

Article 36: Human Development and Poor Money Management and Money Management and Support Programs

Poor money management, often characterized by impulsive spending and a lack of financial literacy, frequently leads to severe debt and psychological distress in several stages of life. These behaviors increase individuals' likelihood of needing government assistance and specialized support to fulfill their basic needs (Lee et al., 2023; Miloş et al., 2023; Nasir et al., 2025). **Money management and support programs** help bridge this gap by offering personalized budget coaching and financial education to foster long-term stability. Ultimately, these interventions aim to break the cycle of hardship by equipping individuals with the skills to align their spending with their financial goals (Fuji et al., 2024; Hall et al., 2022; Loke et al., 2015).

Causes and Scope of Poor Money Management in the United States

Poor money management in the United States has been driven by a volatile mix of stagnant wages, high inflation, and a lack of formal financial education in school systems. This issue is further amplified by the ease of digital credit and "buy now, pay later" services, which often lead consumers into cycles of high-interest debt. The scope of this problem is vast, with millions of Americans living paycheck to paycheck and a significant portion of the population unable to cover emergency expenses. Consequently, these financial vulnerabilities have become a widespread systemic concern, impacting national economic stability and the mental health of the workforce (Lee et al., 2023; Miloş et al., 2023; Nasir et al., 2025).

On that note, a study examined how often adult Americans fall behind on finances and what factors contribute to poor money management in the United States. The researchers used data from the 2016 Consumer Financial Protection Bureau's National Financial Well-Being Survey, which included responses from about 6,394 U.S. adults. The data were collected through a nationally representative survey that asked participants about their financial behaviors, knowledge, income patterns, and overall well-being. Moreover, they estimated how different characteristics influenced the likelihood of falling behind on finances. The findings showed that lower income, younger age, larger household size, and poorer health were strongly linked to greater financial hardship. Income volatility (which stands for unstable or unpredictable earnings) also significantly increased financial distress. Weak saving habits emerged as one of the strongest behavioral predictors of falling behind. Furthermore, low financial knowledge further contributed to financial mismanagement even after accounting for income and demographics. The analysis also revealed demographic disparities, with some racial groups reporting higher levels of difficulty. Overall, the study demonstrated that poor money management in the U.S. results from both structural and individual behaviors. The researchers concluded that strengthening financial literacy and encouraging consistent saving, alongside addressing income instability, are essential steps towards reducing financial fragility nationwide (Miloş et al., 2023).

Another study examined the scope and social drivers of financial stress as a key indicator of poor money management among young adults in the United States. Hence, the researchers analyzed national data from the 2013–2018 National Health Interview Survey, which included 19,821 adults aged 18–26. Moreover, they recorded concerns about bills, housing costs, healthcare expenses, debt, and savings. Overall, nearly one in six young adults reported high levels of financial stress, highlighting how widespread financial strain is within this population. Most importantly, low income and limited

educational attainment emerged as some of the strongest predictors of financial hardship. Additionally, unstable employment, lack of health insurance, and existing health conditions were closely linked to greater financial strain. Clear demographic disparities were present, as female, non-Hispanic Black, and Hispanic young adults faced disproportionately higher levels of stress. These findings point towards structural inequalities in access to stable jobs, education, and healthcare as central drivers of financial instability. Furthermore, high financial stress was associated with more than a sixfold increase in severe psychological distress, demonstrating how deeply financial struggles affect overall well-being. Taken together, the results show that poor money management among young adults is not simply a matter of personal choices. Rather, broader socioeconomic barriers significantly shape financial vulnerability. The researchers concluded that reducing financial stress in the United States requires addressing structural inequities alongside efforts that strengthen financial capability and long-term economic stability (Nasir et al., 2025).

To complement these findings further, a study examined how poor financial behaviors and adverse financial experiences related to receiving government assistance and overall financial satisfaction among U.S. adults. Thus, the researchers used data from the 2018 National Financial Capability Study (NFCS)—an online survey of over 21,000 American adults that asked about money management habits, financial challenges, and use of support programs. They found that individuals who engaged in poor financial behaviors such as lack of emergency savings, high-cost borrowing, and weak budgeting were slightly more likely to receive government assistance, although experiencing income shocks or other financial hardships was a much stronger predictor of needing help. Moreover, poor financial behaviors were linked to lower levels of financial satisfaction, showing how everyday money management choices worsened people’s sense of financial well-being. Receiving government assistance was associated with higher financial satisfaction for some groups, especially after adverse financial experiences, indicating that assistance acted as a short-term safety net for financially strained households. However, many adults remained financially fragile even outside of recessionary periods, lacking the behavioral tools to manage unexpected expenses without public or private intervention. These patterns showed that behavioral causes such as habits and responses to financial stressors played a central role in poor money management. Additionally, the study showed demographic differences in financial outcomes, reflecting broader socioeconomic vulnerabilities across the U.S. population. Researchers concluded that addressing poor financial behaviors through education and support, alongside policies that reduce economic instability, could help improve financial capability nationwide, especially for those who currently lack the skills to manage financial shocks effectively (Lee et al., 2023).

