Family Identification Facilitates Coping with Financial Stress: A Social Identity Approach to Family Financial Resilience

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Highlights

- Financial research overlooks how family affects experiences of economic challenge.
- We argue that family identification fosters support, promoting financial coping.
- We provide evidence in support of this in two community surveys (*N*=369; *N*=187).
- The result show how family cohesion can promote mental well-being/ resilience.

Abstract

Family financial stress research has typically examined negative effects of deprivation on mental health, which in turn erode financial coping. While this work acknowledges family support's role in buffering these effects, it has typically overlooked how family identification can act to structure the experience of, and response to, economic challenge. We adopt a Social Identity approach, arguing that family identification predicts increased social support and improved well-being, which predicts more effective coping with financial problems. We explore this in two community surveys (*N*=369; *N*=187). In the first we show that stronger family identification and support predict better well-being, which predicts better evaluation of economic coping. In the second we replicate these findings, and also show that the relationship between well-being and financial distress is fully mediated by perceptions of 'Collective Family Financial Efficacy'. These findings point to a more positive understanding of how family cohesion can promote mental well-being/resilience.

Keywords: Social Identity; Family; Financial Stress; Social Cure; Collective Efficacy.

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Over the past four decades a substantial body of work has accumulated attesting to the negative impact of financial stress upon families and their members (Brown, Taylor, & Price, 2005; Conger et al., 2010; Fonesca et al., 2016; Santiago, Wadsworth, & Stump, 2011; Voydanoff, 1990;). Early research established a variety of objective economic factors which are likely to give rise to subjective experiences of economic stress among family members. Changing patterns of employment, as well as personal loss of earnings were found to predict subjective financial uncertainty and strain in parents (Voydanoff, 1990) which in turn predict outcomes of poor health, relationship discord, and relationship breakdown. Effects on children were found to be no less severe, with impacts observed on psychological well-being, educational attainment, likelihood of delinquency, and future aspirations. In other words, financial deprivation was found to be associated with a range of recognisable and distinct impacts on family members' health and well-being.

The development of the Family Stress Model (FSM; Conger et al., 1992; Conger & Conger, 2002) built upon this early work to identify the specific psychological and behavioural processes underpinning all of these effects and responses. Conger et al. (1992) firstly refined the range of factors that predict feelings of economic stress: reduced income, high debt to asset ratio, unstable work, and being unable to pay bills were all found to contribute to feelings of 'economic pressure'. It is this subjective feeling of economic pressure which then serves to mediate the impact of economic hardship upon the well-being of families, specifically through its effects on the mental health of family members.

The mental health effects of economic pressure were found to have predictable consequences. Depressed mood and emotional distress lead to more negative interactions between spouses, which can be further exacerbated by tensions and disagreements over financial issues. For romantic partners, the end result of this cascade of effects can be a decline in the quality of the relationship and their commitment to a shared future, leading to relationship breakdown. This in turn can exacerbate economic vulnerability and incur additional stigmatising effects for single parents (Stack & Meredith 2018). In effect, the FSM specifies that the psychological mediators of the experience of economic stress and its emotional consequences are responsible for the negative interactional consequences in family life.

The depression and anxiety caused by economic pressure then impacts upon children within families. Spousal conflict can directly spill-over to negative interactions with children, but negative parental mood also predicts more coercive parenting, more hostile interactions, and less consistent discipline, all of which in turn are associated with negative developmental outcomes for children (Masarik & Conger, 2017). Children can also be affected by their awareness of family economic hardship, which serves to undermine their sense of self-efficacy and control, leading to greater emotional distress (Conger et al., 1999).

The FSM also acknowledges a number of protective factors which buffer these negative impacts of economic deprivation upon family members. Previous research had indicated that individual self-efficacy and coping strategies, as well as family system characteristics such as adaptability, cohesion, and collective problem-solving (Voydanoff, 1988) were associated with fewer negative effects of economic strain. FSM shows why this is the case: family support soothes the negative effects of economic pressure on mood. Indeed, it has been shown that spouses who support one another in times of economic hardship are less susceptible to its effects (Conger et al., 1999). In addition, problem-solving within partnerships has been shown to have a dual role in both moderating the impact of economic stress on negative interactions between partners, but also in solving the challenges that negative patterns of interaction pose. In effect, the strength of existing ties and coping abilities serve to moderate and mitigate the impact of economic stress upon the family. In this sense then, FSM allows an insight into how families can cope with economic pressures.

Limitations of the FSM

While there is considerable support for the FSM across ethic groups and national contexts, there are some limitations to this approach. First, the FSM is typically conceptualised as unidirectional, with the exogenous factors impacting upon psychological and behavioural processes. This tends to preclude an examination of other potential pathways and dynamics. As the authors themselves cede, the relations within the model are likely to be reciprocal and recursive over time, such that negative impacts of economic stress on family mental health and relations are likely to have consequences for members' future economic activities and vulnerabilities (Conger et al., 2010; Neppl, Senia, & Donnellan, 2016). For example, relationship break-up as a result of financial pressure is likely to have substantial financial repercussions for both partners and their children.

