“Money is a burden”:
Using qualitative research to inform policy surrounding household finances

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Introduction

Our collective understanding of the health of the economy is often derived from macro-economic indicators. Consequently, our data and policy tend to feel far removed from the financial realities of many Americans’ lives. One example of this is the unemployment rate. It is a key indicator, for example, as to whether the economy is in a recession. Its release every month can cause the stock market to rise or fall depending on its outcome. By reifying it in this way, it is possible to forget that the unemployment rate is based upon survey responses from the American public about their work situation in the previous week. Thus, policy discussions often over-emphasize the importance of “large-scale” indicators, all the while obscuring the contexts of the households and people that drive the economy.

One way to address this shortcoming within economic and financial policy discussions is to better integrate qualitative research into our understanding of quantitative data. Doing so restores the diverse lives of American families back into the debate, and encourages us to think differently about how policy could best improve their circumstances. At the very least, better integrating families’ assessments of their own financial lives would undoubtedly improve the data collection behind many surveys.

This paper explores these ideas by presenting a case study of findings from six focus groups conducted prior to the creation of Pew’s “Survey of American Family Finances.” Throughout the course of the project, we learned through Americans’ own words how they thought about and talked about their financial situations—resulting in a better understanding of how to put families on a more secure financial footing. This paper documents how we designed our focus groups in advance of the survey, what lessons we learned about questions we had assumed were successful and the questions we did not know needed to be asked, and how this qualitative work has informed our thinking moving forward. As we learned in the course of this project, families may be far from where researchers and policymakers think they should be. By truly listening to Americans discuss their finances in their own words we can develop a deeper understanding of why Americans may be falling short and what can be done to help them.

Background

Pew launched a new line of work in 2014 in order to better understand not only the details of households and their finances, but also Americans’ perceptions of their financial well-being. As part of this new line of work, we designed and commissioned a large, nationally representative online survey of more than 7,800 households to understand how families thought about their balance sheets and perceptions of their finances. But, in the course of developing our survey and wanting to understand
policy-relevant issues not previously explored in survey research about family finances, we realized that we needed to dig deeper and talk directly to individuals in order to streamline concepts and question wording.

Consequently, in advance of our survey, we conducted six focus groups in June 2014 — two in each of three cities, including Boston, Orlando, and Phoenix — to better understand how family financial decision-makers thought about their sense of financial security, financial fears and successes, financial tradeoffs, future thinking, kinship ties and transfers of money, and how their benefits at work contributed to their financial well-being. In total, 62 people participated in the groups, representing diversity of race, ethnicity, gender, family status, and socio-economic background. The groups were recruited by and held at facilities operated by Schlesinger Associates. Pew developed the semi-structured focus group guide used in each group and as an experienced focus group moderator, I facilitated the groups.

Groups were recruited according to financial and family criteria to understand how such characteristics mattered comparatively across groups. One of the groups included individuals who experienced a financial shock (including the respondent or their partner being unemployed for three or more months; having electricity, water, or gas shut off for failure to pay bills; filing for bankruptcy; or missing two or more mortgage payments in a row, if a homeowner). For contrast, another group consisted of those who had not experienced such shocks. Three other groups were based on household income tiers, including low-income (<$40,000 a year), middle-income ($40,000 to $84,999), and high-income ($85,000 a year or more) participants. A final group consisted of parents with children living at home under the age of 18. (Table 1.)

### Table 1: Focus groups conducted in advance of Pew’s Survey of American Family Finances

<table>
<thead>
<tr>
<th>CITY</th>
<th>GROUP</th>
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<tbody>
<tr>
<td>Boston</td>
<td>Those who had not experienced a financial shock</td>
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<tr>
<td>Boston</td>
<td>Middle income ($40,000-$84,999)</td>
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<tr>
<td>Orlando</td>
<td>Parents with children under 18</td>
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<tr>
<td>Orlando</td>
<td>Low income (less than $40,000)</td>
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<tr>
<td>Phoenix</td>
<td>Those who had experienced a financial shock</td>
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<td>Phoenix</td>
<td>High income ($85,000 or more)</td>
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Findings

Over the course of the focus groups, the anecdotes and stories we heard greatly illuminated our understanding of families’ financial pictures, their priorities, and policy needs. Family financial decision-makers applied a great deal of sophistication toward some aspects of their financial lives, yet were confused and anxious about other areas. And, the sources of confusion and anxiety that participants communicated coincide with policy-relevant concerns, including inadequate saving for emergencies, retirement preparations, and paying for college. As the following themes and quotations reveal, the
process of speaking to families directly about their financial security and concerns not only elucidates the questions we ask on surveys, but the gaps in our understanding of policy needs that families have.