Effectiveness and Impact of Money Management and Support Programs

Money management and support programs serve as a vital bridge between financial instability and long-term economic resilience. These initiatives empower individuals to regain control over their personal finances by replacing reactive spending habits with structured budgeting frameworks. Beyond simple debt relief, money management and support programs also cultivate the psychological confidence and self-efficacy necessary to navigate complex modern markets and avoid predatory lending cycles (Fuji et al., 2024; Hall et al., 2022; Loke et al., 2015).

For instance, a study examined whether participation in a year-long financial education and coaching program helped improve outcomes for employed, low-income, single-mother households in the United

States. To assess this question, the researchers analyzed data from the Finances First Study—a randomized controlled trial conducted between 2017 and 2020 that followed 345 single mothers through a structured financial education and coaching intervention. Participants were recruited locally and provided information on financial stability, as well as related household outcomes, throughout the program period. Compared to a control group, mothers who received financial coaching showed reduced financial strain, indicating stronger day-to-day money management. Moreover, children in participating households experienced fewer school absences and physician visits annually, reflecting meaningful carryover benefits for family well-being. Although no significant changes were observed in emergency room visits or hospitalizations, the overall findings suggested that structured financial education and coaching improved participants’ ability to manage financial challenges more effectively than standard conditions. Furthermore, the program appeared to ease some of the stress associated with financial instability, which may have contributed to improved family functioning. These results indicated that targeted money management support programs can produce tangible benefits beyond immediate financial metrics. While the study focused on a specific demographic group, the outcomes pointed towards broader implications for financially vulnerable households. Overall, the evidence suggested that practical coaching and financial education strengthened both financial stability and related household outcomes. Therefore, the researchers concluded that well-designed financial support programs can play a meaningful role in mitigating the effects of poor money management and promoting long-term financial resilience (Fuji et al., 2024).

Another study examined whether the MyPath Savings initiative—a targeted money management and savings support program—helped improve financial capability among economically disadvantaged youth in the United States. Thus, the researchers analyzed data from 275 adolescents aged approximately 14–18 who participated in the MyPath Savings pilot, which was integrated into an existing youth employment and development program in San Francisco. The data were collected through questionnaires measuring financial knowledge, self-efficacy, and financial behaviors before and after participation in the savings pilot. Adolescents involved in MyPath Savings showed significant increases in financial knowledge and confidence in managing money. Moreover, participants reported practicing positive financial behaviors (such as saving regularly and budgeting) more frequently by the end of the initiative. By program completion, participants had saved an average of about \$507 in their own savings accounts, many of which were their first bank accounts. These gains in both skills and behaviors were observed across demographic groups, suggesting broad applicability of the program’s support model. The results indicated that MyPath Savings not only improved financial understanding but also translated that knowledge into concrete money management actions. In addition, combining financial education with structural supports like account access and savings incentives appeared to strengthen outcomes. Moreover, the findings pointed towards the program’s practical effectiveness in enhancing financial capability. Thus, the researchers concluded that integrating education with tangible savings opportunities can help mitigate poor money management and promote stronger long-term financial habits among youth (Loke et al., 2015).

Lastly, a study examined whether a financial coaching support program could help mitigate poor money management and its wider effects among older adult victims of financial exploitation in the United States. To evaluate this intervention, the researchers analyzed data from 40 community-dwelling adults over age 55. Half of the participants enrolled in the Successful Aging through Financial Empowerment (SAFE) program, whereas the remaining participants served as a comparison group without coaching. Participants were recruited through referrals and community outreach, and

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both groups completed baseline assessments before services, followed by follow-up assessments six months later. At baseline, those who sought coaching had experienced worse financial outcomes, greater stress, and more health and social challenges than the comparison group. After participating in SAFE, individuals showed reductions in anxiety and improvements in emotional well-being compared with their initial assessments. Additionally, participants who received financial coaching did not experience further declines in financial, cognitive, physical, or emotional health, and in some areas demonstrated measurable improvement. These findings suggested that structured financial coaching helped stabilize or strengthen financial management following exploitation. The improvements in emotional outcomes also indicated that enhancing financial capability led to broader benefits for overall well-being. Although the study focused on a relatively small and specific population, the outcomes pointed towards the value of targeted support programs for financially vulnerable adults. In light of these findings, the evidence highlighted the constructive role of coaching in promoting financial recovery and resilience. Hence, researchers concluded that programs such as SAFE showed promise as supportive interventions for mitigating the lasting effects of poor money management and financial exploitation (Hall et al., 2022).

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