Second, the unidirectional nature of the impact of economic deprivation assumes the relative inability of families to change their economic position. While this no doubt accurately reflects the feelings of powerlessness among many low-SES families, it does presume a loss of control and autonomy. This makes it difficult to envisage any way in which the family can thrive under conditions of economic challenge, or proactively work to transform their situation. This is particularly an issue given that perceptions of powerlessness is one of the key factors thought to mediate the negative effects of deprivation on the mental health of family members (Conger et al., 1999). An alternative perspective is to adopt a 'strength-based approach' (Benzies & Mychasiuk, 2009), which focuses on how identifying and enhancing protective factors can strengthen the resilience of families to future challenges.

Models such as Walsh's (1996) 'family resilience framework' examine more positive aspects of approaches families use to manage disruptive experiences, buffer stress and re-organise resources, though these in turn lack the specific focus on financial pressures and psychological responses afforded by the FSM.

Third, the FSM is strangely individualistic in its focus. While it considers spousal and parenting interactions, its main focus is on the psychological characteristics, experiences, and actions of the individual towards other family members. What is lacking from this perspective is an appreciation of the collective experience and behaviour of the family. Again, the concept of self-efficacy or 'mastery' is considered to be key mediator in the effects of deprivation on adolescent family members (Conger et al., 1999), but the 'collective' efficacy of the family – their ability to come together to collectively cope with challenge – is ignored in favour of focusing on the disputes and coercive interactions occasioned by hardship. In the following section we consider an alternative approach to understanding family dynamics which brings the shared sense of unity to the fore and uses this as the basis for understanding how families can cope collectively with economic strain.

A Social Identity Approach to Financial Resilience

The Social Identity Approach (SIA) comprises of the Social Identity Theory (Tajfel & Turner, 1986) and Self Categorisation Theory (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). The SIA advocates that connection with others through group memberships and the resultant social identification with those groups can have a long-lasting impact on many aspects of life, including health and well-being (Haslam et al., 2009; Haslam et al., 2012 Haslam, Jetten, & Waghorn, 2009, Cruwys et al., 2014a). The well-being of the individual can be strongly influenced and associated with that of the group, thus serving as a 'Social Cure' (Jetten, et al 2017). At the core of these positive influences are different processes driven by group members' group identification (i.e., sense of belonging to the group in question), some of which are particularly relevant in relation to the experience of distress (e.g. Cruwys et al., 2014b).

First, social identities impact the construal and experience of distress. In their study, Haslam and colleagues (Haslam et al., 2005) found that stressors are typically interpreted relative to the identity of the group, such that bomb disposal officers reported experiencing less work-related stress than bar workers, despite the obvious difference in the relative danger of their occupations. Other research points to the role of the meaning given to experiences based on one's identity: war survivors who appraise stressors as identify-affirming experience less distress, and avail themselves of more support, whilst those who experience the events as identity-violating report more distress and receive lower levels of identity-based support (Kellezi & Reicher, 2014).

The second important mechanism defining the relationship between social identification and the experience of distress relates to individual members' responses regarding support, as well as the responses of the group as a whole (Haslam et al., 2005). Social identification leads to more support being given to in-group members (Levine et al., 2005; Gleibs et al., 2011), stronger beliefs that support will be there in time of need (Haslam et al., 2008), and perception of support as more meaningful (Haslam, Jetten, Postmes, & Haslam, 2009), in part because individuals within the group are going through the same experience (Drury et al., 2009). There is thus strong evidence that social support can mediate the relationship between social identification and stress (e.g. Haslam et al., 2005).

Third, social identification can shape one's experience of efficacy and ability to cope with distress. The belief that out-group/s are discriminating against one's in-group can lead to increased identification with that particular group (Schmitt et al., 2014), which can provide resilience in the face of this adversity. Moreover, shared identification can lead to an enhanced sense of collective efficacy whereby individuals have a sense that they can cope with unforeseen challenges with the help of their fellow group members (Haslam & Reicher, 2006). Particularly in situations of crisis and emergency, shared identification leads to expectation of help and support from others, which in turn increases a sense of collective efficacy and reduces stress (Drury, Brown, Gonzales, & Miranda, 2016).

There is growing evidence that these social identification processes also foster resilience within families (Herrera, Sani, and Bowe, 2011). For example, while exposure to intimate partner violence reduced family identification among members, presence of strong family identification was associated with reduced anxiety and enhanced self-esteem (Naughton et al., 2015). Family identification has also been associated with lower paranoid ideation (Sani et al., 2017) due to the stronger sense of ontological security afforded by a secure family base. Moreover, these positive benefits are self-perpetuating: Miller, Wakefield, and Sani (2017) found a cyclical process whereby family identification was one of the predictors of better mental health among adolescents which in turn led to stronger identification. These positive effects are due in part to family support, which protects members from the effects of perceived discrimination on depression (Tummala-Narra et al., 2012), and buffers against stress (Rodriguez, 2019). There is also evidence that the lack of family support can be damaging to those suffering from stress; perceptions of family criticism or judgment were found to be associated with stronger posttraumatic stress reactions (Swartzman et al., 2017).