**Family financial decision-makers know whether they are financially secure or not, and for those who are not, they do not often know how to improve their financial standing**

At the outset, our project wanted to understand if the term “financial security” was understood by people, how they defined it, and whether they could adequately assess their own financial security. To our surprise, family financial decision-makers had a very good handle on the term and their own perceived security. However, for many financial decision-makers, there was a true gap in understanding about how to make their own families secure.

Financial security, according to our respondents, was a modest and straight-forward definition, including having enough money to pay the bills, some left over for extras or for savings, money in the bank in case of emergency or for long-term goals like retirement, and few worries about making ends meet.

“*I think [financial security is] having enough for your goals but then also for a rainy day or something unexpected, [if] you know a car breaks down.*” – Phoenix participant

But, when asked if they thought of themselves as financially secure, very few respondents answered affirmatively. Even those who felt they had some level of security suggested they might always have worries about money. When asked to describe the financially secure, they were often characterized as being smart with their money, with good-paying and stable jobs, lots of savings, a home, and little debt.

But, importantly, respondents across groups characterized the financially secure as having a distinctive mind-set. In other words, the financially secure had better attitudes toward money than most other people, and as a result, fewer worries about money.

“*And so, all the people I know who are financially independent or secure, it’s not about a dollar amount that they possess, but it’s about a mindset that they have about money and how they treat it and how they view it...it’s a certain posture that they have about their money that allows them that sense of freedom that regardless of how much they have coming in, or how much they have saved, they are never fretted by the economy or their financial situation.*” – Phoenix participant

“The person that I’m thinking of that is financially secure I know he makes a very good salary but he also doesn’t spend it a lot. He can afford to do those trips when he wants to or needs to and he has a very nice car, but I know that he’s got life insurance. He has savings. He takes care of his daughter and owns property. When I look at him being financially secure, it is that he is managing his money properly so that he doesn’t have to worry about other things. You see other people. I think someone said the rich act [like] they are broke and the broke people act like they are rich. That is how you stay rich because you don’t spend, spend, spend and trying to impress people with everything that you are showing.” – Boston participant

While participants readily acknowledged financial mistakes of the past, there was little understanding about how to change their present situations in order to feel more financially secure. In part, this is because most respondents perceived a great deal of unpredictability in their lives. Respondents
expressed anxiety about the stability of jobs, the prospect of unemployment (which some had recently experienced), rising expenditures, such as health care, education, and housing, and the “unexpected-expected” emergency expenses that seemed to lurk around the corner for many respondents. Implicit in these concerns was a perceived lack of control over their financial lives generally.

“There were times we’ve had nothing. We might be eating some Ramen noodles, but we are eating. It is something. There are times when eventually everything will work its way out. We seem like we are here and then all of a sudden something happens and we are back down here.” – Orlando participant

“Life is so busy you are getting thrown things all the time and for us, a family of five with three kids going 20 different directions, there is always a bill that we didn’t count on...life’s busy, so you do tend to worry. You can’t predict every little bit that’s coming your way.” – Phoenix participant

“It’s kind of hard to save for one, because I don’t know, in life there’s always something.” – Orlando participant

Despite many participants expressing a lack of control over many aspects of their financial lives, many also described their abilities to juggle monthly bills and payments with great sophistication and complexity. There was an awareness of the order and timing in which bills needed to be paid to keep the most money in the bank. This was especially the case for those respondents who had more financially precarious budgets and little savings.

