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The Impact of Using a Financial Advisor on Financial Success

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This is to certify that the doctoral dissertation by

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Walden University
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Abstract

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Dissertation Submitted in Partial Fulfillment

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Abstract

Planning for retirement is a practical approach to preparing for an excellent financial quality of life post career. However, individuals do not have the human capital to make optimal financial decisions or know whom to turn to for financial advice when they obtain human capital. This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 years old in the household, and perceived financial success. The chosen theoretical foundation for this study was human capital theory. They used 944 data sets from the Health and Wealth 2016 database to test the study hypotheses. The inclusion criteria for the survey used to collect the data in the database were (a) 24 years old and above, (b) U.S. citizen, (c) employed full-time or self-employed, and (d) have at least $25,000 in investible assets. Results of ordinal regression analyses indicated a statistically significant but weak relationship between the independent variables and perceived financial success for 8 of the 10 regression models. The implication for social change from the study is that individuals who decide to work with a financial advisor to help them make their financial decisions are likely to increase their overall financial well-being.

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Dedication

This work is dedicated to my wife, best friend, and confidant, CLH, and our four children, Maggie, Laney, Will, and Jamie. At the beginning of this trek, our trips to Lubbock were filled with great memories. I have failed in this process many times, but each of you has continued to encourage me, push me, and ask, “when are you going to finish?” Thank you for your patience, encouragement, and love during this long journey.

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Table of Contents

List of Tables

Chapter 1: Introduction to the Study

By setting goals and creating a plan to meet those goals, individuals can ensure they have the necessary savings and investments to support themselves during their retirement years. Retirement planning is about saving for the future and taking advantage of the various tax incentives and government benefits that can help supplement your retirement income (Friedberg, 2018). Furthermore, it allows individuals to manage financial risks and opportunities, help budget, and save and invest wisely. Overall, planning for retirement has been shown as a practical approach to preparing for a financial quality of life post career (Topa et al., 2018). The guidance of a financial advisor helps individuals align their retirement goals with their choices. Without the advice of a financial advisor, individuals may make suboptimal choices regarding their retirement goals (Biggs, 2020; Sass, 2018). Many individuals lack human capital (e.g., time, resources, experience, and education) to ensure completion and preparation for financial decisions after retirement (Marginson, 2019). Planning for financial crises is critical for improved outcomes in the future (Biggs, 2020; Sass, 2018). Issues such as lack of preparedness, risky asset allocation, and potential limitations in practical risks associated with financial preparation and planning hinder individuals' ability to obtain financial advice (Angrisani & Casanova, 2019; Lee & Hanna, 2020; Salaghe et al., 2020). There is a divergence in understanding of how human capital and financial success influence retirement planning in the reviewed literature. Further, there is a clear knowledge gap about how financial advising can affect financial success in different generational cohorts (i.e., baby boom generation, generation X, generation Y, and

generation Z). Through this current study, I provided valuable information about the difference in perceived financial investment success between individuals who work with a financial advisor and those who do not.

Chapter 1 includes the background of the study, the problem statement, the purpose of the study, a description of the research question and corresponding hypotheses, and the study's theoretical foundation. Also included are a discussion of the nature of the study, definitions of specific related terms, the assumptions, scope, delimitations, limitations of the study, and the significance to theory, practice, and social change. Finally, the chapter concludes with a concise summary to transition to Chapter 2.

Background of the Study

Financial decision making is a complex process that various factors can influence. Financial decision making can be affected by factors or predictors such as having a financial advisor, income, education, age, gender, marital status, ethnicity, employment status, and dependents (Scholz et al., 2021). A considerable amount of prior research exists on how these predictors impact those who seek financial advice. These predictors formed the critical variables of the current study. It was essential to consider each of the predictors within this study because failure to do so could have led to inaccurate conclusions and invalid results. By controlling and accounting for each of these variables in this study, I could isolate the effect of the independent variables on the dependent variable and draw valid conclusions about their relationship.

Effective financial decisions about income can contribute to wealth accumulation and higher long-term security. Personal income impacts multiple areas of an individual’s

financial outcomes, including credit use and saving for personal goals such as retirement (Chen et al., 2021). Specifically, income level affects an individual's ability to make financially sound decisions (Chen et al., 2021). Issues such as unexpected out-of-pocket expenses and poor spending habits can limit financial decision making (Chen et al., 2021; Sharpe et al., 2007). Investment strategies depend on income, which, if lacking, affects financial health and retirement planning (Fujiki, 2021; Sharpe et al., 2007; Yogo, 2016). Thus, income level is crucial in the financial planning process.

The second variable for consideration in this study was the attained level of education of the individual. The levels of financial experience individuals may vary, and levels of education can significantly affect individuals' financial decision making. Education levels vary by individual and generational trends in financial planning (Harlow et al., 2020). The level of education can affect the individual's financial knowledge and experience in financial decision making (Harlow et al., 2020; Lewis, 2015). In addition, individuals who lack wealth may also have lower education levels, reducing their ability to complete healthy financial decisions (Hussein & James, 2019; Tran & Wang, 2019). The level of education an individual attains is an essential predictor of financial decisions.

Within this research, I used age to estimate the impact of generational cohorts, such as Baby Boomers, Generation X, and Generation Z. Each of these individual cohorts is briefly described below and defined later in this chapter. Generational cohorts are also a considerable element of financial literacy. The individual's age can affect their perceptions and likelihood of seeking financial advisors (Luther et al., 2018). In addition,

an individual's age intersects with the variable of generational values (Kettunen & Kriikkula, 2020). Baby Boomers hold a unique position regarding financial advisement (Colby & Ortman, 2014). As further noted by Colby and Ortman (2014), the Baby Boom generation represents the largest group of individuals born in the United States. In addition, Wallace (2018) found that the average individual retires from work at age 63 and may spend 20 or more years in retirement. As a result, Baby Boomers hold a unique and primarily understudied relationship regarding financial literacy and the importance of education, employment, and income.

Generation X, defined as being strongly independent and critically concerned with financial health and advisement, is thus more prone to financial seeking. Generation X is also well-represented in empirical literature regarding financial advising (Bickel & Brown, 2005; Panos & Wilson, 2020). Conversely, Generation Y prefers financial planning and retirement processes (Kettunen & Kriikkula, 2020). Millennials highly value financial planning due to witnessing a severe economic downturn during the 2008 housing and financial collapse in the United States (Brodmann et al., 2018). As a result, Millennials are most likely to turn to technology, advisement, and self-education to ensure proper retirement and financial retirement procedures compared to Baby Boomers (Brodmann et al., 2018; Xu et al., 2015). At the time of this study, Generation Z, the most recent generation, was beginning the process of entering college. Therefore, there is limited information on how Generation Z uses economic preparation. However, individuals at the cusp of Generation Z will most likely focus on career management to

manage student debt (Panos & Wilson, 2020). Furthermore, I expect financial planning resources and guidance to be available to this generation.

Previous studies have shown that gender can significantly affect financial success. Women tend to have less access to financial resources and face more financial constraints than men due to the persistence of gender inequality in society. Brook and Shmelev (2019) and Cupák et al. (2018) showed that gender could also affect financial success based on the relationship of gender inequality, which has been contemporary and historically present in the United States. Researchers have indicated a need to understand gender relationships with financial literacy further and explore the sociocultural reasons for gender differences (Brook & Shmelev, 2019; Cupák et al., 2018; Potrich et al., 2018). Research by Hurd and Wise (1989) found that men are more likely to seek financial advice. The use of financial advisory services may result from disparities in perception because of past experiences and an individual's current stage of life. The evidence suggests that these differences can be a product of factors such as marital status or dependencies (e.g., children). Salter et al. (2010) identified that highly educated, wealthy, and married men were more likely to seek the services of a financial advisor.

Additionally, the use of financial advisors was also closely linked to higher financial confidence, awareness, and increased levels of planning activities (Salter et al., 2010). Similarly, Chatterjee and Zahirovic-Herbert (2010) found that married individuals of both genders and age groups who had higher net worth, IQ, and educational attainment significantly utilized financial advisors. Factors such as marital status can substantially influence the use of financial advisors. Therefore, such factors seem to exploit differences

in utilizing financial advisors. Researchers also found that female retirees are more likely to end up without secure housing at their retirement or experience a financially restrictive lifestyle (Dale & St John, 2020). This finding is particularly worrying as previous research found that females are less likely than men to seek help from financial advisors (Lewis, 2015). Salaghe et al. (2020) argued that individuals with lower risk aversion were significantly more likely to change their retirement plans to achieve short-term rewards, causing them to act prematurely. This point also goes back to the issue of behavioral biases such as overconfidence and returns chasing, which encourages individuals to act impulsively when planning their finances.

Given the diverse ethnic melting pot that embodies the United States, understanding how various cultures approach financial circumstances becomes apparent. Ethnicity is essential when exploring financial literacy (Al-Bahrani et al., 2019). Ethnicity and cultural differences can influence financial literacy based on decision-making and earlier education (Balasubramnian & Sargent, 2020). For example, white individuals are more likely to display financial literacy than minorities. This contributes partially to sociocultural differences and power dynamics in the United States, contributing to disparities in literacy (Al-Bahrani et al., 2019; Balasubramnian & Sargent, 2020; Radianto et al., 2020). Therefore, it is essential to consider the role of ethnicity and cultural background when studying financial literacy and decision making.

An individual's employment status can significantly impact their financial literacy and decision making. Kofoed and Frasier (2019) showed that employment status could influence financial literacy. For example, employment status includes an individual's

ability to hold health insurance, retirement benefits, and income to support retirement planning (Kofoed & Frasier, 2019). Employment status gives individuals various employer-based financial benefits, such as an employer-based retirement plan. Employer-based retirement plans are frequently an individual's most significant asset and could significantly affect individuals' financial decision-making. Therefore, it is essential to consider the role of employment status in financial literacy and decision making.

Family dynamics and dependent status can play a role in shaping an individual's financial literacy. Specifically, financial literacy also depends upon families and the dependent status of the individuals (Salter et al., 2010). Individuals who are married or have children are more likely to seek the services of a financial advisor (Chatterjee & Zahirovic-Herbert, 2010). As noted earlier, when married and with children, white males with a higher IQ, education obtainment, and income are more likely to employ financial services (Chatterjee & Zahirovic-Herbert, 2010; Salter et al., 2010). Financial success is often associated with using a financial advisor. Foundational financial planning includes competency in retirement planning (Chaffin, 2013; Cheng et al., 2018). Therefore, it is essential to consider the interplay of these factors when examining financial literacy and decision making.

