage Length: >16 years	0 ^a			
Age=1	-3.352	3.590	0.350	0.035
Age=2	-0.028	2.982	0.992	0.972
Age=3	-0.448	2.550	0.861	0.639
Age=4	-0.601	2.292	0.793	0.548
Age=5	23.515	8109.108	0.998	1.631*10 ¹⁰
Age=6	0 ^a			
Race=1	-18.439	7322.549	0.998	0.000
Race=2	-18.784	7322.549	0.998	0.000
Race=3	-3.304	0.000		0.037
Race=4	-21.713	7322.549	0.998	0.000
Race=5	0 ^a			
Pseudo R ² :	Cox and Snell= 0.481	Nagelkerke= 0.568	McFadden= 0.349	
	Chi ² = 36.736	Df= 21	Sig.= 0.018	
Test of Parallel Lines	-2 Log Likelihood	Null Hypo	General	
	Chi ² = 30.333 ^c	Df= 42	Sig.= 0.910	38.285

The dependent variable, **Satisfaction**, denotes the answer to the question 'If you had to rate your relationship satisfaction/quality, it would be: 1=very dissatisfied, 2=dissatisfied, 3=somewhat dissatisfied, 4=neither dissatisfied nor satisfied, 5=somewhat satisfied, 6=satisfied, 7=very satisfied.'

Source: Author Calculations.

It is also the case that *financial partnership* relates negatively to relationship satisfaction, while *trust and disclosure* have a weakly negative correlation with relationship satisfaction. Although the negativity of both relations is surprising, the relative sizes of the effects are small. Changing *financial partnership* or *trust and disclosure* by 1 unit means that there is only a 15% or 40% likelihood that relationship satisfaction will decrease by one level. This implies very little in the sense of behavioural implications since we have below a 50% chance of changing levels at all. It is also possible that the relatively higher correlation between *financial partnership* and *trust & disclosure* (.53) may be partially responsible for these results.

As a final point, the length of the relationship and the number of children under 18 living at home are each positively related to an individual's relationship satisfaction. In contrast, neither



age, net worth, nor race showed any significant correlation with relationship satisfaction. We take the first point as potential evidence of self-selection in terms of individuals choosing to have children and stay together for longer period of time when they are happier with the relationship. The lack of statistical relationship for age and race with satisfaction, controlling for length of the relationship, makes sense, since age should not have a significant impact, and the lack of impact in race implies no discernible community-level patterns. In contrast the lack of a significant relationship with net worth may imply the need for a more precise estimator, such as household income.¹⁶

Conclusion and Discussion

Our findings suggest that financial secrecy in couples relates negatively to one's partner's relationship satisfaction. One potential pathway is that deceiving one's partner in terms of finances erodes trust, and the resulting sense of betrayal will hinder open communication. This lack of communication will ultimately decrease relationship satisfaction. Nevertheless, this is not the only potential pathway for the stated correlations, and bidirectional pathways are possible. For example, when individuals feel dissatisfied in their relationship, they may be more inclined to engage in less transparent financial behaviours, such as hiding or lying about spending. The lack of financial transparency could in fact result from, rather than cause, dissatisfaction in the relationship and a desire to exert control or independence. It is also possible that some omitted factors simultaneously influence financial transparency and relational satisfaction. This variable may arise from any of the individual characteristics, external circumstances, or from other relational dynamics.

Caveats

Due to our study's relatively small sample size, more sophisticated tests of causality are not available, and we would require additional larger samples to potentially structure more sophisticated analyses. These structural equation models or longitudinal designs could better account for the potential endogeneity and simultaneity of the relationship between financial transparency and relational satisfaction. These tests would also serve to enhance the reliability and generalisability of findings.

On a related note, having a larger sample size and employing an additional qualitative approach to understand how partners understand and interpret the survey would be beneficial. To be precise, this type of future study would allow us to further explore the possibility that individuals who 'always' plan and discuss every purchase with their partners may see this as overkill rather than as a method of collaborative planning and communication.

It is also the case that our sample is relatively skewed in terms of (1) a design including a greater number of higher income and higher education participants, (2) more Asian, foreign-born, and heterosexual individuals, and (3) higher age and higher net worth individuals. As a result, our findings may not necessarily generalise to the population at large or to lower-income groups. Furthermore, the lower correlation between Relationship Satisfaction and net worth

¹⁶ It is also possible that since university employees enjoy a relatively high level of job stability, net worth also has little impact on marital satisfaction.



may imply that net worth is not an adequate estimator of income and future questionnaires should be more precise in focusing on household income. In terms of Relationship Satisfaction, the smaller range of responses obtained in response to this query implies that the individuals choosing to participate in our study are likely self-selecting and enjoy greater satisfaction in their relationships than does the population at large.