“My first thing is rent is due at the beginning of the month but there’s a grace period. A lot of people don’t know that there’s a grace period if you pay rent. So sometimes it’ll be maybe a day or two before that grace period is up or on that grace period. Same way with my bills... I’m not really too late but so that I won’t get that fee. If it is, it’s only like a couple of dollars, but I just have to budget. Then in the middle of the month I pay all my other bills. Then that’s also my play money...I can live off of some crackers or something maybe for a couple of days.” – Boston participant

These findings altogether suggest that many respondents feel financially insecure, in part because of the unpredictability of their lives and their inability to build a cushion beyond their immediate bills. For these respondents, they are aware of what it takes to become financially secure and have examples of others who have achieved such security. But, financial security is dependent on stable employment, income, expenses, and the ability to have extra left over for savings, which for many respondents does not characterize their daily lives. Consequently, we might be inclined to believe we can improve families’ financial standing by focusing on one of these prongs (stable employment, income, expenses, or savings), when in fact, for many families, shoring up all of these elements is necessary for a sense of financial security.

**The questions that we ask on surveys may not be adequately measuring how people think about their financial lives**

Many of the questions that we use on surveys in order to understand the financial lives of families are ones that we have used repeatedly on surveys in the past, either verbatim or as incarnations of other questions. But, are we always sure that these questions are measuring what we believe they are
measuring? Not knowing the history of how some questions were created, as a field, we may have little understanding about whether they were derived from in-person interactions with households or drafted by a scholar familiar with the research, but removed from their subjects of study.

The focus groups Pew conducted serve to illuminate not only how past research topics and survey questions perform, but also how prospective topics may or may not succeed on surveys about family finances. First, retirement was a topic included on many surveys of family finances. In conducting our focus groups, we learned that our survey questions on retirement may not be adequately capturing respondents’ thought processes. Second, with respect to a prospective battery of new questions on our survey about the tradeoffs that families make in their financial lives, we learned that respondents are so consumed with their present and immediate needs, that there is very little consideration of making alternative financial choices. Finally, we learned from focus group respondents that the cost of higher education and student loans are worries that cut across generations within families. These revelations from the focus groups greatly improved how we constructed the final survey.

Retirement feels out of reach and confusing to participants – are questions measuring what we want?

Retirement was a topic area that benefitted from shining a light on the line of questions and the thought processes of focus group respondents. First, surprisingly few respondents in each group claimed to have retirement savings, and among those who did, their knowledge of their savings was hazy at best. Consequently, there were four themes that emerged surrounding retirement plans and savings for it, many of which are interrelated: the need to address immediate needs, causing retirement savings to be deferred; the long time horizon of retirement makes planning difficult; retirement savings and employer plans are too complicated; and retirement and saving for it feels generally overwhelming and may be somewhat emotional to respondents.

Need to address immediate needs, so retirement savings is deferred or drawn upon

Consistent with discussions about financial security and the unpredictability that many face in their financial lives, retirement savings is sometimes deferred until a later date or is drawn upon to get through tough financial patches. Focus group participants spoke of the challenges of making ends meet and the need to delay or ignore their retirement savings in order to pay more immediate bills like utilities and groceries, despite concerns about not having enough.

“I can’t afford [to put money in retirement]. Four years ago, I started off with a nice percentage on my 401(k) and little by little I started dropping until I put it on zero. January, I put it back up to that same percentage. I’m like, what the hell am I doing? So I put it down to 2% and I’m still complaining every time I get my paycheck. I’m like, the hell with it.” – Orlando participant

“You try [to save for retirement], but you have bills that are due now that you can’t pay. I’m not going to spend this money even though my lights are due because I’m going to retire when I’m 60. It’s not realistic.” – Orlando participant

“I mean, there’s just no way [I can save for retirement]. I mean, I’d love to put even $25 away a month, but that $25 goes to groceries.” – Phoenix participant
Some participants had very recently faced unemployment in their household and the uncertainty associated with job loss. Consequently, retirement savings was sometimes used as the safety net during these down turns.