The literature review for this study notes significant sources regarding financial literacy and the importance of education, employment, and income levels. However, there is a need to fulfill research regarding financial advisors' role in achieving financial success. Therefore, this study is essential, as the unique topic of financial success

between individuals across multiple generational cohorts who work with a financial advisor and those who do not.

Problem Statement

One of the main challenges in financial literacy is the lack of access to the necessary knowledge and resources to make informed financial decisions. The general problem was that individuals do not have the human capital to make optimal financial decisions (Marginson, 2019). The problem was that individuals do not know whom to turn to for financial advice when they obtain human capital. Exploring the perceived financial investment success is paramount because of the continued need to support individuals who experience financial losses that may affect subsequent financial decision-making (Chang, 2005). Individuals with lower income are less likely to be experienced in using financial investment strategies or seeking financial advisory services (Guo & Finke, 2018). Thus, it is essential to explore the difference in perceived financial success between individuals who work with a financial advisor and those who do not.

This study intended to complement the existing literature on human capital and individual time use for individuals preparing for retirement. In this study, I considered the various generational cohorts due to an overall hesitancy toward financial advisors of individuals in specific cohorts (see Ayyagari, 2019; De Nardi et al., 2010; Kettunen & Kriikkula, 2020). I studied the impact of the independent variables (i.e., having a financial advisor, income, education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household) on the dependent variable (perceived financial success).

Purpose of the Study

This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. The independent variables were having a financial advisor, income, education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household. The dependent variable was perceived financial success.

Research Questions and Hypotheses

RQ1: What is the relationship between having a financial advisor and perceived financial success?

$H_0$1: There is no relationship between having a financial advisor and perceived financial success.

$H_1$1: There is a relationship between having a financial advisor and perceived financial success.

RQ2: What is the relationship between having a financial advisor and perceived financial success, given income?

$H_0$2: There is no relationship between having a financial advisor and perceived financial success, given income.

$H_1$2: There is a relationship between having a financial advisor and perceived financial success, given income.

RQ3: What is the relationship between having a financial advisor and perceived financial success, given education?

$H_0$3: There is no relationship between having a financial advisor and perceived financial success, given education.

$H_1$3: There is a relationship between having a financial advisor and perceived financial success, given education.

RQ4: What is the relationship between having a financial advisor and perceived financial success, given age?

$H_0$4: There is no relationship between having a financial advisor and perceived financial success, given age.

$H_1$4: There is a relationship between having a financial advisor and perceived financial success, given age.

RQ5: What is the relationship between having a financial advisor and perceived financial success, given gender?

$H_0$5: There is no relationship between having a financial advisor and perceived financial success, given gender.

$H_1$5: There is a relationship between having a financial advisor and perceived financial success, given gender.

RQ6: What is the relationship between having a financial advisor and perceived financial success, given marital status?

$H_0$6: There is no relationship between having a financial advisor and perceived financial success, given marital status.

$H_1$6: There is a relationship between having a financial advisor and perceived financial success, given marital status.

RQ7: What is the relationship between having a financial advisor and perceived financial success, given racial status?

$H_0$7: There is no relationship between having a financial advisor and perceived financial success, given racial status.

$H_1$7: There is a relationship between having a financial advisor and perceived financial success, given racial status.

RQ8: What is the relationship between having a financial advisor and perceived financial success, given employment status?

$H_0$8: There is no relationship between having a financial advisor and perceived financial success, given employment status.

$H_1$8: There is a relationship between having a financial advisor and perceived financial success, given employment status.

RQ9: What is the relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household?

$H_0$9: There is no relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

$H_1$9: There is a relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

RQ10: What is the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success?

$H_0$10: There is no relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success.

$H_1$10: There is a relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success.

Theoretical Foundation

The chosen theoretical foundation for this study is the human capital theory. Becker's early work laid the foundation for the human capital theory. In the 1950s, Becker explored labor, physical capital, land, and management, asserting that these were crucial factors of a growing economy. In the early 1960s, Becker examined physical capital and determined that physical capital is an essential contributor to the economic success of individuals. The ideology that individual skills and abilities accumulate through education and training and contribute to physical capital is founded in human capital (Becker, 1993; Lucas, 1990). Marginson (2019) further explained the value of an individual's education by asserting that education is the sum of the "lifetime earnings of educated labor" (Marginson, 2019, p. 3). For this study, Marginson's contribution is also

essential. It shows a connection between education and income (e.g., productivity) related to financial literacy and financial advisor use.

The human capital theory suggests that individuals should invest a significant amount of time in learning how to plan for their healthcare in retirement or hire a professional to do it for them. I addressed the unique topic of financial success between individuals who work with financial advisors and those who do not. Previous research has examined the connection between the human capital theory and the success of ventures. More specifically, given various demographic factors, I examined the impact of having a financial advisor on perceived financial success. Rather than proposing to measure human capital, I discussed how individuals' financial positions, influenced by the decision to have a financial advisor and the resulting success, encapsulate the phenomenon of human capital (e.g., perceived financial success). Chapter 2 includes a more detailed theoretical foundation.

Nature of the Study

Quantitative research uses numerical data and statistical analysis to test and confirm theories by collecting and examining measurable facts. Researchers use graphs, numbers, and tests in quantitative research to ensure that fundamental theories are asserted based on generalizable facts. (Rasinger, 2013). In addition, closed ended questions capture data as a yes/no response. Responses can then be coded numerically for collection and analysis. Various researchers have recently conducted quantitative research on financial planning. Specifically, quantitative research on financial planning by Lusardi et al. (2020), Poterba et al. (1995), Poterba (2014), Campbell and Ohuocha

(2011), Yuh and Hanna (2010), Hanna (2011), Hanna and Lindamood (2010), Hanna et al., 2016), Willis (2011) and many other scholars are readily available within the academic literature. Keeping these considerations in mind, I based this research on quantitative methods.

The literature review demonstrated relationships between the independent and dependent variables that I studied to determine the impact of having a financial advisor on the perceived financial success of individuals. The dependent variable was perceived financial success. There are multiple independent variables within this research. Besides having a financial advisor, these included income, education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household. Prior research formed the basis for comparing these independent variables to advice seeking characteristics.

Collection of the primary data for this study came from the Health and Wealth Survey, which Hocutt conducted in 2016 as part of my joint master's and doctoral studies in financial planning at Texas Tech University, Lubbock, TX, and is considered archival data. Participants were recruited online via Mechanical Turk (MTurk), a crowdsourcing website for that survey. The study utilized convenience sampling, a nonprobability sampling method that collects data from readily available population members who agree to participate (see O'Dwyer & Bernauer, 2014). The inclusion criteria for this study were (a) 24 years old and above, (b) U.S. citizen, (c) employed full-time or self-employed, and (d) have at least $25,000 in investible assets.

Definitions

The following terms are defined to aid the reader in understanding each term's context within this study.

Baby Boom generation: Referred to within the United States as individuals born between 1946 and 1964 (Jung & Kim, 2017).

Employment status: The condition of having paid work (Stronks, et al., 1997).

Financial advisor: A financial advisor is someone employed to supply financial services or guidance to an individual (Luther, et al., 2018).

Financial literacy: A component of human capital used in financial activities to increase expected lifetime utility from consumption (Huston, 2010).

Gender: In the case of this study, refers to the individual's biological sex (e.g., male and female; Galupo & Pulice-Farrow, 2020).

Generation X: Referred to within the United States as individuals born between 1965 and 1976 (Haeny et al., 2021).

Generation Y is referred to within the United States as individuals born between 1977 and 1994 (Haeny, et al., 2021).

Generation Z is referred to within the United States as individuals born between 1994 and 2012 (Haeny, et al., 2021).

Human capital: The time, resources, experience, or education used to make the best financial decisions (Marginson, 2019).

Income: A total of net earnings, including dividends, interest, rent received, and money earned from physical labor (Slaper, 2021).

Marital status: A person's status, including being single, married, separated, divorced, or widowed (Mandal & Brady, 2020).

Net worth: The total value of all assets minus the total value of all liabilities (Jacobs et al., 2021).

Number of children in the household: Children who live in the same household (Scholz & Seshadri, 2007).

Racial status: Race describes physical traits and ethnicity as a means of cultural identification (Haeny et al., 2021).

Assumptions

This study included several theoretical, topical, and methodological assumptions. The explicit premise of this research revolves around the perceived financial success of those who use the services of a financial advisor. I assumed that readers have the financial acumen to understand basic financial terminology. The topical assumption was that participants understand what a financial advisor can provide as a service. Bélanger et al. (2017) described the methodological assumption of self-reporting bias. They found that anonymous data collection encourages honest answers from survey participants, thereby mitigating self-reporting bias. The final assumption is that the questions from the instrument used, initially developed by the researcher, accurately measured the constructs within the study (see Li, 2019). Additionally, I expected that the population to be studied (participants must be at least 24 years old, a U.S. citizen, either employed full-time or self-employed, with investable assets of no less than $25,000), statistical measures to be

used, research design chosen (quantitative correlational study), and delimitations as listed below, provides an accurate representation of the topic therein.

Scope and Delimitations

As noted above within the problem statement, the general problem was that individuals do not have the human capital to make optimal financial decisions. And the specific issue was that individuals do not know to whom to turn for financial advice when they obtain human capital. This research includes examining the effect of using a financial advisor versus not using a financial advisor and the subsequent perceived financial success of the participants. This aspect establishes internal validity by using/not using an advisor and the observed outcome of reported financial success. The element of external validity is specified in this research and includes the factors and variables not explicitly included within the investigation, including the boundaries of the duration (timing of the study), the population size (number of participants requested), and the types of participants (demographics). To address potential generalizability, each participant had to have been at least 24 years old, a U.S. citizen, either employed full-time or self employed and have investable assets of no less than $25,000.

Limitations

With the understanding that no study is flawless, some of the limitations of this study relate to the sample size, method, and the use of secondary data. The size of the expected sample compared to the population size could affect the reliability of the results. The current study does not describe any alternative marriage arrangements. Limitations of the chosen quantitative method could also affect the validity of the findings. Secondary

data may have the appearance of participant responses that may be unauthentic. In other words, it is impossible to return and ask questions to participants after the study is complete. The timing of secondary data may be outdated. Although researchers sometimes use secondary data to answer new research questions or examine an alternative perspective of the original research, this secondary is still different since the current researcher was the original researcher for the primary data. I should note that I never used the results in any academic research and never published them.

