# The Family: Understanding Adaption to a Post-Recession Period

Jennifer L. Hunter, Ph.D. and Nichole L. Huff, M.S.
University of Kentucky

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Since August 1929, the entry point to the Great Depression, the United States has experienced 14 economic recessions, the most recent of which, known as the Great Recession, began in December 2007 and ended June 2009. The Great Depression ultimately changed the life course of many individuals who experienced economic hardship (Cavan & Ranck, 1938). Based upon economic indicators available from the National Bureau of Economic Research (2011), the Great Recession is the most extensive since that of the Great Depression. Therefore, a logical assertion can be made that the life course of many individuals will once again be altered. Realizing that many families were unprepared to manage recent economic events, the intent of this research is to assess the adaptive strategies exhibited by families during the post-recession period.

The current state of knowledge regarding the effects of recession on human behavior is very limited, as recession literature is often criticized for failing to measure the more humanistic impacts of financial downturn. The lack of information on the impacts that economic recession has on families is unfortunate. Based upon the business cycle (Mankiw, 1989), a recession economy is unavoidable, yet families are left without the coping skills necessary to successfully manage a recession crisis situation.

Economic hardship is commonly cited as a family stressor (Bartholomae & Fox, 2005). Severe economic hardship brought about by an extended economic recession has the ability to develop into a family crisis. Family stress theory provides the foundation to study the stressor event both pre- and post-crisis to establish family coping and adaption strategies (McKenry & Price, 2005). Family stress theory recognizes the family as a social system, allowing for the integration of individual family members within their family unit, as well as the community and environment in which the family lives (Whitchurch & Constantine, 2009). In addition, the family stress model has been used to study the effect of economic depression and recession on families (Bartholomae & Fox, 2005; Lavee, Hamilton, & Patterson, 1985; McKenry & Price, 2005; Moen, 1979; Solantaus, Leinonen, & Punamaki, 2004).

The purpose of this survey study is to test the family stress theory in an effort to expand on and refine coping and adaptation mechanisms, as well as organizational skills employed by families who successfully managed periods of economic recession. Coping mechanisms are identified as resources available to the family, such as the ability to alter consumption, seek additional employment, rely on extended family, etc. Adaptation strategies will represent the family's long-term changes that enable the family system to function, such as redefining family member roles, the steps necessary to secure stable employment, and strengthened relationships. Overall, this study contributes to the scope of knowledge by exploring coping and adaptation mechanisms that allowed families to successfully enter the post-recession period. Realizing that the term "successful" is subjective, in this case it refers to a family being able to return the family system to equilibrium, or a homeostatic state of financial functioning.

A study was conducted to measure the adaption of Kentucky families to the post-recession period following the Great Recession. Data was collected in May 2011 using a mailed questionnaire via a modified Dillman Total Design Survey Method for Distribution (Dillman, 1978, 1991). The study utilized a random sample of 2500 Kentucky families from an address-based sample available from the United States Postal Service (USPS) database. Participants were asked to complete paper surveys and return them in pre-posted envelopes. Based on the 510 completed surveys returned, the mailing had a 22% response rate after excluding 174 surveys from the initial sample which were returned as non-deliverable.

The primary data collection instrument was the Family Index of Regenerativity and Adaption-General (FIRA-G) assessment (McCubbin, 1987). Additional items were added to measure family economic hardship and lifestyle change associated with current economic conditions. Descriptive statistics were used to identify the households most impacted by the recent economic recession. Based on the nature of the variable (nominal, ordinal, interval, or ratio) a variety of tests including chi-square, independent sample t-tests and ANOVA were used to test for statistical significance between the impacted and non-impacted families on demographic, attitudinal, and financial characteristics.

Forty-eight percent of families reported a financial situation worse-off, as compared to the same time period twelve months prior. Demographic characteristics were compared for families indicating a worsened financial situation compared to families which reported the same or better financial situation. Chi-square ($\chi^2$) significance tests were conducted; annual household income and current job status were the only two statistically significant differences in demographic characteristics.