“My husband lost his job in 2009 and he struggled a little bit and I know he shouldn’t have, but he took out his retirement and we paid a healthy fine for that, but that...helped us survive. He did get a job, it’s a $50,000 a year pay cut, so we’re still to this day just trying to come along and stuff, but that’s how we did it. But you pay for it, you pay the price.” – Phoenix participant

**Long time horizon makes planning difficult; can’t predict the future**

Respondents reported a lot of uncertainty about the time horizon for retirement and what the future held generally. They expressed that planning ahead was a challenge given unknowns such as life span, the future of the economy, and confusion about whether social security would be around.

“I like working anyway and it’s probably healthier for me. I rationalize it but what if I get tired or just don’t feel well and just can’t do it or get Alzheimer’s?...There’s no guarantee you’re just going to live long and be healthy to the last day and then over the weekend you’re going to pass away at an old age and not go in on Monday.” – Boston participant

“I agree with her on that part with the whole saving for retirement. I don’t know if I’m going to reach that age whatever the retirement requirement is.” – Orlando participant

“I’m not saying if you have the money, you should go take it out and spend it stupidly. But I think in life, you have to have balance. While you’re working and saving, you should be able to take a trip, do something, because maybe you may not even live to retirement time.” – Orlando participant

“I save for all kinds of different things. I’m trying to prepare myself for a future that is very foggy at the moment based on today’s times.” – Orlando participant

Implicit in responses about the long time horizon and inability to predict the future sufficiently was a lack of clarity about how long they could truly work and how much money would eventually be needed for a secure retirement.

“We probably could retire in the next couple of years. Again, it is a little bit of balancing act. Like, okay, should we retire? Should we work a few more years you get that extra money? But then you don’t want to wait too long, and like someone was saying, you get too ill or something can happen and you can’t take advantage of things that you’ve waited to do when you retire. So there’s no guarantee of that.” – Phoenix participant

“Once retirement hits you are going to need $2 million cash, there are assisted living homes that cost $6,000 a month. And there’s some crappy ones that cost $2,000 a month. So people are talking about retirement and the amount of money you need, and $2 million that’s just to live so that you’re not eating dog food. So you need some serious cash. So I would say my financial fear is not being able to have accumulated $2 million.” – Phoenix participant

**Retirement savings and employer plans are too complicated or subject to change; confusion about what they actually had in employer accounts**
Roughly half of the respondents reported having retirement savings of any kind, and even fewer claimed they were actively saving with an employer-based plan.

For those who had employer-based plans, there was considerable confusion about what they had at present, whether or not there was a match, and if so, how much of a match they were receiving. Furthermore, some respondents were confused about how many plans they had overall, the amounts in them, and the terms and conditions of the plans. This was especially the case for those who had had multiple employers, or those who had experienced changes in their plans while at their current employer.

“I started a while ago and I thought I would have more but I don’t know what I have. I don’t think every job that I have that I did that with so maybe that’s why. But over the past maybe five years, I think I’ve saved more as far as retirement. My job doesn’t [have] social security. It has something else, N? I think N41 or is it something else? I don’t know what you even call it, but I know it’s retirement.” – Boston participant

“I have a pension, but they cut it off in 2014, so there’s eight grand or whatever in there. And so it just sits and accumulates.” – Orlando participant

“They’ll match similar dollars, up to like $5 or something like that.” – Orlando participant

A few participants also expressed distrust about the retirement money their employers held for them and what had been promised. In part, this was because few respondents had investigated or explored the terms or what they held in various accounts.

“There’s supposed to be some sort of pension that sounds like a myth to me. Every once in a year, I get an e-mail about the retirement plan. But until I see it, I don’t believe it.” – Orlando participant

Overwhelmed by retirement saving and planning – emotional response and/or denial

Finally, some focus groups respondents expressed being somewhat paralyzed by their fears and worries. These emotional responses struck at general feelings of denial and being overwhelmed by a lack of preparation for the future and the notion that it might be too late.