I addressed several biases regarding the results of this study, including selection bias which occurs when the sample of participants in a study is not reflective of the population studied. The Health and Wealth Survey 2016 was distributed to a nationwide audience to reduce the impact of selection bias. Confirmation bias is a tendency to look for and focus on data that confirms pre-existing beliefs or hypotheses. As a 26-year practitioner in the financial services industry, and to reduce the impact of confirmation bias, I strove to be objective and open-minded while considering evidence that did not support the hypothesis. Specifically, I identified my biases and reflected on my experiences, beliefs, and values and how they relate to this research. In addition, this research employed methods and techniques that the scientific community in prior research has validated. Response bias could occur when participants respond contrary to their true beliefs or behaviors. The researchers anonymously conducted the Health and Wealth Survey of 2016 to use a data gathering method less prone to response bias.

Significance of the Study

The human capital theory considers the role of education, training, and experience in an individual's skill set and knowledge base (Dustmann and Schonburg, 2012). In its basic form, human capital theory suggests that investing in education and experience can increase productivity and lifetime earnings. We can consider the impact of financial advisors on financial success from the perspective of human capital theory by examining financial advisors' role in helping individuals and households make informed decisions about saving, investing, and managing their finances. Working with a financial advisor could provide individuals with valuable knowledge and skills, which can increase their human capital and improve their financial outcomes. For example, a financial advisor could help individuals develop a financial plan considering their current financial situation and goals and provide recommendations on saving and investing to achieve those goals. Financial advisors could increase individuals' human capital and improve their financial success by assisting them in making informed decisions.

Significance to Theory

The concept of human capital, which refers to individuals' knowledge, skills, and abilities, has been widely studied in the social science field of financial planning (Grable and Lytton 2018). As Becker (1962) noted, certain activities affect future well being, and other activities that affect the "here and now." This quantitative correlational study could further the research on human capital by examining the impact of using a financial advisor for financial decisions on individuals' well-being. The guiding research could supply insight into how best to address the theoretical foundation by expanding on the

conceptualization of human capital, focusing on financial advisors' help in making financial decisions.

Significance to Practice

The potential significance of this study to practice is the ability to prove the intersecting variables with financial literacy and having a financial advisor in different generational cohorts. The findings of this study may supply helpful information that contributes to financial advisors' ability to guard individuals against potential health shocks and improve their financial literacy. Further, the findings may apply to interventions in financial practice to ensure individuals' financial literacy and health and enhance their ability to plan for retirement.

The current study is also significant as it proposes a renewed understanding of how financial advisors can contribute to different generational cohorts' financial health. The reviewed literature shows that individuals are often uniquely positioned in their financial advisements and require advice for spending, health and education, and employment literacy (Chicca & Shellenbarger, 2018). The current study addressed recommendations to consider different generational cohorts' advice procedures to understand how various factors within each generation have worked or not with the financial advisor to experience different levels of financial success (Marginson, 2019). This includes identifying each generation's unique financial needs and concerns and the resources and support they can access.

Significance to Social Change

Ultimately, suppose individuals use the study findings to decide whether to use a financial advisor to help them make better financial decisions. In that case, they may increase their overall financial well-being and reach their financial goals. An added objective of this study is to further social change by encouraging individuals to focus on their overall financial health. The current research positively contributed to social change by identifying how best to support different generations through financial literacy and advising. The findings of this study

The current study is significant as it may supply social change in how multiple generational cohorts perceive financial advice and use it to improve their financial success, literacy, and financial health (see Marginson, 2019). The findings of this study may provide meaningful positive social change by understanding how a financial advisor may support these different generations through various health shocks or unplanned financial downfalls (see Ayyagari, 2019; De Nardi et al., 2010; Kettunen & Kriikkula, 2020). This study is essential to expand social change by understanding financial losses and providing advice about subsequent financial decision-making procedures (see Chang, 2005). It could also inform policy and financial industry practices to better serve and support different generations in achieving financial stability and success.

Summary and Transition

In summary, most people accept that planning for retirement is wise and essential to supporting a sound financial quality of life postcareer. This quantitative, correlational study examined the relationship between having a financial advisor, income, education,

age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. For this study, I used data I had collected via a Health and Wealth Survey conducted in 2016 as part of the completion of my joint master's and doctoral studies in financial planning at Texas Tech University, Lubbock, TX. In this study, I studied the relationships between the independent and dependent variables to determine how having a financial advisor impacts individuals' perceived financial success. Chapter 2 provides an overview of the function of financial planners and the benefits of using a financial planner. I also discussed the role of health and financial shocks in financial planning, as well as the role of health insurance in financial decisions and retirement planning.

Chapter 2: Literature Review

Retirement planning is a complex and vital issue affecting a significant portion of the population, especially as people live longer and traditional pension plans become less common (Babbel and Merrill 2011). The general problem addressed by the current study was that many individuals do not have the human capital (time, resources, experience, or education) to help them make optimal financial decisions for their retirement (see Marginson, 2019). The problem was that individuals do not know to whom to turn for financial advice when they obtain human capital. Exploring the perceived financial investment success is paramount because of the continued need to support individuals who experience financial losses that may affect subsequent financial decision-making (Cheng et al., 2018). Individuals with lower income are less likely to be experienced in using financial investment strategies or seeking financial advisory services (Guo & Finke, 2018). Thus, it is essential to explore the difference in perceived financial investment success between individuals who work with a financial advisor and those who do not. The divergence in the literature is the seeming lack of studies about the relationship between human capital and financial success in retirement planning. Specifically, there is a lack of quantitative research on how working with a financial advisor can improve an individual's financial success based on their attained human capital. This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success.

Literature Search Strategy

For my literature review, I used the following online databases and search engines: Google Scholar, JSTOR: Journal Storage, SAGE Journals, Wiley Online Library, and the EBSCO database. The key search terms and combinations of search terms used were *financial decision making*, *financial planning for retirement*, *behavioral finance*, *human capital theory*, and *financial planning*. I used all key terms and combinations to find the most relevant articles to the current problem and research question. I included a significant portion of the literature published between 2019 and 2022 to ensure the inclusion of the latest findings in the review. The research included older seminal articles for the theoretical foundation to reflect on the human capital theory.

The first section of this literature review focuses on the study's theoretical foundation, the human capital theory. The second section discusses the effect of health insurance on retirement planning, retirement saving, and financial decision-making. The third section contains discussions of the influence of health shocks or financial crises on retirement planning, retirement saving, and financial decision making. In the fourth section, the focus is on the level of financial success of individuals utilizing a financial advisor versus those who do not. The chapter ends with the summary and conclusions of the literature review.

Theoretical Foundation

The human capital theory served as the theoretical foundation for this study. According to Marginson (2019), human capital is the main driver behind the marginal productivity of labor gained from an individual's education. Marginson argued that

education is the sum of the individual's lifetime earnings of educated labor. As part of financial planning, individuals can connect human capital to their healthcare and retirement.

The macroeconomic development theory traces the emergence of the human capital theory. Becker (1993) argued that in the 1950s, the main factors of production that drove the economy were labor, physical capital, land, and management. However, by the 1960s, economic researchers could no longer explain the growth in the U. S. economy based on the macroeconomic development theory (Schultz, 1961). It was not until Becker (1962) challenged the assumption that physical capital is the key contributor to economic success and argued that an individual's skills and knowledge are comparably more significant, resulting in the origins of the human capital theory. The basic premise of the human capital theory was that people's skills and abilities could be improved or accumulated through appropriate education and training and, thus, can be of comparable value to physical capital (Lucas, 1990). The human capital theory has been widely accepted and has significant implications for policy, education and training programs, and individual investment decisions.

The framework of human capital theory explains how and why individuals invest in themselves to increase their human capital, which refers to their knowledge, skills, and abilities. The main theoretical propositions of the human capital theory are that individuals invest in their human capital either as a public or private investment (Schultz, 1961). Schultz (1961) provided an in-depth review of what prompts individuals to seek education and training to improve their skills and abilities. He argued that as a public

investment, individuals who invest in their education contribute to the country's economic growth through social stability, increased productivity, and healthier lifestyles. On the other hand, individuals who invest in their education as a private investment end up with increased lifetime earnings (relative to the years of schooling), better career prospects, and an easier transition into employment (Wahrenburg & Weldi, 2007). Investing in human capital can positively impact an individual's financial literacy and decision-making capabilities, as they can access more knowledge and resources to make informed financial decisions.

Although the current study addresses the unique topic of the financial success of individuals who work with a financial advisor versus those who do not, previous studies have addressed the relationship between the human capital theory and venture success. Lee (2019) examined the relationship between entrepreneur human capital and venture success and whether entrepreneurs with higher human capital work harder to achieve better venture performance than entrepreneurs with low human capital. The author also examined the relationship between the private investment of human capital and its role in improving the entrepreneur's hard work to achieve success. The results suggested that human capital (education, training, and experience) significantly impacted entrepreneurs' hard work and venture performance (Lee, 2019). However, the results suggested that hard work was an equally significant predictor of venture success, implying that human capital is not the only factor that can contribute to financial success, which is the focus of the current study.

Human capital is an essential concept in economics and labor market analysis. People widely use it to understand how an individual's education, skills, and experience investments impact their health and financial well-being. An individual's health and financial position accrue because of human capital, defined as the sum of ''lifetime earnings of educated labor'' (Marginson, 2019, p. 3). Thus, adopting the human capital theory as a theoretical foundation for this study is logical. I expect individuals with high human capital to achieve higher financial success than those with low human capital. The current study examined the impact of having a financial advisor on perceived financial success, given the level of human capital individuals possesses. The control variables used in the study represented human capital.

Literature Review

This chapter overviews the most relevant literature on financial planning and a financial planner's role. I divided this chapter into four main sections. First, the chapter provides an overview of the function of financial planners and the pros and cons of using a financial planner. Second, several factors affecting financial decision-making and behavior, including income, education, age, gender, ethnicity, employment status, and family dependencies, are addressed. Thirdly, the chapter discusses the impact of health insurance on financial behavior and retirement planning. The chapter concludes with a summary of findings from the literature.