In terms of economic deprivation, family identity has been found to be central to coping with experiences of stigma and discrimination amongst those living in poverty (Mickelson & Williams, 2008). In addition, within families a shared sense of obligation and loyalty connects the fate of different family members, such that individual members can take on more and/or specific responsibilities in response to a crisis (Acero et al., 2017). Early research on financial resilience had found adaptability, cohesion, and collective problem-solving in families (Voydanoff, 1988), including realignment of work effort within the family, use of the local informal bartering economy, and use of recreational crafts and hobbies to derive income. Of course, financial support is not always available or evenly distributed within families, and other family members may constitute a source of burden rather than benefit (AUTHORS, under review). Likewise, support may come at a cost, such that the obligations of reciprocity can become a strain in themselves (see Radey & McWey, 2019). However, for present purposes, we are interested in first establishing if families can be a potential source of identity-based support in times of financial adversity.

On this basis then, the Social Identity Approach provides a complex psychological model of collective resilience which is potentially applicable to the experience of family financial stress. We predict that family identification should be related to greater levels of support from other family members and, as a result, better levels of wellbeing. This in turn should predict better resilience to the stress of financial hardship.

The Current Study

In order to investigate these hypotheses, we conducted two community surveys in neighbourhoods within the city of Nottingham, UK. In the first pilot survey we asked participants a range of questions concerning their family identification, perceptions of support from other family members, and their well-being. From this we sought to determine how and to what degree these factors predicted participants' evaluation of their financial status. In our second survey we aimed to develop our analysis by exploring how an additional variable: Collective Family Financial Efficacy (created specifically for this project) could explain the relationship between these predictors and the outcome of financial distress.

Study 1

Participants

Three hundred and sixty-nine participants (141 males, 222 females, 4 other, 2 unknown; M_{age} = 40.64 years, *SD* = 15.24, *age range* = 18-79) were recruited from the Beeston area of Nottingham. Beeston is a relatively affluent area, with its areas scoring between 9.5 and 19.1 on the English Indices of Multiple Deprivation (IMD) placing most subunits within the lowest four deciles of deprivation (highest 40% of affluent neighbourhoods). In terms of relationship status, 235 participants (64%) were married, in a same-sex civil partnership or other long-term relationship, 89 (24%) were never married or never registered a same-sex civil partnership, (7%) were divorced or widowed, and 21 (5%) reported 'other'. Regarding employment statuses, 169 participants (46%) were employed full time, 54 participants (15%) were employed part time, 24 participants were (7%) self-employed or freelance, 10 participants (3%) were unemployed looking for work, 8 participants (2%) were unemployed not looking for work, 50 participants (14%) were retired, 39 participants (11%) were students, 15 participants (4%) reported 'other'.

Procedure

After obtaining ethical approval, envelopes containing the Participant Information Sheet (including details of the study's purpose and a web-link to the online survey) were sent by regular mail to the residents in the Beeston area of Nottingham. Residents had the opportunity to freely participate in the research by providing their consent online, ensuring anonymity and confidentiality of personal data.

Measures

The measures concerning family identification and support were in a discrete section of the survey, prefaced with instructions intended to elicit the most psychologically meaningful conceptualisation of this category for the respondent: *This section is about your family. You may define family in any way you wish (e.g., immediate family or extended family, etc.).*

Family identification was measured with a single item: "I identify with my family". Participants rated their agreement on a 1 ('strongly disagree') to 5 ('strongly agree') scale.

Family support was measured with a single item: "Do you get the support you need from your family?" Participants rated their agreement on a 1 ('not at all') to 5 ('completely') scale.

Well-being was measured with the five-item WHO5 Well-being Index (WHO, 1998). This is among the most widely used measures of subjective psychological wellbeing and is used by the WHO as a key index of mental health (Topp, Ostergaard, Sondergaard & Bech, 2015). Participants rate their agreement with each item with reference to their well-being over the past two weeks (e.g., "*I have felt cheerful and in good spirits*") using a 0 ('at no time') to 5 ('all of the time') scale. The mean of the items was obtained in order to create a measure of well-being, with higher values indicating better well-being.

Financial managing was measured with a single item taken from the British Household Panel Survey and previously used to assess financial capability (e.g. Blekesaune, 2008; Wildman, 2003): "*How well would you say you yourself are managing financially these days?"* The item was answered on a scale of 1 ('finding it very difficult') to 5 ('living comfortably').

Finally, participant *demographics* were measured, including participants' age, gender and relationship status.

Results

Descriptive Statistics and Correlations

Descriptive analyses were conducted on the study variables (see Table 1). The skewness and kurtosis values for the study variables were acceptable, providing evidence of univariate normality. All the study variables were positively correlated (*p*s <.01).

Table 1

Study 1: Descriptive Statistics and Correlations

	Min	Max	*M*	*SD*	Skew	Kurt	α	1	2	3
1.Family Identification	1.00	5.00	3.96	1.13	-1.13	.60	-			
2.Family Support	1.00	5.00	3.83	1.18	-.90	-.09	-	.62**		
3.Well-being	1.00	6.00	3.99	1.03	-.54	.01	.88	.32**	.34**	
4.Financial Managing	1.00	5.00	3.76	1.06	-.89	.45	-	.34**	.19**	.37**

Note: N = 369; ** p <.01.