“Well, I worry about retirement. I panic.” – Boston participant

“That’s serious. You know, I’ve given up on retirement. I’m almost to retirement, but I don’t see it happening. I just don’t entertain.” – Boston participant

“Yeah, I’m taking it in. I think I worry about the security of how much you need to retire. How can you save when you don’t have it?” – Boston participant

“I just started mine [retirement fund] last year and I feel late.” – Boston participant

Based on what we learned from focus group respondents about retirement, it suggests that the way in which we approach survey questions on the topic may need to be adjusted. For one, there is considerable confusion about what people actually have in terms of retirement accounts. Respondents
reported having multiple plans from multiple employers, and having experienced significant changes in retirement plans on the job. Respondents had difficulty reporting whether they had contributed their own money, whether employers were providing matching funds, and how much, if any, they had in each account, or in total. Those who were married were more unclear about what plans their spouses held. This suggests that standard questions on household surveys about retirement plans may yield inaccurate data. It is possible that many Americans hold more or less money in retirement than we know to be the case because they have difficulty answering questions on the topic.

After we learned in our first focus group that there was considerable confusion about retirement plans, we changed direction on asking these questions. Rather than asking generally about retirement plans or savings, we made our questions much more specific, asking respondents to think about retirement savings in personal savings accounts, accounts accessed through employers, or even other savings accounts earmarked for retirement. By defining and asking about many forms of retirement savings, we were able to elicit better responses in subsequent groups. We also asked respondents later to think again only about retirement accounts available through their employers in order to get better responses about whether employers were contributing to their plans versus what they were contributing.

Despite greater specificity in the focus group guide and much clearer responses after making these changes, we still encountered dazed looks and some confusion, primarily because of the more substantive issues identified above. These experiences suggest that our survey questions about retirement plans may not be fully capturing the full range of plans people have, including multiple plans from past employers, what their spouses hold in retirement money, how much and whether employers or they are contributing to plans, the terms of the plans themselves, and even the fundamental difference between a pension and a 401K. As such, our understanding on surveys about retirement plans might benefit from first asking respondents directly how confident they are in their knowledge of plans and their accounts and holdings and then asking specific questions about the types and terms of various retirement holdings. This would at least allow us to understand whether to have confidence in the numbers that respondents are reporting, as well as who among the population is most at risk of not understanding their future security.

True tradeoffs are not happening in families’ financial lives because immediate needs are top-of-mind

One of the primary motivations for conducting the focus groups was to learn more about how families made tradeoffs within their financial lives. In other words, we wanted to understand how spending today was weighed against spending on something else in the short-term, or against saving for something in the long-term. What we learned, however, is that tradeoffs rarely entered into the thought processes of respondents because their immediate bills and expenses are always front-of-mind.

In fact, when asked about trade-offs and choosing where to spend their money, the specific and immediate answers volunteered included: “housing;” “food;” “childcare;” “car;” “the kids;” “bills;” “power;” “water;” “gas;” and “paying down the debt.” The top-of-mind answers for respondents are not choices between short-term needs and the long-term savings and preparations, but how to juggle all of their immediate needs without missing an important bill. As one respondent said,
“I think you go for survival first. So it is going to be the rent or the mortgage. It is going to be the food and the electric bill and things like that. If there is anything left, that goes into savings.” – Boston participant

If trade-offs entered into people’s thinking, which was rare even when prompted, they were generally decisions made about whether to spend on entertainment (travel, going out, cable TV, expensive cell phones, shopping) or whether to be responsible and pay more immediate and necessary bills. The trade-offs mentioned by respondents were not decisions about spending today versus saving tomorrow – they were primarily considerations about whether to pay bills or whether to have fun on credit.

“Well, yeah, I do want to go shopping or I want to go to the movies or go out to eat but I have this list of things and I have to do this first. So suck it up and don’t do the other things. Try not to put things on credit.” – Boston participant

“A vacation is not a necessity. Vacation’s a very lovely thing to have but you know I don’t believe that you borrow money or you take a second mortgage so you can buy a boat or a vacation or something like that, because you’re never going to catch up with that.” – Phoenix participant

Another way to elicit responses in the focus groups about trade-offs was to ask respondents where in their financial lives they felt most and least prepared for the future. Interestingly, retirement came up often as responses to both questions – some feel good about how they have prepared for retirement, while others feel as though they have dropped the ball. Singular responses to lack of future preparation included medical expenses, long-term care, the prospect of caring for elderly parents, and for those with kids, college savings. One-off responses about feeling prepared for the future included college savings or other funds for their children’s future needs. Another undercurrent in other answers was the need to have money for the “expected” unexpected, including home and car repairs.