Functions and Benefits of Financial Advisors

There are different types of financial advisors in the United States, and their responsibilities vary. The level of service they provide can be complex and thus more

likely to benefit individuals who do not possess a similar level of financial literacy and knowledge. Researchers studied their specialist expertise and found that the perceived level of the financial success of those who utilize their services is high. However, few studies discuss financial advisors' role in achieving financial success.

Functions of Financial Advisors

Financial advisors undertake various functions to help individuals with their financial planning. There are two recognized types of financial advisors in the United States: broker-dealers, who earn a commission based on their sales, and registered investment advisors, who charge a fee based on the assets managed and act as fiduciaries to their clients (Cheng et al., 2018; Scholz et al., 2021). Linnainmaa et al. (2021) reported that financial advisors' responsibilities are gathering information on their clients' risk tolerance, salary, net worth, and financial knowledge to build an advisor-client relationship and offer bespoke financial advice. Linnainmaa et al. stressed that financial advisors operate on a commission basis based on the financial success of their clients. One can argue that financial advisors are highly motivated to provide their clients with the best financial advice and perform well to earn a commission.

Services provided by financial advisors can be complex. Grable et al. (2020) reported that financial advisors use risk capacity, tolerance, need, liquidity, and time horizon for risk assessment. Grable et al. stated that financial advisors are involved in asset allocation and portfolio recommendations; thus, their role is diverse. However, in the current chapter, the term financial advisor includes broker-dealers and registered investment advisors.

Benefits of Using a Financial Advisor

There are several benefits of using a financial advisor. Forbes et al., (2020) examined these benefits and found that individuals who used the services of a financial advisor completed their investment deals faster than those who did not. The researchers discovered that individuals who used a financial advisor had a higher financial gain and higher returns than those who did not. These results suggest that using a financial advisor helps individuals make their investments more efficient and profitable than those who do not utilize such services.

The role of financial advisors in helping individuals make sound financial decisions has been the subject of much research. Building on this idea, Harlow et al. (2020) found that households that used the services of a financial advisor had higher incomes and higher net worth, were wealthier, more disciplined in their financial decision making, and more confident in their retirement planning. Harlow et al. reported that households that used a financial advisor in their retirement planning experienced a retirement income increase of 15%. These findings indicated several benefits to using a financial advisor, which can give an individual a competitive advantage in their financial planning.

Retirement planning is a complex process that involves many decisions, including the management of one's savings, the selection of retirement income sources, and the management of risks. Using a financial advisor to execute retirement plans helps individuals transition from employment to retirement income (Guo & Finke, 2018). Guo and Finke (2018) argued that retirement planning is essential due to a shift in the federal

support offered to retirees. Blanchett (2021) found that individuals who used a financial advisor with their 401(k) plans were more advantaged than those who did not seek financial advice. The researcher determined that maximizing the 401(k) plans required a specialist level of knowledge that many clients do not possess, and using the services of a financial advisor to reach that meant higher financial success in 401(k) plans. Thus, it becomes clear that using the services of a financial advisor can be advantageous to achieving a smooth transition into retirement and maximizing the retirement plan.

Disadvantages of Using Financial Advisors

Despite the apparent benefits of using a financial advisor to improve one's financial position, it is essential to consider the negative aspects of using financial advisors, as explored by the literature. For instance, financial advisors may not always offer financial advice tailored specifically to the financial goals and abilities of the client. In 2019, Sabri and Aw found that individuals with low financial literacy were less likely to hire a financial advisor, while those who used the internet as their primary source of financial information had higher financial literacy than those who did not. Thus, it appears that the knowledge possessed by financial advisors may not always be as thorough or up to date as the information accessible on the internet. Moreover, individuals who conduct their own financial research are more likely to be complete in their search and identify strategies more suited to their lifestyle and financial abilities (Sabri & Aw, 2019). Likewise, Barthel and Lei (2021) found a negative relationship between investment in one's financial literacy and seeking advice from a financial planner. A lack of financial literacy and knowledge will likely increase over-reliance on

financial advisors (Horwitz et al., 2019). These findings highlight the negative aspects of the utilization of financial advisors that can contribute to a less tailored and more dependent approach from customers.

Using a Financial Advisor

Despite the potential benefits of working with a financial advisor, some households may hesitate to seek their services due to a lack of trust, cost, or perceived need. Some families are increasingly less likely to use the services of a financial advisor (Lewis, 2015). In the following section, I discuss the impact of using a financial advisor on an individual's overall investment success. We need a new perspective on the topic to better understand the relationship between financial investment success and the role of a financial advisor since most of the current research on the effectiveness of using a financial advisor in investment strategies was published before 2019. Several studies did not account for differences in gender, income levels, and education in financial success, which the current study addressed. The following subsections discussed some of the most relevant research on the importance of using a financial advisor due to human capital limitations. I considered traits such as education, time, and experience.

Lack of Adequate Education

Individuals with higher levels of education tend to be more likely to seek out and use the services of financial advisors. Notably, Lewis (2015) found that educated individuals are more likely to use the services of a financial advisor. Hussein and James (2019) found similar results but a significant correlation between wealth and education among individuals who used health and financial planners. Previous research indicated

that unwealthy individuals were less likely to use the services of a financial advisor, which could be directly linked to education (Tran & Wang, 2019). Hussein and James (2019) found that the time horizon (when investments are held until they are needed) had a more significant effect on long-term financial planning behavior than wealth and education level. In my study, I controlled for variables such as education and income when measuring success in financial planning and utilizing the services of a financial advisor.

Time Shortage

Time is a significant factor in retirement investment planning. Estrada and Kritzman (2019) found that investors who were due to retire soon were mostly worried about being able to support themselves after retirement. Researchers found that retirees with a shortage of time are more likely to engage in risky investment behavior, which could negatively impact their financial decision making (Estrada & Kritzman, 2019). As discussed previously, Salaghe et al., (2020) discovered that individuals with lower risk aversion were significantly more likely to change their retirement plans to achieve short-term rewards, causing them to act impulsively. This finding is significant, as a shortage of time could potentially increase this behavior (Salaghe et al., 2020). These findings highlight the importance of using a financial advisor in time-vulnerable situations.

Employers' retirement plans are a significant source of income for many individuals. Baily and Harris (2019) found that employer based retirement plans evolve and cover a substantial portion of their retiree sample. This suggests that changes to these plans over time could impact the potentially vulnerable group of individuals covered by

them. Tran and Wang (2019) found that most individuals with 401(k) investments engaged in return-chasing behavior while investing large sums of retirement savings. Thus, one can argue that limited time can cause individuals to make irrational retirement investment decisions.

Lack of Experience

An individual's level of financial experience varies, significantly impacting financial decision-making. Brook and Shmelev (2019) found that men are likely to be more financially risk-tolerant than women, and previous financial experience was arguably the most substantial explanatory factor. The researchers discovered that females typically had less financial experience than men, resulting in less household decision-making power. As males were more likely to be risk-tolerant, the man naturally chose the household's financial product preference (Brook & Shmelev, 2019). Thus, these results indicate that experience level plays a significant part in risk attitudes toward financial planning. Arguably, both experience and risk attitudes are dependent on gender. In another study that built on these results, Brook and Shmelev found that older individuals had significantly more financial experience and were more risk-tolerant than younger individuals. The investment experience level and wealth were correlated considerably (Brook & Shmelev, 2019). Thus, we can observe that experience, risk tolerance, and wealth increase with age. As a result, it can be significantly more challenging for younger individuals to make the right financial decisions if they lack the appropriate experience and risk tolerance.

Factors Affecting Financial Decision Making

Several factors can affect financial decision-making and behavior; however, understanding each element's individual effect is essential. Factors such as income, education, generational cohorts, gender, ethnicity, employment status, family, and dependencies form the critical variables of the current study and are reviewed in detail below.

Income

Income level is likely a significant factor affecting an individual's financial decision-making. Unexpected out-of-pocket expenses can strain personal finances and thus dictate decision-making. Chen et al. (2021) studied out-of-pocket health spending habits and their impact on healthcare affordability. Chen et al. (2021) discovered that insured individuals who experienced minor healthcare shocks incurred minimal out-of-pocket spending throughout the year, usually in shorter intervals. They found that individuals above the median healthcare spending suffered significantly higher out-of-pocket spending, some even an equivalent of half of their typical annual expenditures. This highlights the impact of income levels on individuals' financial decision-making, which, in turn, could influence retirement saving habits in the long term.

A lack of investment strategies can significantly impact achieving financial success in retirement investment planning. Individuals with higher income and educational attainment are more likely to have several investment strategies to help secure their financial future (Fujiki, 2021). Sharpe et al. (2007) found that some investment strategies are not as successful in achieving utility maximization, thus

subjecting individuals to future potential financial risks. Yogo (2016) discovered that wealth allocation between stocks, bonds, and housing significantly helped individuals maximize their expected lifetime utility. The current study examined the outcome when individuals had limited financial assets to contribute to their retirement investment portfolio, which neither of the previous studies had indicated.

Income can be detrimental to the decision on the appropriate financial strategy. Researchers found that earmarking is the most effective retirement investment strategy, which refers to setting aside a set amount of money for a specific purpose (Sharpe et al., 2007). Bodie (2019) argued the importance of introducing continuous-time stochastic models to household consumption and investment decision-making to help improve the understanding of personal financial planning. Equally, investing in risk-free assets provides a constant spending ability for the future (Sharpe et al., 2007). Unless ordinary individuals possess this level of financial literacy and income levels, utilizing financial services would be advantageous to expand their understanding of different investment strategies available at their income levels.

Effective financial decisions can contribute to wealth accumulation and higher long-term security. Yogo (2016) discovered that younger retirees showed a stronger positive correlation between their equities and wealth portfolios. Thus, the earlier the individuals started to invest their income in stocks, the more wealth they accumulated over time. At the same time, portfolio share fell significantly with age, and the out-of-pocket health expenses were negatively correlated to health and increased in older retirees (Yogo, 2016). Muralidhar (2019) found that adopting the Standard-of-Living

indexed, Forward-starting, Income-only Securities (SeLFIES) investment approach was significant to utilizing wealth for retirement. Financial advisors should consider this approach in their advice. These results highlight the importance of the right financial resources in retirement investment planning and financial decision-making.