Structural Equation Modelling

To test the hypothesized model, a structural equation modelling approach with observed variables was used. A saturated model was examined (meaning that no fit indices were available). Results (see Figure 1) showed significant positive paths between family identification and family support, $b = 0.65$, $p < .001$, *CI* [0.54; 0.70], $\beta = .62$; between family identification and well-being, $b = 0.17$, $p = .005$, *CI* [0.06; 0.22], $\beta = .19$; between family support and well-being, $b = 0.19$, $p = .001$, *CI* [0.10; 0.35], $\beta = .22$; between family identification and financial managing, $b = 0.28$, $p < .001$, *CI* [0.18; 0.42], $\beta = .30$; and between well-being and financial managing, $b = 0.32$, $p < .001$, *CI* [0.20; 0.42], $\beta = .31$). The path between family support and financial managing was not significant, $b = -0.09$, $p = .109$, *CI* [-0.22; 0.02], $\beta = -.10$.

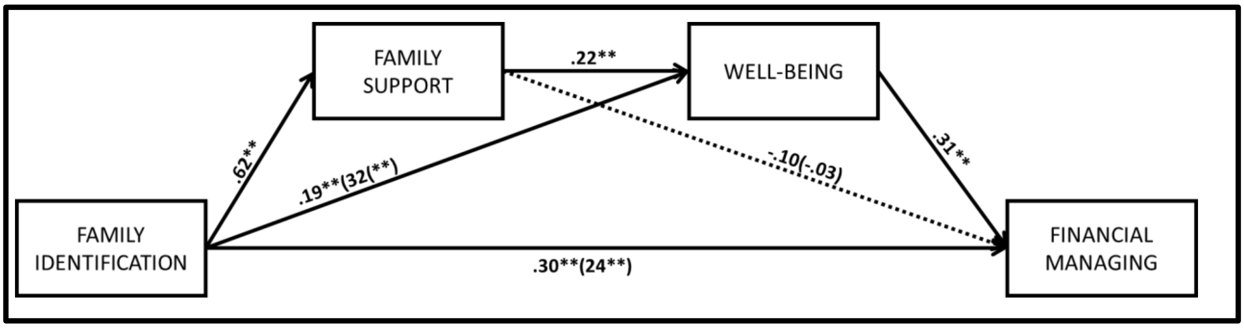

Figure 1. Study 1: Graphical representation of the model. Note: N = 369; $^{**}p < .01$; $^{*}p < .05$. The model is saturated. Standardized values are reported. Solid lines represent significant paths. Direct paths are reported. Total effects are reported in brackets.

Furthermore, using the bootstrapping approach with 5000 resamples, the total and indirect effects were also examined (see Table 2). Results showed the following significant indirect effects: from family identification to well-being via family support, b = 0.13, p = .001, *CI* [0.06; 0.22], β = .14; from family identification to financial managing via well-being, b = 0.05, p = .008, *CI* [0.02; 0.10], β = .06; from family identification to financial managing via family support and well-being, b = 0.04, p = .005, *CI* [0.01; 0.07], β = .04; and from family support to financial managing via well-being, b = 0.06, p = .004, *CI* [0.02; 0.11], β = .07. Finally, there were significant total effects from family identification to well-being, b = 0.30, p < .001, *CI* [0.22; 0.43], β = .32, and from family identification to financial managing, b = 0.32, p < .001, *CI* [0.23; 0.44], β = .34.

Table 2

Study 1: Estimations of Indirect and Total Effects

	b	*p*	*CI* [low; upp]	*β*
INDIRECT EFFECTS				

Via Family Support				
Family Identification → Well-Being	0.13	.001	[0.06; 0.22]	0.14
Family Identification → Financial Managing	-0.06	.111	[-0.14; 0.01]	-0.06
Via Well-being				
Family Identification → Financial Managing	0.05	.008	[0.02; 0.10]	0.06
Family Support → Financial Managing	0.06	.004	[0.02; 0.11]	0.07
Via Family Support and Well-being				
Family Identification → Financial Managing	0.04	.005	[0.01; 0.07]	0.04
TOTAL EFFECTS				
Family Identification → Well-Being	0.30	< .001	[0.22; 0.43]	0.32
Family Identification → Financial Managing	0.32	< .001	[0.23; 0.44]	0.34
Family Support → Financial Managing	-0.03	0.598	[-0.16; 0.09]	-0.03

Note: *b* coefficients represent unstandardized value, while the other coefficients are standardized.

Discussion

Our Study 1 findings are consistent with previous research conducted within the Social Cure perspective. Specifically, supporting research by authors such as Haslam et al. (2005), we found that family identification was a significant positive predictor of well-being, and that this relationship was mediated by family support. However, the results also expand upon these findings by highlighting the importance of these group-related variables for predicting the extent to which participants feel as though they are able to manage their financial status. Specifically, we showed that the more people feel a sense of identification with their family, the better they feel able to manage their financial status. Our analyses also revealed the mediating processes through which this relationship occurs: family identification was a positive predictor of perceived family support, which predicts well-being, which in turn was a positive predictor of financial managing.