Overall, the focus groups were incredibly instructive on the nature of trade-offs and how families think about them in relation to their finances. In short, families do not generally think of trade-offs in terms of saving for long-term goals—their needs are focused on making it through the present-day and staving off any unexpected expenses that may be lurking in their futures.

Student loans and the cost of higher education is a cross-generational concern

Student loans weigh heavily on those who still have them and are repaying them

In each of the cities, we had some participants who were paying down their own student loans. For cities like Boston where the cost of living arose as a subject of discussion often and in both focus groups, student loans were raised as a monthly hardship by those paying them.

“I knew I was going to have to pay them but whenever I got the first bill I was like, ‘Are you freaking kidding me?’ It was ridiculous. Today I don’t even pay the minimum amount you’re supposed to pay because it’s so high. I don’t make that much money. But thankfully there’s the pay as you earn…so that helps out. Honestly I’m not going to give them any more than that minimum money that they’re giving me.” – Boston participant

“I would say student loans [is the biggest challenge I face with my money each month]. I don’t have kids but all of my money a month over 2/3 is rent alone. My first check is
basically almost all student loans. That leaves me very little for the rest of the month.” – Boston participant

A few participants raised frustrations with how their parents handled funding their college aspirations and the amount of loans they had to take out, particularly because their financial lives were burdened by these obligations.

“I always wanted to go to school and I really didn’t know how I was going to pay for it. My family, they helped me out for the first two years and then it was like, ‘You’ve got to take out this loan.’ I’m like, ‘What?’ My mom was just like, ‘Here. Sign this.’ Next thing you know it, years go by and I’m like, ‘What the?’ I’m like, ‘Wait a minute. I’ve got to pay this back myself?’...It’s not that much, but still. When you live on your own and you have all these expenses that you have to pay, like the rent, food, and the utilities and transportation and your health insurance, what else is there?” – Boston participant

“My biggest frustration for that is that my parents weren’t able to help with any of my education and my husband’s education, and I went to college on scholarships, I have four degrees. But my biggest loans are school. And I’m living my life to pay for my education and my husband’s education. It’s backwards.” – Phoenix participant

Others were still dealing with the ramifications of having had troubles repaying their student loans, including damaged credit and escalating debt.

“I’m not going to say I’m not worried [about my student loans]. It messed with my credit when I didn’t care. Now that I’m actually dealing with it, it is a payment. The only thing I can do is just pay it until it’s paid.” – Orlando participant

“My husband had a $9000 loan in 1996 for ASU, he defaulted on it through life circumstances, we now owe $33,000 on that loan...It’s amazing what Sallie Mae can do when she puts her mind to it. That’s something that I think so many Americans are in debt. How can you get a better job if you can’t afford an education? It’s like you’re stuck.” – Phoenix participant

Concern expressed about the rising cost of tuition, paying for it, and their children and/or the next generation in general

Parents in each city expressed concerns about the cost of college, the burden this placed on their children, and the awareness that they would not have enough saved to fully help their children. A few grandparents in the groups also expressed concern about their grandchildren’s college aspirations or loans, and an interest in helping with these costs. The cost of higher education is not simply weighing on student loan holders, but is also on the minds of immediate and extended family members who value the degree and are concerned about the expense.

“Even though I’m putting money aside for college, I still don’t think it’ll be there. I don’t...” – Boston participant

“You see what the costs are now. What are they going to be in a decade down the road when the kid’s ready to go to school?” – Orlando participant

“My kids, they’re putting a lot of their education on student loans and stuff and I didn’t go through that. For God’s sake, tuition was $175 a month when I went there...And what
it is now, it’s insane. And why is it insane? It’s geometrically gone way above keeping up with cost of living or anything else and they can’t explain it to you.” – Phoenix participant

“I’m just caught up in the latest news about all these kids coming out with all this debt, getting degrees that they can’t get jobs to pay their debt, and getting jobs that are a lot less, or don’t really require a degree. And I know that’s probably overdramatized to some extent by the media...But nonetheless, it’s a little disconcerting as a parent who’s getting ready to launch one.” – Orlando participant

Even participants who weren’t saving or paying for college were worried about the rising cost of higher education for young people generally. There were concerns expressed about how much young people are relying on student loans, the rising debt that young people are carrying, and the job market in which young people are entering. The overarching theme underlying their comments was that a college degree is seen as necessary, yet the cost seems prohibitive and on the rise for young people today.