Prior to the most recent economic recession, Americans had experienced an extended period of economic prosperity, highlighted by low unemployment rates, low inflation rates, and increasing home values. As a result of the Great Recession, many families will have to renegotiate their expectations for the future based on a new set of financial realities. To develop an understanding of changing life goals and expectations, respondents were asked “Based on recent economic conditions, have you and your family changed your goals or expectations in regard to...” a series of common goals held within families. Results are displayed in Table 1.

Table 1. Changed Life Goals/Expectations

| **Life Goal/Expectation** | **Yes (%)** | **No (%)** |
|---|---|---|
| Financial Security | 58.9 | 41.1 |
| Home Ownership | 27.6 | 72.4 |
| Comfortable Retirement | 54.8 | 45.2 |
| Marriage | 13.8 | 86.2 |
| Ability to Provide Basic Needs | 45.2 | 54.8 |
| Career Success | 31.6 | 68.2 |
| Children Success | 32.4 | 67.4 |

Furthermore, to measure the change in lifestyle habits, respondents were asked “Due to current economic conditions, we would like to know how you (and those individuals in your family) have changed your lifestyle activities during the last 12 months in regards to…" a series of common family activities. Results are displayed in Table 2.

Table 2. Changed Family Activities

| Family Activity | More Often (%) | Less Often (%) | Same (%) |
|---|---|---|---|
| Eating Away From Home | 5.0 | 63.3 | 31.7 |
| Shopping at Discount Stores | 39.7 | 18.5 | 41.8 |
| Taking Vacations | 1.7 | 64.5 | 33.8 |
| Thinking About Your Current Life Situation | 60.4 | 4.4 | 35.2 |
| Buying Generic Products | 57.9 | 4.2 | 37.9 |
| Spending Time with Family | 29.9 | 13.5 | 56.5 |
| Spending Time with Friends | 17.8 | 27 | 55.2 |
| Attending Religious Events/Services | 15.2 | 17.5 | 67.2 |
| Spending Money on Children | 10.0 | 42.0 | 48.0 |
| Spending Money on Self/Spouse | 3.1 | 60.0 | 36.9 |
| Seeking Less Expensive Alternatives | 70.8 | 4.6 | 24.6 |

Finally, the poster will also address the initial findings of the FIRA-G scale. The FIRA-G measures the dimensions family stressors, strains, extended family and social support, family coherence, family hardiness, and family distress. The scales incorporate the use of other instruments, including the Family Inventory of Life Events and Changes (FILE), Family Crisis Oriented Personal Evaluation Scales (F-COPES), Social Support Inventory (SSI), and Family Hardiness Index (FHI) (McCubbin, 1987). The 74-item scale was introduced in 1987, and since that time the index has been applied to a variety of family stressors, including psychological distress, caregiver stress, and health conditions (Brannan & Heflinger, 2001; Preece & Sandberg, 2005). Reliability measures of the individual dimensions range from .69 to .82 and validity scores of .23 to .99 (Preece & Sandberg, 2005; McCubbin, 1987). Range, mean and standard deviation of each scale are presented for the current data set in Table 3.

Table 3. FIRA-G Dimensions: Mean, and Standard Deviations

| Dimension | Range | Mean | SD |
|---|---|---|---|
| Family Stressors | 0-45.8 | 13.46 | 8.83 |
| Family Strains | 0-41.8 | 11.86 | 11.27 |
| Relative and Friend Support | 8-40 | 25.0 | 6..0 |
| Social Support | 6-68 | 444.5 | 9.6 |
| Family Coherence | 7-20 | 16.0 | 2.0 |
| Family Distress | 0-33.60 | 6.6 | 8.0 |
| Family Hardiness | 0-60 | 41.11 | 11.7 |

The study of family adaption to a post-recession period provides an indication of the changes which occur within the family system while experiencing periods of non-normative financial stress. Information regarding the family adaptability and coping skills is valuable to both educators as well as policy makers providing an assessment of the noneconomic impacts of economic recession.

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