It should be noted that family support itself was not a direct predictor of financial managing: it was only via its positive relationship with well-being that the mediating relationship was observed. Our results cannot shed any additional light on this, but it could be the case that sometimes family support will be effective in directly helping people cope with their financial situation (e.g., by family members lending money or providing prudent financial advice), but other times it will be ineffective (e.g., when family members are unable to lend money or offer such advice). These positive and negative relationships could ultimately cancel each other out, leading to no direct relationship between family support and financial managing.

Consistent with previous literature however, family support had a strong positive relationship with well-being (a relationship usually attributed to an increased sense of being able to cope with stress when one feels supported; Haslam et al., 2005). In turn, well-being positively predicted financial managing, which supports the reciprocal nature of the Family Stress Model: feeling well can strengthen people's resilience towards financial stressors, making them more able to cope with their current financial situation.

While Study 1 has provided an initial analysis of the important role played by social identity processes in predicting financial coping ability, it suffers from a number of limitations. First, participants' income levels were not measured: this is an important variable to control for in analyses in order to show that the relationships between the variables are present regardless of participants' income. Second, while a measure of participants' perceived ability to manage their current financial situation is useful, it does not get to the heart of the feelings of distress and worry that financial problems can bring. Third, there is increasing evidence that one way in which group identification impacts on people's health and well-being is via its positive relationship with collective efficacy (e.g., Junker, van Dick, Avanzi, Häusser, & Mojzisch, 2018). That is, the more that a person identifies with a social group, the more they feel that the group is able to collectively solve problems and overcome obstacles: exactly what it needed in the context of a family facing financial issues. However, this is not something that we explored in Study 1. Study 2 is thus designed to remedy these shortcomings: we measured participants' income levels, we replaced the measure of financial managing with a measure of financial distress, and we included a measure of collective family financial efficacy.

Study 2

Participants and Procedure

One hundred and eighty-seven residents (86 males, 101 females; M_{age} = 44.90 years, *SD* = 15.44, *age range* = 18-89) were recruited from the Sherwood area of Nottingham. In terms of relationship status, 8 participants (44%) were married or in a same-sex civil partnership, 13 (7%) were divorced or in civil partnership, 5 (3%) were widowed, 3 (2%) were separated (but still legally married or in a civil partnership), and 11 (6%) reported 'other'. Regarding children, 21% of participants who responded to the question had at least one child under the age of 14, while 10% had at least one child aged 14 or older. Regarding employment status, 94 participants (50%) were employed full time, 31 (17%) were employed part time, 29 (16%) were retired, 19 (10%) were self-employed or freelance, 6 (6%) were students, 3 (2%) were unemployed looking for work, 2 (1%) were unemployed not looking for work, while 3 (2%) reported 'other'. The study procedure was the same as used in Study 1.

Measures

Well-being was measured in the same way as in Study 1. The same demographic variables were also measured.

As in Study 1, participants were asked to define 'family' in any way that was meaningful for them. *Family identification* was measured with Doosje, Ellemers, and Spears' (1995) four-item group identification scale. Participants rated their agreement with each statement (e.g., "*I see myself as a member of my family*") using a 1 ('strongly disagree') to 5 ('strongly agree') scale. The mean of the items was obtained in order to create a measure of family identification, with higher values indicating stronger identification.

Family support was measured with Haslam, O'Brien, Jetten, Vormedal, and Penna's (2005) four-item scale. Participants rated their agreement with each item (e.g., "*Do you get the emotional support you need from other members of your family*?") using a 1 ('strongly disagree') to 5 ('strongly agree') scale. The mean of the items was obtained in order to create a measure of family support, with higher values indicating stronger support.

Collective Family Financial Efficacy was measured with an adapted version of the collective efficacy scale developed by Reicher and Haslam (2006) and used previously in community settings (McNamara, Stevenson, & Muldoon, 2013). Five items concerning families' perceptions of being able to collectively cope with unexpected financial challenges were adapted. Items included "*As a family we can always manage to solve difficult financial problems if we try hard enough*" and "*My family can handle whatever financial challenges come our way*". Participants were initially asked: "*How confident is your family that they can deal with financial problems?*" and were asked to respond to each item on a seven-point Likert-type scale from 1 ('strongly disagree') to 7 ('strongly agree'). The mean of the items was found, with higher values indicating higher collective family financial efficacy.

Financial distress was measured with a scale comprised of four items capturing different dimensions of economic pressure adapted from a scale of family financial stress (Crandall et al., 2017). Participants were asked "*How stressful were the following for you during the last year?*" with items including "*Difficulty meeting monthly payments on bills*" and "*Debt problems—concerns about owing money*". Participants responded on a Likert-type scale from 1 ('not at all stressful') to 7 ('extremely stressful'). The mean of the items was found, with higher values indicating higher distress.

Income was measured by presenting participants with the following instructions: "*Thinking about the different sources of income coming into your household each month (after tax), can you give an estimate of the total amount including wages, any benefits, child support payments, pensions, and any other sources of income?*". As self-reported income is often difficult to capture, an easy-to-use custom scale was developed from information concerning the income distribution of residents living in the target area (Lawton, Wheatley, Pickford, & Burton, 2017). This indicated that most residents' household income would fall between the 10^{th} and the 60^{th} percentiles of UK household incomes. In order to span this range, participants were asked to indicate their answer on a simple six point scale labelled with income brackets: "below £1200 per month", " £1201-£1500 per month" up to "over £2500 per month".