“I just don’t see how [students can keep up] with the cost of college these days even with scholarships and going to community college and things like that...I heard a report recently that you used to be able to work just the summer months to pay for a year of tuition at an instate school. Now you have to work full time year round to be able to pay for that same year at an instate school.” – Phoenix participant

“I just think it’s going to be so much harder for them to wind up paying [loans] off... I think college is much more expensive now than it was even when I went 25 years ago. I don’t know...how they will be able to be ahead in the long run, because the job market is not growing.” – Phoenix participant

“I think now students and parents are realizing that student loans f*** you up for the rest of your life. But when I started college it was more about the, “It’s okay. It’s low interest. Just get the loan.” That was the mentality five years ago...Now people are realizing that’s not how it should be.” – Boston participant

A few participants mentioned still having to pay on loans for themselves or their spouses while also saving and/or paying for their own kids

For a few participants, student loans weren’t just an intergenerational worry, but a reality—some parents were still paying their own loans while also trying or intending to either pay or save for their children’s college expenses. For those few, the stress of paying for college was especially palpable.

“I don’t want my daughter to have to be faced with the debt that I’m faced with. I graduated seven or eight years ago and I’m still paying off a degree that I’m not even utilizing. That is the hardest because I’m not even reaping a return on the investment that I made. So when I send my daughter to school, I don’t want to send her to school to have to pay off a loan. I want to be able to pay for her school. I don’t want her to be faced with a debt that is over her head.” – Orlando participant

“I worry about the kids going to college. We’re still paying my husband’s student loans. So we’ve not been able to set aside for them. I don’t know what the money is going to look like for them.” – Phoenix participant
“It’s regularly on my mind. But, I can barely keep up with mine and my husband’s. How in the world am I going to put away for my kids? So we just really...encourage them to get good grades and be active in sports.” – Phoenix participant

Student loans and the high cost of a college education came up again and again in our focus groups. This was the case, not just for those who held student loans, but also for those who were concerned about the future of their children and America’s young people generally. There was an awareness that the system at present may not be working well. Consequently, because these issues were so omnipresent in our focus groups, we integrated a much larger set of questions on the survey to these issues. We also included additional questions exploring the intergenerational nature of student loan repayment (paying for spouses, children living outside of the home, etc), as well as the intentions and awareness of parents as to whether and how they were going to pay for college for their children.

Lessons learned: Policy discussions could be improved by listening to Americans talk about their financial lives

Money is a burden – as respondents in one of our Boston groups identified over and over again in their thoughts on money generally. Many respondents associate money with burden—stress from not having enough, the fear that some big expense is lurking around the corner, and the guilt that they cannot save and provide for their children or other family members in the ways that they would like. Consequently, many respondents reported that they did not like to think about money. For researchers who think about improving the financial lives of Americans, this is the challenge. How do you get families to take seriously something that they perceive to be stressful, anxiety-prone, and burdensome? Perhaps, as policy makers we need to take a step back and think about how to make the financial lives of Americans less burdensome. Those individuals who perceive high burden are likeliest to need help the most, yet may be least receptive because of the extraordinary pressures they perceive in their daily financial lives.

In an interesting twist, however, focus group participants really enjoyed talking about their financial situations. A few verbalized this during and at the end of focus groups—how refreshing they felt it was to have an open conversation with others about financial pressures—and the groups went the full two hours in every city and probably could have continued. This suggests that an open, trust-based, and public dialogue about finances, financial mistakes, and lessons learned might be an important step in improving understanding and decision-making with regard to finances.