While our research is seminal in being one of the very first empirical analyses on the topic, we would suggest replication analyses using larger sample tests as the next logical research focus.

Implications and Comparisons

Our work provides several practical implications for both consumers and finance professionals. First, our results are in keeping with others in the literature, indicating that Financial Concern and Financial Worry relate to higher marital dissatisfaction, and individuals should be aware of this pattern (Wheeler and Brooks, 2022). Second, it appears that individual consumers may be able to foster greater relationship satisfaction for their partners by increasing their level of financial transparency. Finally, in terms of professional interventions, financial planners and couples' therapists should consider altering their counselling approach depending on whether they are working with just one or with both partners in the relationship. We offer this suggestion since one partner's financial secrecy—such as a lack of transparency—has the potential to damage the other partner's relationship satisfaction. These issues may become particularly apparent when both individuals are involved in the counselling process.

Acknowledgements

We would like to thank Daniel Benjamin, Randi Sims, and Rebecca Abraham, for helpful comments and suggestions. We would also like to thank our university for awarding us a President's Faculty Research and Development Grant (PFRDG) to help fund our research. Award ID: 335470.

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Appendix: Survey Questionnaire

Cover Letter

Our goal is to understand how financial transparency is operating in couples, with the goal (at a later stage) of helping to improve relationships. Summary Statistics and aggregate results will be published from this survey. At this stage, we are only requesting that individuals and their partners fill out our survey, and no other follow up is required for the compensation. This survey is not currently available to individuals outside of our college, so please do not pass it on to anyone who is not on this email list.

For those of you who are **legally married or who are in a cohabiting relationship (for at least 5 years)**, we kindly request that you fill out the *short* Qualtrics survey we have designed. You and your partner will be compensated for doing so.

This project is a result of a PFRDG grant collaboration between **Provost Dr. Ronald Chenail (co-PI), Dr. Young Baek (co-PI), and myself (Dr. Florence Neymotin, PI)**.

Your information will be protected and deidentified, with no point of contact with any of your personal information except for a (NON-NSU) email address that you will provide to receive compensation. We request that you and your partner each choose an anonymized email address for this point of contact. Some of you may choose to create an extra gmail address solely for this purpose. You will also need to choose a password to share with your partner for them to complete their survey.

Your compensation will be two \$25 gift cards (=\$50 total) after you and your partner have both filled out your surveys. You will be given a link to the next survey to pass to your partner that you should copy and send to them before you submit the survey. You will also need to share with them the password that you create for the purpose of this survey. The question content of their survey will be essentially identical to yours. Please also do not fill out more than one copy of the survey. You may leave the survey and return to it when you are ready to complete it.

Finally, we plan to **collect all data on or before the end of June**, so you will need to make sure that your and your partner's surveys are completed and submitted by (at latest) the end of June. This will be required to be eligible for compensation.

Survey Link: https://nsubusiness.qualtrics.com/jfe/form/SV_envzEBanZ52ICMe [currently disabled]

If you and your partner both completed the survey from the email below, you should have now just received a claim code that can be used for redeeming an amazon gift card.

Make sure to go to spam and check there in case you can't immediately find the emails. If you have not yet received a \$25 claim code for you and one for your partner, and you believe you did the survey, it is likely that your partner did not yet complete the survey in its entirety, or they did so without providing your special password to link the two surveys together.

Additionally, we have a few extra gift cards, so for those of you who did not do the survey yet at all, please go ahead and have yourself and your partner do the survey. First come first serve until they run out! Remember, both you and your partner need to individually complete the surveys in order to be eligible.

Survey Questionnaire

Introductory Relationship Questions:

1. What is your current relationship status/situation?
 - Legally Married
 - Cohabiting for over 5 years
 - Other
2. Your relationship consists of:
 - 1 male and 1 female
 - 2 females
 - 2 males
 - More than 2 individuals
3. You have been a part of the relationship in question for how long?
 - <1 year
 - 1-6 years
 - 7-12 years
 - 12-16 years
 - >16 years
4. If you had to rate your relationship satisfaction/quality, it would be:
 - Very Dissatisfied
 - Dissatisfied
 - Somewhat Dissatisfied
 - Neither Satisfied nor Dissatisfied
 - Somewhat Satisfied
 - Satisfied
 - Very Satisfied
5. In your opinion, the Likelihood that you will be with your partner in 5 years is:
 - Absolutely Not
 - Definitely Not
 - Extremely Unlikely
 - Unlikely