Results

Descriptive Statistics and Correlations

Descriptive analyses were conducted on the study variables (see Table 3). The skewness and kurtosis values for the study variables were acceptable, providing evidence of univariate normality. Financial distress correlated negatively with all the other study variables (*p*s < .05). All other study variables were positively correlated (*p*s < .05), except for the non-significant relationships between family identification and well-being, family identification and income, and well-being and income.

Table 3

Study 2: Descriptive Statistics and Correlations

	Min	Max	M	SD	Skew	Kurt	α	1	2	3	4	5
1.Family Identification	1.25	7.00	6.23	1.24	-1.88	2.93	.95					
2.Family Support	1.00	7.00	5.55	1.57	-1.15	.57	.94	.68**				
3.Well-being	1.80	6.00	4.21	.95	-.27	-.18	.86	.12±	.24**			
4.Collective Family Financial Efficacy	1.00	7.00	5.02	1.65	-.67	-.26	.96	.22**	.21**	.26**		
5.Financial Distress	-.91	2.46	.01	.77	.85	.21	.89	-.18*	-.24**	-.35**	-.49**	
6. Income	5.00	10.00	8.48	1.75	-.79	-.77	-	.05	.17*	.10	.18*	-.31**

Note: N = 179; ** $p \leq .01$; * $p \leq .05$; ± $p \leq .10$.

Structural Equation Modelling

Furthermore, to test the hypothesized model, a structural equation modelling approach with observed variables was used. A saturated model was examined (meaning that no fit indices were available). Results (see Figure 2) showed significant paths between family identification and family support (b = 0.86, p < .001, *CI* [0.58; 0.77], β = .68); between family support and well-being (b = 0.17, p = .010, *CI* [0.07; 0.50], β = .29); between well-being and collective family financial efficacy (b = 0.39, p = .002, *CI* [0.08; 0.37], β = .22); between collective family financial efficacy and financial distress (b = -0.18, p < .001, *CI* [-0.52; -0.24], β = -.38); and between well-being and financial distress (b = -0.17, p = .003, *CI* [-0.35; -0.07], β = -.21). The other paths were not significant. In terms of controlling for income, there were significant paths from income to family support (b = 0.13, p = .013, *CI*

[0.03; 0.26], β = .14), to collective family financial efficacy (*b* = 0.14, *p* = .043, *CI* [0.01; 0.30], β = .15), and to financial distress (*b* = -0.09, *p* = .002, *CI* [-0.34; -0.08], β = -.21). The other paths were non-significant.

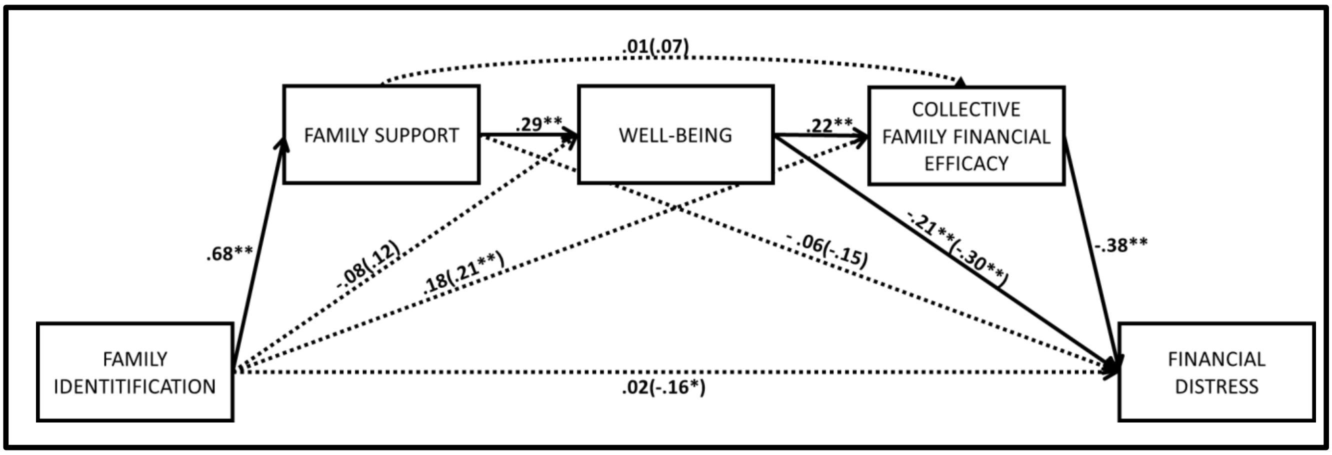

Figure 2. Study 2: Graphical Representation of the model. Note: *N* = 179; ***p*< .01; **p*<.05. The model is saturated. Standardized values are reported. Solid lines represent significant paths. Direct paths are reported. Total effects are reported in brackets. For clarity, paths from income are not depicted, but income was controlled for in the model.