The lack of adequate financial education available to workers could force them to rely on the retirement schemes provided by their employers, thereby explaining their dependency on employer based retirement plans. Nam and Loibl (2020) explored the relationship between financial planning behaviors such as having emergency savings and retirement planning and financial education and inclusion. They focused on a vulnerable group: low-income individuals nearing retirement. The researchers discovered that individuals with access to financial services were significantly more likely to engage in the financial planning behaviors mentioned above (Nam & Loibl, 2020). Hervani et al. (2020) built on these findings. They discovered that inadequate financial knowledge might be the most significant barrier to individuals engaging in financial behaviors such as investing in retirement accounts or budgeting. However, researchers found financial services were more accessible to higher-income households than low-income and middle-income families (Nam & Loibl, 2020). This finding shows the requirement for financial inclusion of poorer households, as these are the most likely to rely on public support for retirement with little or no retirement savings strategy in place.

Education Levels

The levels of financial experience individuals possess may vary. Levels of education can have a significant effect on individuals' financial decision-making. Harlow

(Harlow et al., 2020) showed that individuals with lower educational attainment and income were shown to have more deficient financial knowledge and experience. At the same time, individuals who held a higher academic status (i.e., a bachelor's degree or above) were more likely to utilize the services of a financial advisor (Lewis, 2015). Hussein and James (2019) found that individuals who chose to use health and financial planners had similar results and that education was significantly correlated with their wealth.

The role of education in shaping financial behaviors and decision-making has been an area of interest in personal finance and consumer behavior research. Previous research indicated that unwealthy individuals were less likely to utilize the services of a financial advisor, which could be directly linked to education (Tran & Wang, 2019). Hussein and James (2019) found that the time horizon (when investments are held until they are needed) had a more significant effect on long-term financial planning behavior than wealth and education level. The proposed study controlled for variables such as education and income when measuring success in financial planning and utilizing the services of a financial advisor.

Gender

There are some differences in financial behavior and decision-making between the genders. Brook and Shmelev (2019) found that men are likely to be more financially risk-tolerant than women. Previous financial experience was arguably the most decisive explanatory factor, thus highlighting the intersectionality of gender and financial experience. Moreover, Brook and Shmelev (2019) discovered that females typically had

less financial experience than men, which resulted in less power in financial decision-making in a household. As males were more likely to be risk-tolerant, the man typically chose the preference for the household's financial product, such as an investment or savings strategy (Brook & Shmelev, 2019). Thus, these results indicate that gender plays a significant part in risk attitudes toward financial planning.

Findings conclusively suggest that gender has a significant impact on financial literacy levels. Cupák et al. (2018) found a significant relationship between gender and financial literacy, where women typically scored lower than men. However, these factors often intersect with other factors, such as levels of education and personal characteristics (e.g., impulsivity or rational thinking). Likewise, Potrich et al. (2018) confirmed that men typically displayed higher levels of financial literacy than women. When women were single and had lower education and lower income levels, the effect was further increased (Potrich et al., 2018). These findings highlight that the intersection between gender and other factors affects financial literacy levels, but there is clear evidence suggesting that gender alone can make this relationship stronger.

Ethnicity

Evidence of intersectionality is also present when assessing the influence of ethnicity on financial literacy and decision-making. Al-Bahrani et al. (2019) discovered that despite controlling for the levels of financial education, white individuals displayed higher levels of financial literacy than ethnic minorities. Balasubramnian and Sargent (2020) argued that financial literacy involves managing debt, banking behavior, or mortgage payments. The researchers discovered that ethnic minorities displayed lower

confidence levels in these factors, thus lowering their levels of financial literacy. Therefore, it becomes clear that race on its own does not influence the levels of financial literacy, but rather the lack of confidence in specific areas of financial decision-making can affect the confidence levels of ethnic minorities.

Race can likely affect financial literacy and decision-making in conjunction with other factors. Radianto et al. (2020) argued that controlling for gender and education levels revealed that ethnicity only influenced financial literacy and investment decision making. Chhatwani and Mishra (2021) confirmed this finding by arguing that the interaction between financial literacy and race was not significant but mediated by factors such as financial confidence. Thus, race and ethnicity can impact financial literacy and decision-making. Race is not a significant predictive factor and is likely to be significantly affected by other factors, such as education or socioeconomic status.

Employment Status

Employment status gives individuals various employer-based financial benefits, such as an employer-based retirement plan. Employer-based retirement plans could be a significant factor affecting individuals' financial decision-making. Kofoed and Frasier (2019) studied the impact of employer-based health insurance and how it prevented individuals from leaving their jobs for fear of losing retirement benefits and health coverage. The researchers discovered that because of this benefit, there was an increase in college enlistment rates (Kofoed & Frasier, 2019). This finding suggests that many Americans rely on job-based health coverage and benefits to secure their retirement financially, and the introduction of national health coverage only confirms that

dependency. Thus, utilizing a financial advisor's services could help make individuals less reliant on federal- and employer-based help and more independent in their retirement planning.

Overdependence on employer retirement support can negatively impact financial planning. Kwan and Asher (2019) found that employers' retirement benefits (e.g., Social Security benefits) limit individuals' ability to manage the impact of socioeconomic shocks, such as an economic crisis. This finding is consistent with prior results, which indicated that retirees were overdependent on employment pensions to achieve retirement security rather than increasing their independence in retirement planning (Coe & Goda, 2014). Individuals who accessed financial education from their workplace did not replicate this finding, signifying the importance of financial education, resources, and skills that financial advisors possess, which are not easily obtainable through independent financial education.

Employer-based retirement plans can also encourage passive retirement planning strategies. Kwan and Asher (2019) found that when people ae required to save a fixed amount regularly in an employer. Falk and Karamcheva (2019) found that individuals covered by an employer-based retirement plan increased their savings rates by 22% if an employer-matched that amount. This finding suggests that individuals may be more likely to invest in their retirement if they see their contributions double from employer contributions. Individuals could replicate this behavior by engaging in independent investing, as their investment returns could increase the amount initially invested and further encourage them to contribute.

Employer-based retirement plans tend to change over time. Baily and Harris (2019) found that employer-based retirement plans covered a significant portion of their retiree sample. This finding indicates that the potentially vulnerable group of individuals covered under employer-based retirement plans could be affected as these employer-based retirement schemes change over time. Tran and Wang (2019) found that most individuals with 401(k) investments engaged in return-chasing behavior while investing large sums of retirement savings. Thus, one can argue that employment status causes individuals to depend on employer based retirement plans.

In contrast, employer-based retirement plans can positively impact financial planning. Falk and Karamcheva (2019) found that automatic enrollment into employer-match retirement savings plans significantly increased participation and contribution rates in individuals who were least likely to participate in the first place, such as poorly educated ethnic minorities on a low income. Their finding suggests that financial inclusivity is an important mechanism to encourage savings behavior and retirement planning in individuals who would otherwise not engage in these behaviors. This finding also highlights the importance of utilizing a financial advisor among these vulnerable groups. People who are least likely to take the initiative in securing their retirement plan are also the ones most motivated by the gradual growth of their investments.

Health can significantly affect older individuals' ability to work and, thus, their employment status. Blundell et al. (2020) discovered that declines in health in individuals near the retirement age accounted for an almost 15% decline in employment in individuals aged between 50 to 70. This effect was significant for the United States and

the United Kingdom, thus showing the transferability of the results. Blundell et al. (2020) also found that this effect decreased the more educated individuals were. This finding suggests that health shocks can significantly hinder retirement savings. Individuals close to retirement age and may become unable to work could suffer from poor retirement savings if forced to leave their employment.

Employment status can dictate the health insurance the individuals choose, which in turn affects their financial security. Congdon-Hohman (2014) found that health insurance status and type of health insurance significantly predicted the likelihood of a retirement reversal decision. This finding suggests that access to health insurance significantly predicted the possibility of an individual returning to work to save enough for retirement. At the same time, researchers found that alongside health insurance, other financial "shocks" were likely to predict a later retirement reversal, such as a sudden increase in out-of-pocket medical expenses; for instance, the housing and stock values shock as a result of the 2008 financial recession (Congdon-Hohman, 2014). In these cases, the lack of prior emergency financial planning could be the reason for a retirement reversal, and appropriate financial planning could help overcome that issue.

There have been risks associated with implementing the Affordable Care Act (ACA). Coe and Goda (2014) found that introducing health insurance reforms such as ACA increased the risk of individuals leaving their employment without sufficient savings strategies, thus relying entirely on health insurance to cover their medical bills during retirement. This effect significantly increased in healthy individuals (Coe & Goda, 2014). One explanation is a false positive perception of security and not accounting for

potential financial shocks such as a sudden health crisis. This finding highlights the requirement for financial services and advisors to help these individuals plan their retirement effectively and prepare for future wealth and health shocks.

Financial well-being is becoming recognized as essential to overall well-being and quality of life. Kim and Koh (2019) highlighted the importance of financial well being, as they found that the introduction of the ACA had significantly improved the mental well being and life satisfaction scores of low income, nonelderly individuals. This finding suggests that an insecure financial position can harm one's sense of life satisfaction and underscores the importance of planning for financial security. These findings focused on the vulnerable population group, low-income with an average age of 43. The results demonstrate the overreliance that vulnerable individuals place on federal support to help them plan their retirement financially rather than relying on savings and investment strategies.

Families and Dependencies

Differences in the utilization of financial advisory services may result from disparities in perception because of past experiences and an individual's current stage of life. However, the evidence suggests that these differences can be a product of factors such as marital status or dependencies (e.g., children). Salter et al. (2010) identified that highly educated, wealthy, and married men were more likely to seek the services of a financial advisor. Moreover, using financial advisors was also closely linked to higher financial confidence, awareness, and increased levels of planning activities (Salter et al., 2010). Similarly, Chatterjee and Zahirovic-Herbert (2010) discovered that married

individuals of all genders and age groups with higher net worth, IQ, and educational attainment were significantly more likely to utilize financial advisors. Thus, factors such as marital status can substantially influence the utilization of financial advisors.

There are specific demographics more likely to be insured under ACA. Chatterji et al. (2019) discovered that individuals covered by the ACA were ten times less likely to be married, 15% less likely to be cohabitating, 6% more likely to be single, and 12% less likely to be a single parent. These findings indicate a potential demographic that tends to reach for federal healthcare support due to being uninsured and potentially the population that does not utilize financial assistance services, resulting in a lack of retirement savings plans and effective savings strategies. The researchers found that individuals covered by ACA were more likely to retire earlier than those not covered (Ayyagari, 2019). This finding is significant as it shows that failure to establish a retirement savings plan means that individuals must work longer to have enough savings to retire comfortably. Utilizing the services of a financial advisor, in that case, could help lower the retirement age of uninsured individuals through effective planning and investment strategies.