- Unsure
- Likely
- Extremely Likely
- Absolutely, Definitely

Financial Worry and Saving Choices:

The first set of questions looks at your opinions, feelings, and choices about finances:

*[Questions 6-12 constitute the **Financial Concern** variable.]*

6. I worry about running out of money in retirement
 - Strongly Disagree
 - Disagree
 - Somewhat Disagree
 - Neither agree nor disagree
 - Somewhat agree
 - Agree
 - Strongly Agree
7. Thinking about my personal finances can make me feel anxious
 - Strongly Disagree
 - Disagree
 - Somewhat Disagree
 - Neither agree nor disagree
 - Somewhat agree
 - Agree
 - Strongly Agree
8. Discussing my finances can make my heart race or make me feel stressed
 - Strongly Disagree
 - Disagree
 - Somewhat Disagree
 - Neither agree nor disagree
 - Somewhat agree
 - Agree
 - Strongly Agree
9. Because of my money situation, I feel like I will never have the things I want in life
 - Does not describe me at all
 - Describes me very little
 - Describes me somewhat



- Describes me very well
 - Describes me completely
10. I am just getting by financially
- Does not describe me at all
 - Describes me very little
 - Describes me somewhat
 - Describes me very well
 - Describes me completely
11. I am concerned that the money I have or will save won't last
- Does not describe me at all
 - Describes me very little
 - Describes me somewhat
 - Describes me very well
 - Describes me completely
12. If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it?
- Not at all confident
 - Not very confident
 - A little confident
 - Somewhat confident
 - Very confident

FTS Scale:

For each of the next questions, please indicate how often the following occur between you and your partner:

*[Questions 13-30 constitute the **Financial Partnership** variable.]*

13. Discuss finances openly and honestly
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
14. Review financial statements together (credit card statements, investment statements, etc.)
- Never
 - Seldom
 - Occasionally



- Usually
 - Always
15. Discuss how money should be spent
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
16. Discuss how money should be saved
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
17. Make savings goals for the future together
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
18. Review credit reports together
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
19. Discuss outstanding debts
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always

Please indicate how likely the following are to occur between you and your partner

20. Review a current budget together
- Never
 - Seldom



- Occasionally
 - Usually
 - Always
21. Discuss spending habits
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
22. Set long-term (more than 5 years) financial goals together
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
23. Set short-term (<1 year) financial goals together
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
24. Discuss family expenses
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
25. Pay bills together
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
26. Plan ahead for large purchases together
- Never
 - Seldom



- Occasionally
 - Usually
 - Always
27. Keep records of expenditures and income
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
28. Prepare estate documents together (will, trusts, power of attorney, etc.)
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
29. Discuss repayment of outstanding debt
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always
30. Discuss savings plans for retirement
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always

Please discuss how likely YOU are to do the following:

*[Questions 31-33 constitute the **Financial Transparency** variable.]*

31. Lie to your partner about a financial transaction
- Never
 - Seldom
 - Occasionally
 - Usually
 - Always



32. Lie about a purchase to your partner

- Never
- Seldom
- Occasionally
- Usually
- Always

33. Keep a secret from your partner regarding spending

- Never
- Seldom
- Occasionally
- Usually
- Always

*[Questions 34-37 constitute the **Trust & Disclosure** variable.]*

34. Disclose all of your purchases to your partner

- Never
- Seldom
- Occasionally
- Usually
- Always

35. Trust your partner's financial judgment

- Never
- Seldom
- Occasionally
- Usually
- Always

36. Disclose your earnings to your partner

- Never
- Seldom
- Occasionally
- Usually
- Always

37. Disclose a bonus to your partner

- Never
- Seldom
- Occasionally



- Usually
- Always

Demographics & Net Worth:

Finally, we would like to ask you just a few questions about yourself:

38. Your age is:

- 18-25 years old
- 25-35 years old
- 35-45 years old
- 45-55 years old
- 55-65 years old
- >65 years old

39. You have how many children who are under 18 and living in your house with you?

- 0
- 1
- 2
- 3
- 4
- 5 or more

40. If you had to pick ONE category for your Racial identification status, it would be:

- Hispanic/LatinX
- Black or African American
- Asian
- White or Caucasian
- American Indian or Native American or Member of a Native Tribe in the U.S.
- Other Racial Category

41. You were born:

- In the United States or its territories
- Outside the United States (and your parents were not U.S. Citizens and the time of your birth)
- Outside the United States (and your parents were U.S. Citizens at the time of your birth)

42. Please calculate your Household net worth. Add up everything you have as assets (cash, saving and checking account money, real estate property value, retirement money, cars) and subtract off everything you owe as liabilities: _____