Furthermore, using the bootstrapping approach with 5000 resamples, the total and indirect effects were also examined (see Table 4). Results showed that the indirect path between family identification to financial distress via family support, well-being, and collective family financial efficacy was not significant (*b* = -0.01, *p* = .081, *CI* [-0.04; 0.00], β = -.02), however the following indirect effects were significant: from family identification to well-being via family support (*b* = .15, *p* = .013, *CI* [0.04; 0.35], β = .19); from family support to financial distress via well-being (*b* = -0.03, *p* = .048, *CI* [-0.12; -0.01], β = -.06); and from well-being to financial distress via collective family financial efficacy (*b* = -0.07, *p* = .008, *CI* [-0.15; -0.02], β = -.08). Finally, there were significant total effects from family identification to collective family financial efficacy (*b* = 0.28, *p* = .006, *CI* [0.06; 0.36], *β* = .21), from family identification to financial distress (*b* = -0.10, *p* = .047, *CI* [-0.32; -0.01], *β* = .21), and from well-being to financial distress (*b* = -0.24, *p* < .001, *CI* [-0.45; -0.15], *β* = -.30).

Table 4

Study 2: Estimations of Indirect and Total Effects

	b	*p*	*CI* [low; upp]	*β*
INDIRECT EFFECTS				
Via Family Support				
Family Identification → Well-Being	0.15	.013	[.04; .35]	.19
Family Identification → Collective Family Financial Efficacy	0.00	.985	[-.13; .13]	.00
Family Identification → Financial Distress	-0.03	.535	[-.17; .09]	-.04
Via Well-being				
Family Identification → Collective Family Financial Efficacy	-0.02	.477	[-.06; .03]	-.02
Family Identification → Financial Distress	0.01	.467	[-.03; .06]	.02
Family Support → Collective Family Financial Efficacy	0.07	.063	[-.00; .13]	.06
Family Support → Financial Distress	-0.03	.048	[-.12; -.01]	-.06
Via Collective Family Financial Efficacy				
Family Identification → Financial Distress	-0.04	.095	[-.15; .01]	-.07
Family Support → Financial Distress	0.00	.985	[-.07; .07]	.00
Well-Being → Financial Distress	-0.07	.008	[-.15; -.02]	-.08
Via Family Support and Well-Being				
Family Identification → Collective Family Financial Efficacy	0.06	.068	[-.01; .09]	.04
Family Identification → Financial Distress	-0.03	.054	[-.08; .01]	-.04
Via Family Support and Collective Family Financial Efficacy				
Family Identification → Financial Distress	0.00	.985	[-.05; .05]	.00
Via Well-Being and Collective Family Financial Efficacy				
Family Identification → Financial Distress	0.00	.478	[-.01; .02]	.01
Family Support → Financial Distress	-0.01	.076	[-.05; .00]	-.02
Via Family Support, Well-Being and Collective Family Financial Efficacy				
Family Identification → Financial Distress	-0.01	.081	[-.04; .00]	-.02
TOTAL EFFECTS				
Family Identification → Well-Being	0.09	.073	[-.01; .25]	.12
Family Identification → Collective Family Financial Efficacy	0.28	.006	[.06; .36]	.21
Family Identification → Financial Distress	-0.10	.047	[-.32; .-01]	-.16
Family Support → Collective Family Financial Efficacy	0.07	.518	[-.13; .26]	.07
Family Support → Financial Distress	-0.07	.201	[-.37; .08]	-.15
Well-Being → Financial Distress	-0.24	<.001	[-.45; -.15]	-.30

Note: *b* coefficients represent unstandardized value, while the other coefficients are standardized.

Discussion

Our Study 2 findings support and extend the results we obtained in Study 1 whilst additionally controlling for participants' income levels. While we did not observe a relationship between family identification and well-being, we did find a negative relationship between family identification and financial distress. This lends further support to the positive correlation we observed between family identification and financial managing in Study 1. Although structural equation modelling showed that family identification was not a significant direct predictor of financial distress, the analyses revealed a significant total effect via perceived family support, well-being, and collective family financial efficacy. More specifically, family identification was a positive predictor of perceived family support, which in turn was a positive predictor of well-being (as in Study 1, and again providing (partial) support for previous Social Cure research such as Haslam et al., 2005). Well-being was then a positive predictor of collective family financial efficacy, which in turn was a negative predictor of financial distress.

This latter finding lends support to previous work which has highlighted the important mediating effect of collective efficacy on the relationship between group identification and well-being (e.g., Junker et al., 2018). However, the present study is the first to show this with specific reference to financial efficacy: we created a measure designed specifically to explore the extent of participants' collective family financial efficacy (i.e., the extent to which they feel that they and their family can overcome financial challenges), and we show that this is an important mediator of the relationship between family identification and financial distress.

Consistent with Study 1 and previous literature however, well-being was a strong negative predictor of financial distress, both directly and via collective family financial efficacy. This again supports the reciprocal nature of the Family Stress Model (Conger et al., 2010) by suggesting that feeling well can strengthen people's resilience towards financial stressors, making them feel less distressed by current financial challenges.

General Discussion

Our two studies go some way to demonstrating the utility of applying the Social Identity Approach to the study of family financial resilience. Against a background of research into the impact of economic stress on family health and well-being (Conger et al., 2010), our survey results point to the utility of considering the role of family identification as a predictor of support and well-being which in turn predicts increased resources to cope with financial challenges. While an appreciation of the role of family support in coping with financial challenge is not new, the specific role of family identification in predicting support and well-being, which in turn predicts effective coping with financial challenge, is a novel contribution to this area.