The number of dependencies and a spouse can affect financial decision-making, as the individuals no longer make the decisions that benefit them only. Lee (2020) studied the effect of spousal health shock on their partner's labor supply. The researcher discovered that the labor supply levels significantly decreased among the studied group in response to a spouse's disability (Lee, 2020). The researcher argued that this was primarily due to the time the spouse dedicated to caring for their disabled partner, which prevented them from working (Lee, 2020). Thus, from the findings above, we can

conclude that individuals who experience a disability or any other health shock before retirement age (either their own or their partner's) are more likely to suffer from financial difficulties. Thus, it becomes more relevant to study the effect a financial advisor would have on financial investment success, which is the goal of the current study.

Living alone or becoming widowed can significantly affect personal finances. Female retirees are much more likely to live longer than men, be widowed, or live alone during retirement (Dale & St John, 2020). Researchers also found that female retirees are more likely to end up without secure housing at their retirement or experience a financially restrictive lifestyle (Dale & St John, 2020). This finding is particularly worrying as previous research found that females are less likely than men to seek help from financial advisors (Lewis, 2015). Salaghe et al., (2020) argued that individuals with lower risk aversion are significantly more likely to change their retirement plans in pursuit of short term rewards, causing them to act prematurely. These results build on previous findings and go back to behavioral biases such as overconfidence and return chasing, which encourage individuals to act impulsively when planning their finances.

Generational Cohorts

There are apparent generational differences in the utilization of financial advisory services. Luther et al. (2018) investigated the perceptions and differences in adopting financial planners across different generational groups. Their analysis indicated that Millennials and Generation X individuals required more involvement with their financial planners than the older generations. Millennials and Generation X expressed a higher preference for seeking the services of a financial planner, had higher levels of financial

literacy, and were more likely to engage in risk management for retirement planning, unlike the Baby Boomers. Kettunen and Kriikkula (2020) supported this finding by identifying that millennials are more skeptical about government pension schemes and, therefore, more likely to seek independent financial advice to secure retirement. These findings demonstrate that generational differences arise in the utilization of financial advisory services, as anticipated in the current study's results.

The Affordable Care Act (ACA), also known as Obamacare, was passed in 2010 as a comprehensive health reform legislation in the United States. The ACA is a federal statute in the United States designed to help reach millions of uninsured individuals and extend their health coverage (Ayyagari, 2019). In the study by Ayyagari (2019), the results indicated that individuals covered by the ACA were significantly less likely to work past the age of 62 and considered their financial position comfortable enough to retire by that age. This finding was more prevalent among individuals who did not have employer-sponsored retirement packages, indicating that those who did not have a retirement savings strategy were more likely to rely on public insurance support to help them during their retirement.

The impact of unexpected health events, such as illnesses or accidents, on households and individuals, is an important area of study in health economics. Health shocks are unpredictable health emergencies that deteriorate health and cause income loss for the household (De Nardi et al., 2010). The number of health shocks can significantly impact an individual's financial situation. De Nardi et al. found that as age and income increased in the participants, the medical expenses also increased. This finding suggests

that as individuals become older, they become more exposed to poor health, increasing their medical bills during retirement. De Nardi et al. (2010) argued that the primary motivation for the elderly participants to save money was to live longer rather than to leave behind a legacy. This idea is relevant to the current study, as it suggests that medical bills are the biggest obstacle to a secure retirement, which motivates individuals to use their savings for that purpose. However, researchers have not conducted any recent studies on this topic, and these perceptions may have changed.

Health shocks can significantly impact the spending habits of the elderly. Cheng et al. (2018) discovered that suffering from significant health shocks (e.g., cancer and heart problems) and minor health shocks (e.g., diabetes) had a substantial impact on the affected individuals' monthly spending habits. The researchers found that household income and non-health expenditures decrease after a significant health shock (Cheng et al., 2018). This finding suggests that money that could go toward a retirement savings plan is more likely to be spent on ongoing medical costs. Additionally, researchers found that individuals without private health insurance were most likely to be affected by significant health shocks (Cheng et al., 2018). This finding indicates that individuals without private medical insurance are most likely to be financially affected by a health shock, which can significantly impact their retirement savings plan. Thus, this signifies the importance of retirement preparedness and savings in an emergency fund, one of the services financial advisors offer.

The financial vulnerability and ability to manage debt in individuals approaching retirement age have been the subject of recent research. Lusardi et al., (2020) studied

individuals aged 51-60, their debt and financial vulnerability, and their ability to protect themselves against health and financial shocks. The researchers discovered that individuals in that age group were more likely to take on a significantly higher debt near retirement due to a shock and suffering financial insecurity (Lusardi et al., 2020). The researchers also found that those individuals were more vulnerable to fluctuations of interest rates in debt, notably if these increased unexpectedly (Lusardi et al., 2020). Thus, it becomes apparent from these findings that vulnerability to shocks can potentially increase the likelihood of turning toward debt, damaging one's retirement plan where available resources become insufficient to pay it off. This argument reinforces the importance of using a financial advisor to help manage debt effectively without sacrificing retirement security.

Financial shocks can significantly impact an individual's financial situation and occur in various ways. Sass (2018) discovered that most retirees depend on income from their 401(k) saving plans and individual retirement accounts. Sass (2018) found that retirees' increased dependence on their financial assets creates new security risks on their retirement savings. Sass identified these risks as having too few financial assets accumulated over the years or using up all the savings too early in retirement. This finding can make retirees vulnerable financially, especially in a health shock. The author argued that personal finances could be subject to financial market downturns. He described that this puts retirees in a vulnerable position as they could have less flexibility to respond to financial challenges (Sass, 2018). This aspect is relevant to the current

study, as it signifies that a lack of financial literacy and education could put individuals in a difficult financial position.

The effects of economic crises on retirement security and social security benefits have been a topic of concern among researchers and policymakers. Biggs (2020) estimated that financial problems increase the likelihood of individuals close to retirement age suffering permanent reductions in Social Security retirement benefits, highlighting the situation's urgency. This finding is worrying, as other researchers discovered that those that engaged in self-reported retirement by the age of 62 were significantly more likely to claim Social Security benefits by the age of 63 due to a lack of sufficient funds to sustain their retirement (Coe & Goda, 2014). At the same time, Beier et al., (2022) found that older individuals were more effective at engaging in self-regulation strategies, which helps them direct their finances more effectively during a crisis (Beier et al., 2022). However, at the same time, older individuals can be affected by wealth shocks or social security shocks, regardless of their self-regulating strategies (Biggs, 2020; Hanspal et al., 2020). Therefore, it is essential to consider the potential challenges that older individuals may face in managing their finances, especially during economic crises, even if they have effective self-regulation strategies and have taken steps to secure their retirement.

The timing of claiming Social Security retirement benefits and using annuities as a retirement income source has been the focus of recent research in personal finance and retirement planning. Similarly, Hershfield and Spiller (2020) discovered that individuals were likelier to claim Social Security retirement benefits a year earlier and were less

likely to annuitize some of their wealth toward retirement. Participants were more likely to increase their withdrawals of the retirement investment (Hershfield & Spiller, 2020). Arguably, a lack of financial experience could impact the financial success rate of retirees, which is what the current study measured.

Age is also closely intersected with time. Time is a significant factor in retirement investment planning and can influence risk-taking behavior. Estrada and Kritzman (2019) found that investors due to retire soon were primarily worried about supporting themselves after retirement. Researchers found that retirees with a shortage of time are more likely to engage in risky investment behavior, which could negatively impact their financial decision-making (Estrada & Kritzman, 2019). As discussed previously, Salaghe et al., (2020) discovered that individuals with lower risk aversion were significantly more likely to change their retirement plans to achieve short-term rewards, causing them to act impulsively. This discovery is significant, as a shortage of time could potentially increase this behavior (Salaghe et al., 2020). These findings highlight the importance of utilizing a financial advisor in time-vulnerable situations.

Role of Health and Financial Shocks on Retirement Planning

Health and financial shocks can be unexpected and put individuals near retirement in a vulnerable financial situation. Without a practical planning and saving strategy, it may be challenging for individuals to reach a secure financial position. The following sections discuss the significance of health, financial shocks, investment strategies, their impact on individuals' finances, and their relevance to the current research.

Health Shocks

The impact of unexpected health events, such as illnesses or accidents, on households and individuals, is an important area of study in health economics. Health shocks are unpredictable health emergencies that deteriorate health and cause income loss for the household (De Nardi et al., 2010). The number of health shocks can significantly impact an individual's financial situation. De Nardi et al. (2010) found that as age and income increased in the participants, their medical expenses also increased. This finding suggests that the older individuals become, the more exposed they are too poor health, which, in turn, can increase their medical bills during retirement. De Nardi et al. (2010) argued that the primary motivation for elderly participants to save money was to live longer rather than to leave behind a legacy. This finding is relevant to the current study, as it suggests that medical bills are the biggest obstacle to a secure retirement, which motivates individuals to use their savings for that purpose. However, researchers have not conducted any recent studies on this topic, and these perceptions may have changed.

Health shocks can significantly impact the spending habits of the elderly. Cheng et al. (2018) discovered that suffering from significant health shocks (e.g., cancer and heart problems) and minor health shocks (e.g., diabetes) significantly impacted the affected individuals' monthly spending habits. The researchers found that household income and non-health expenditures decrease after a significant health shock (Cheng et al., 2018). This finding suggests that money that could go toward a retirement savings plan is more likely to be spent on ongoing medical costs. Additionally, researchers found that individuals without private health insurance were most likely to be affected by significant health shocks (Cheng et al., 2018). This finding suggests that individuals

without private medical insurance will most likely be financially affected by a health shock, significantly impacting their retirement savings plan. Thus, this signifies the importance of retirement preparedness and savings in an emergency fund, one of the services financial advisors offer.

Unexpected out-of-pocket expenses can put a strain on personal finances. Chen et al. (2021) studied out-of-pocket health spending habits and their impact on healthcare affordability. The researchers found that insured individuals who experienced minor healthcare shocks incurred minimal out-of-pocket. The researchers found that individuals with above-the-median healthcare spending suffered significantly higher out-of-pocket spending, some even an equivalent of half of their typical annual expenditures. This highlights the impact that health shocks can have on the financial situation of individuals, which in turn could influence retirement saving habits in the long term.

The financial vulnerability of individuals approaching retirement age, particularly in the face of unexpected shocks and fluctuations, is an area of concern for researchers and policymakers. Lusardi et al. (2020) studied individuals aged 51-60, their debt and financial vulnerability, and their ability to protect themselves against health and financial shocks. The researchers discovered that individuals in that age group were more likely to take on a significantly higher debt near retirement in response to a shock and suffer financial insecurity. The researchers found that those individuals were more vulnerable to fluctuations of interest rates in debt, notably if these increased unexpectedly (Lusardi et al., 2020). Thus, it is apparent from these findings that vulnerability to shocks can increase the likelihood of turning toward debt, which can damage one’s retirement plan

where available resources become insufficient to pay it off. This finding reinforces the importance of using a financial advisor to help manage the debt effectively without sacrificing retirement security.

Health can significantly affect older individuals and their ability to work. Blundell et al. (2020) discovered that health declines in individuals near retirement accounted for an almost 15% decline in employment in individuals aged 50 to 70. This effect was significant for the United States and the United Kingdom, thus showing the transferability of the results. The researchers also found that this effect decreased the more educated individuals were. This finding suggests that health shocks pose a significant obstacle to retirement savings, as individuals near retirement age who may be unable to work and forced to leave their employment could experience poor retirement savings.

The impact of health shocks on an individual's ability to work and maintain financial stability has been a subject of recent research. Lee (2020) studied the effect of spousal health shock on their partner’s labor supply. Lee discovered that the labor supply levels significantly decreased among the studied group in response to a spouse’s disability. The researcher argued that this was primarily due to the time the spouse dedicated to caring for their disabled partner, which prevented them from working (Lee, 2020). The above findings conclude that individuals who experience a disability or any other health shock before retirement age (whether their own or their partner’s) are more likely to suffer financially. Thus, it becomes more relevant to study the effect a financial

advisor would have on financial investment success, which is the goal of the current study.

Financial Shocks

Financial shocks can significantly impact an individual's financial situation and occur in various ways. Sass (2018) discovered that most retirees depend on income from their 401(k) saving plans and individual retirement accounts. The researcher found that the retirees' increased dependence on their financial assets creates new security risks on their retirement savings. Sass (2018) identified these risks as having too few financial assets accumulated over the years or using up all the savings too early in retirement, which can put retirees in a vulnerable financial position, especially during a health shock. The author argued that personal finances could be subject to financial market downturns. He described that this puts retirees in a vulnerable position as they could have less flexibility to respond to financial challenges (Sass, 2018). This attribute is relevant to the current study, as it signifies a lack of financial literacy and education, potentially putting individuals in a difficult financial position.

Investment Strategies

A lack of investment strategies can significantly impact achieving financial success in retirement investment planning. Sharpe et al. (2007) found that some investment strategies are not as successful in attaining utility maximization, thus subjecting retirees to future potential financial risks. Yogo (2016) discovered that allocating wealth between stocks, bonds, and housing significantly helped retirees maximize their expected lifetime utility. However, the current study examined the

outcome when retirees have limited financial assets to contribute toward their retirement investment portfolio, which was not explored in the previous studies.

The use of advanced financial models and investment strategies to improve personal financial planning has been a topic of discussion among researchers and experts. Bodie (2019) argued the importance of introducing continuous-time stochastic models to household consumption and investment decision-making to help improve the understanding of personal financial planning. At the same time, researchers found that earmarking is the most effective retirement investment strategy, which refers to setting aside a set amount of money for a specific purpose (Sharpe et al., 2007). Equally, investing in risk-free assets provides a constant spending ability for the future (Sharpe et al., 2007). Unless ordinary individuals possess this level of financial literacy, utilizing financial services would be advantageous to expand the individuals' understanding of different investment strategies.

Adopting specific investment strategies and approaches is essential for achieving financial success and stability in retirement, and financial advisors have a crucial role in this process. Muralidhar (2019) determined the importance of adopting the SeLFIES investment approach. The researcher found that this approach was significant for utilizing wealth for retirement, and financial advisors should consider it in their advice (Muralidhar, 2019). Arguably, it is an efficient government tool to help individuals achieve their financial goals (Muralidhar, 2019). Indeed, Yogo (2016) found that younger retirees had a stronger positive correlation between stock portfolio share and wealth. At the same time, portfolio share fell significantly with age, and the out-of-pocket health

expenses were negatively correlated to health and increased in older retirees (Yogo, 2016). This finding highlights the importance of the right resources and financial advice in retirement investment planning.

Health Insurance and Retirement Planning

Considering the differences in retirement planning success between those with and without health insurance is essential. Assessing the impact of health insurance on retirement financial success could help determine the gap a financial advisor fills in retirement financial planning and whether one is needed to achieve a secure financial position in retirement. This section highlights the dependence of individuals on federal- and employer-based health coverage and retirement benefits and the impact it has on their decision to stay in employment or retire early. The paper also discusses the effect of health insurance and employer based plans on retirement savings behavior. It emphasizes the significance of seeking guidance from a financial advisor in both scenarios.

Health Insurance

The Affordable Care Act (ACA), also known as Obamacare, was enacted in 2010 to address the issue of high numbers of uninsured individuals in the United States. The ACA is a federal statute in the United States designed to help reach millions of uninsured individuals and extend their health coverage (Ayyagari, 2019). In the study by Ayyagari, the results indicated that individuals covered by the ACA were significantly less likely to work past the age of 62 and considered their financial position comfortable enough to retire by that age. This finding was more prevalent among individuals who did not have an employer-sponsored retirement package, which shows that those who did not have a

retirement savings strategy were more likely to rely on public insurance support to help them during their retirement.

There are specific demographics more likely to be insured under ACA. Chatterji et al. (2019) discovered that individuals covered by the ACA were ten times less likely to be married, 15% less likely to be cohabitating, 6% more likely to be single, and 12% less likely to be a single parent. These findings indicate a potential demographic that tends to reach for federal healthcare support due to being uninsured. This finding is potentially the population that does not utilize financial assistance services, resulting in a lack of retirement savings plans and effective savings strategies. The researchers found that individuals covered by ACA were more likely to retire earlier than those not covered (Ayyagari, 2019). This finding is significant as it shows that failure to establish a retirement savings plan means that individuals must work longer to have enough savings to retire comfortably. Utilizing the services of a financial advisor, in that case, could help to lower the retirement age of uninsured individuals through effective planning and investment strategies.

Access to health insurance is a significant factor in an individual's decision to return to work and their ability to save for retirement. Congdon-Hohman (2014) found that health insurance status and type of health insurance significantly predicted the likelihood of a retirement reversal decision. This finding means that access to health insurance significantly predicted the possibility of an individual returning to work to save enough for retirement. At the same time, researchers found that alongside health insurance, other financial “shocks” were likely to predict a later retirement reversal, such

as a sudden increase in out-of-pocket medical expenses; for instance, the housing and stock values shock as a result of the 2008 financial recession (Congdon-Hohman, 2014). In these cases, a lack of prior emergency financial planning could be the reason for a retirement reversal, and appropriate financial planning could help overcome that issue.

There are risks related to the implementation of the ACA. Coe and Goda (2014) found that introducing health insurance reforms such as the ACA substantially increased the risk of individuals leaving their employment without sufficient savings strategies, thus relying entirely on health insurance to cover their medical bills during retirement. This effect significantly increased in healthy individuals (Coe & Goda, 2014). One explanation is a false positive perception of security and not accounting for potential financial shocks that could occur, such as from a sudden health crisis. This finding highlights the requirement for financial services and advisors to help these individuals plan their retirement effectively and prepare for future wealth and health shocks.

Recent research has highlighted the relationship between overall well being and financial security. Kim and Koh (2019) highlighted the importance of financial well being by finding that the introduction of the ACA significantly improved the mental well being and life satisfaction scores of low income and nonelderly individuals. This finding signifies that an insecure financial position is detrimental to a sense of life satisfaction and is an essential part of life that should be planned. These findings focused on the vulnerable population group, low income with an average age of 43. This finding also demonstrates the over-reliance that vulnerable individuals place on federal support to

help them plan their retirement financially rather than relying on savings and investment strategies.

Employer-Based Retirement Plan

Employer-based retirement plans could be a significant factor affecting individuals' financial decision-making. Kofoed and Frasier (2019) studied the impact of employer-based health insurance and how it prevented individuals from leaving their jobs for fear of losing retirement benefits and health coverage. The researchers measured whether the implementation of the ACA would decrease this phenomenon. The researchers discovered that since the act's implementation, there was a slight decrease in re-enlistment rates among young soldiers aged 23-25. The researchers found that college enlistment rates have increased since the act's implementation (Kofoed & Frasier, 2019). This finding suggests that many Americans rely on job-based health coverage and benefits to secure their retirement financially, and the introduction of federal health coverage only confirms that dependency. Therefore, utilizing the services of a financial advisor could help make individuals less reliant on federal and employer based help and more independent in their retirement planning.

Workers' dependency on employer based retirement plans could be due to inadequate financial education, forcing them to rely on their employers' retirement schemes. Nam and Loibl (2020) explored the relationship between financial planning behaviors such as having emergency savings and retirement planning and financial education and financial inclusion. They focused on a vulnerable group: the low-income individuals nearing retirement. The researchers discovered that individuals with access to

financial services were significantly more likely to engage in the financial planning behaviors mentioned above (Nam & Loibl, 2020). Hervani et al. (2020) built on these findings. They discovered that inadequate financial knowledge might be the most significant barrier to individuals engaging in financial behaviors such as investing in retirement accounts or budgeting. However, researchers found that financial services were more accessible to higher-income households than low-income and middle-income households (Nam & Loibl, 2020). This finding shows the requirement for financial inclusion of poorer households, as these are the most likely to rely on public support for retirement and have little or no retirement savings strategy in place.

Overdependence on retirement support can negatively impact financial planning. Kwan and Asher (2019) found that the government's retirement benefits (e.g., Social Security benefits) limit the individuals' ability to manage the impact of socioeconomic shocks, such as an economic crisis. This finding is consistent with the prior results, which indicated that retirees were overdependent on governmental support to achieve retirement security rather than increasing their independence in retirement planning (Coe & Goda, 2014). Individuals who accessed financial education from their workplace did not replicate this finding. This finding signifies the importance of financial education, resources, and skills financial advisors possess, which are not easily obtainable through independent financial education.