Our first contribution then is to the literature on the FSM as an explanation of the effects of economic stress upon families. In contrast to the causal sequence described in this model which depicts economic pressure as undermining family mental health and relations, we suggest the alternative approach of taking family cohesion as the starting point. Across a range of demographics, employment statuses, and family compositions, we show that in both of our studies, family identification and support predict lower economic pressure as assessed by subjective ratings of financial coping or through financial stress. While the overall effects are not large, they accord with an acknowledgement among the researchers using FSM that there are reciprocal relationships between the psychological experience of economic pressure and the coping resources of family units (Conger et al., 2010; Neppl, Senia, & Donnellan, 2016). Furthermore, in our second survey we demonstrate that this relationship occurs even when controlling for the multiple effects of income on family dynamics - in other words, family identification positively predicts this source of support regardless of the specific income of the household.

Our second contribution is to the Social Identity Approach itself. We replicate the core component of the 'Social Cure' model of identity-based group dynamics by illustrating that family identification predicts support from other family members, which in turn explains a substantial proportion of variance in mental health among participants (Herrera et al., 2011; Naughton et al., 2015). However, we extend this model by then examining the relationship between this increased well-being and financial coping, finding in Study 1 that family identification and support predict improved perceptions of financial coping through increased well-being, and that this pathway is also associated with reduced financial distress in Study 2. In other words, while the Social Identity Approach often considers well-being as the outcome of Social Cure processes, we show that improved mental health can constitute a pathway whereby group dynamics predict more effective coping in specific life domains.

In order to test this interpretation more stringently, Study 2 also included a custom adapted scale of 'Collective Family Financial Efficacy'. Building upon previous work in the Social Identity tradition which illustrates the pivotal role of collective efficacy in providing resilience to groups (Reicher & Haslam, 2006; McNamara et al., 2013), and work on the FSM which shows that poorer mental health is associated with reduced financial coping (Conger & Conger, 2002), we hypothesised that the relationship between mental wellbeing and financial stress would occur through an enhanced ability to cope with financial challenge. This was indeed the case, with a small but significant proportion of the relationship between well-being and financial distress being mediated by the effect of family financial efficacy.

We suggest that this evidence builds upon previous work indicating that family identification typically has a fundamental role in shaping the mental health of its members by providing resistance to depression (Tummala-Narra et al., 2012) and buffering against stress (Rodriguez, 2019) as well as protecting against the specific challenges of financial deprivation (Mickelson & Williams, 2008). However, we also draw upon the insight from the

FSM into the mediating effects of family mental health by showing that family member well-being predicts better collective coping. In other words, family identification predicts the family's ability to collectively cope with challenge by preserving the mental health of its members. Our contribution to the Social Cure understanding of family then is to suggest that the consequences of family identity-based support goes beyond simply helping the family to *feel better* in times of adversity; they actively enable the family to *do better* in coping with and changing their situation.

More broadly, we argue that our findings contribute to a growing appreciation of the need for strengths-based models of family economic resilience to economic hardship (Walsh, 1996; Benzies & Mychasiuk, 2008). Specifically, by taking family cohesion as a starting point, we highlight the potential benefits of supporting families to help themselves through economic crises, rather than simply trying to reduce the stress experienced by individual family members, or reactively addressing the psychological and behavioural outcomes of economic distress. We argue that supporting family well-being is an important component of bolstering resilience to economic stress, but also contend that an efficacy-based approach is a more constructive, empowering, and potentially transformative approach to financial disadvantage than a deficit model. We emphasise that our results do not suggest that families should be left to fend for themselves, or that family identification can be used as a substitute for social and economic support, but that providing support to families in order to improve their mental health should also foster more effective financial coping. This may include initiatives such as family counselling, or Social Prescribing (Kellezi et al., 2019), which addresses chronic mental ill-health in a bespoke and holistic manner by encouraging patients to set health-related goals and become more socially connected within their communities.

Of course, we acknowledge several key limitations to the current work. Perhaps most notably, our community-level focus precludes a fine-grained examination of the specific dynamics within family units and means that we cannot confidently state that our findings can be generalised to the larger population. The cross sectional nature of the work also prevents an analysis of the unfolding relationships between the causes and effects of economic stress; indeed, it would be useful for future research to longitudinally examine changes in family and family support, and how these are associated with financial well-being outcomes over time. Additionally, the research neglects to examine the potential complexities underpinning financial support, notably when families have no support to offer and become a source of financial burden, as well as when the receipt of support places costly obligations on family members. Further work should explore more fully the identity dynamics underpinning these complex and potentially corrosive effects. Moreover, our work fails to elucidate the different support dynamics of families of different sizes and compositions and in particular the vulnerabilities experienced by non-traditional family units (Stack & Meredith, 2019), something which future work should examine. Similarly further work could explore the experiences of families from different marginalised groups for whom stigma and discrimination can compound the challenges of financial hardship (Barnett, 2008). However, by illustrating the extent to which family identification and support predict mental health and increased economic resilience, we hope to stimulate future research into how provisioners should design and implement interventions in order to support families to more effectively cope with and overcome economic challenge.

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