In contrast, employer-based retirement plans can positively impact financial planning. Falk and Karamcheva (2019) found that automatic enrollment into employer-matched retirement savings plans significantly increased participation and contribution

rates in individuals who were least likely to participate in the first place, such as poorly educated ethnic minorities on a low income. This finding suggests that financial inclusivity is an important mechanism to encourage savings behavior and retirement planning in individuals who would otherwise not engage in these behaviors. This finding also highlights the importance of utilizing a financial advisor among these vulnerable groups. They are the least likely to be proactive about securing their retirement plan and most likely to be motivated by increased investments over time.

However, employer-based retirement plans may encourage passive retirement planning strategies. Researchers found that mandatory savings behavior (contributing a set amount regularly) to a defined contribution scheme (e.g., an employer-based retirement plan) results in limited risk pooling. This finding suggests that individuals pay little attention to risk preparation or emergency savings when relying on a government-sponsored retirement plan (Kwan & Asher, 2019). Falk and Karamcheva (2019) found that individuals covered by an employer-based retirement plan increased their savings rates by 22% if an employer matched that amount. This finding suggests that individuals may be more likely to invest in their retirement if they see their contributions double from employer contributions. However, individuals could potentially replicate this behavior if they engage in independent investment behavior, as the investment returns could increase the amount initially invested, further encouraging them to contribute.

Summary and Conclusions

The significant findings from the literature were as follows. Many individuals do not possess the human capital (resources, education, time, experience) to make optimal

financial decisions. Findings from this chapter established that the level of education, experience, and resources available could alter attitudes and increase risky behavior in financial decision-making.

The literature showed that health insurance highlights individuals' dependence on federal support for a stable financial position. Notably, the chapter focused on the implementation of ACA. Findings indicated that ACA targeted vulnerable, low-income individuals who were more likely to rely on ACA as their retirement security rather than invest in their retirement. The literature review indicated that health and financial shocks significantly affected an individual's financial success. Findings also highlighted that vulnerable and low-income individuals were more likely to be affected by unexpected health and financial shocks and become more reliant on federal support. Further, Covid-19 has created several financial shocks, put many households in a vulnerable position, and highlighted that an economic crisis could significantly affect one's financial situation in the long term.

The literature above identified that dependencies such as income, employment status, education, gender, marital status, and ethnicity all influence the financial success these individuals could obtain. These findings served as a framework for the proposed study. These factors will likely make individuals more vulnerable to financial and health shocks unless these individuals have the right financial strategy. Arguably, a financial advisor can assist with choosing and implementing the most efficient financial plan. The current study compared these groups and tested whether utilizing a financial advisor improved their financial success.

The next chapter provides the proposed methodological plan for the study. The previous chapter provided an overview of the literature gap and the key issues that need to be addressed by future research. The researchers designed the proposed study to address these gaps. The proposed study is an ordinal regression study that measured the levels of financial success in individuals who utilized a financial advisor's services against those who did not use such services. The study controlled for various dependencies to compare the level of financial success in both groups.

Chapter 3: Research Method

This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. The dependent variable, perceived financial success, was measured in ordinal form. The independent variables, having a financial advisor, gender, marital status, racial status, and employment status, were measured in nominal form. In contrast, income, education, age, and the number of children under 19 in the household were measured as scale variables. The study data consisted of responses from the Health and Wealth Survey I conducted in 2016. A series of ordinal regression analyses were conducted to analyze the data.

Chapter 3 discusses the research design and its appropriateness to the study. A description of the population, sampling procedures, recruitment, and data collection procedures follows. Operationalizations of constructs and data analysis plans are offered later, and threats to validity and ethical procedures are discussed. A summary of the essential details about the proposed methodology concludes the chapter.

Research Design and Rationale

For this study, I used a quantitative approach, a research methodology that uses mathematical techniques to analyze numerical data and examine relationships or variations between variables (see Anderson & Shattuck, 2012; Hancock & Mueller, 2010; Wisniewski, 2016). Research questions about who, what, and how many are used in quantitative methodology (Leedy et al., 2019). This quantitative, correlational study

examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. The research questions and hypotheses are directed toward determining the predictive relationship between variables. The independent variable (i.e., having a financial advisor, income, education, age, gender, marital status, racial status, employment status, and the number of children under the age of 19 in the household) and the dependent variable (i.e., perceived financial success) were measured numerically based on existing survey data. I used ordinal regression analysis to test the hypotheses. Based on these considerations, a quantitative method was appropriate for the current study.

Qualitative research methods, including interviews, observations, and case studies, are used to understand a specific phenomenon better (Gelo et al., 2008). These methods involve collecting data from individuals or groups to gain insight into a particular subject. (Barczak, 2015). Qualitative researchers use inductive logic to draw explanations and insights from various sources of information, such as interview transcripts, recordings, documents, case studies, and observations. (Barczak, 2015). Qualitative analysis emphasizes answers to how and why questions and the interpretation of data collected under natural circumstances (Peters & Halcomb, 2015). Therefore, the qualitative method was not appropriate for this study.

I identified that research designs, including causal comparative and experimental, were inappropriate for this study. I focused on the predictive relationship between variables rather than examining the differences between groups. An experimental

approach was unsuitable for this study as controlling the study variables required in an experiment was impossible (see Creswell, 2012). Since this research focused on existing characteristics, an experiment would not have answered my research questions. That said, neither a causal-comparative nor experimental research design was appropriate for the study.

I used a correlational research design, which determines the relationships between numerically measured variables. This type of design allows for evaluating the magnitude of the relationships between variables (Curtis et al., 2016; Goodwin & Goodwin, 2013). I used the correlational research design to understand the relationship between financial advisor status and demographic variables. I used ordinal regression analysis to analyze the data. As such, a correlational research design suited the objective of this study.

Methodology

I outline the methodology used for this study in the following subsections, including information on the population, sampling and procedures, recruitment, participation, and data collection. I discuss the instruments used for data collection and the operationalization of constructs. Finally, I present the plan for data analysis.

Population

The 2016 Health and Wealth Survey participants were U.S. citizens, at least 24 years old, employed full time or self employed, and had investable assets of no less than $25,000.

Sampling and Sampling Procedures

I conducted a power analysis to determine the minimum sample size required for the study. When performing the power analysis, I considered the following four factors: the level of significance, the power of the test, the effect size, and the statistical technique used (see Faul et al., 2009). “The probability of rejecting a null hypothesis when it is true is called the Type I error rate or the level of significance” (Navidi, 2006, p. 227). I set the significance level, denoted by alpha, at 80% for this study, understanding that Walden University requires only an 80% significance level. “Statistical power is the probability that a test will correctly reject a false null hypothesis and accept the alternative hypothesis” (Motulsky, 2014, p. 187). Researchers most commonly use an 80% power of the test in qualitative studies. “The effect size indicates an estimated degree of relationship between the predictor and criterion variables” (Cohen, 1988, p. 4). Small, medium, and large are the typical classifications for effect sizes. Researchers often use a medium size effect in quantitative studies because it balances between being overly restrictive or overly lenient in determining the degree of relationship between variables (Berger et al., 2013). In this study, I used ordinal regression analysis to address the research question(s), as I measured the dependent variable in ordinal form. I also considered the ordinal form when computing the sample size. I used G*Power 3.1.9.7 to calculate the minimum sample size for this study (see Faul et al., 2009) based on medium effect size ($f^2 = 0.15$), 0.05 alpha level, 80% power of the test, and ordinal regression analysis with 17 predictors (nine independent variables and eight interactions). The minimum required sample size was 146 (see Appendix A).

Participants in the original Health and Wealth survey I conducted were recruited online via MTurk, a crowdsourcing website. The study employed convenience sampling to recruit participants. This nonprobability sampling method involves collecting data from population members who are easily accessible and willing to participate in the study (see O'Dwyer & Bernauer, 2014). I used convenience sampling because I used MTurk to identify potential participants. This sampling method was convenient because recruitment could be done online without face-to-face interaction with the potential participants. The inclusion criteria for that survey were (a) 24 years old and above, (b) U.S. citizen, (c) employed full-time or self-employed, and (d) have at least $25,000 in investible assets.

Archival Data

The primary data for this research came from the Health and Wealth Survey I conducted in 2016 to complete my joint master's and doctoral studies in Financial Planning at Texas Tech University, Lubbock, TX. The Health and Wealth Survey has five sections consisting of 54 questions. The sections are (a) demographic, (b) health assessment: attitudes, lifestyle/behavior, and events, (c) financial “health”/tie to physical health, (d) awareness of healthcare coverage and costs and budgeting/future plans, and (e) health and retirement. I used the demographic section for this study. To date, data from the Health and Wealth Survey 2016 has not been published nor used in any scholarly writing. Since I conducted the Health and Wealth Survey 2016, additional permission for the data was not needed. The specific variables used in this study, having a financial advisor, income, education, age, gender, marital status, racial status, employment status,

the presence of children under 19 in the household, and perceived financial success, are described in Appendix B.

Data Analysis Plan

I performed the data analysis for this study using SPS for Windows to provide a range of descriptive and inferential statistics, including statistical correlations. Researchers in educational, social, and behavioral sciences use SPSS software extensively (Hinton et al., 2014). SPSS for Windows, which is user-friendly, provides advantages by exporting data from Microsoft Excel (see Kulas et al., 2018). As such, I used SPSS (version "270" with an expiration of midnight on April 30, 2033) to conduct the required statistical tests for this study.

I used Microsoft Excel to preprocess the data. Data preprocessing aims to produce a clean dataset by excluding outliers and missing data (Sharma & Chen, 2018). After preprocessing, I only included participants with complete information on independent and dependent variables in the data analysis and exported the clean data set to SPSS. I collected the original data set for the ten variables in this study from 1,065 participants. To ensure the quality of the collected data, I used a data cleaning process that began with screening for missing values. I found that the data for 121 of the participants had missing values. The next step of the data-cleaning process was to check for obvious errors in the survey responses. There were no erroneous observations in the data, which left 944 complete cases of participant data for analysis.

Research Questions and Hypotheses

RQ1: What is the relationship between having a financial advisor and perceived financial success?

$H_0$1: There is no relationship between having a financial advisor and perceived financial success.

$H_1$1: There is a relationship between having a financial advisor and perceived financial success.

RQ2: What is the relationship between having a financial advisor and perceived financial success, given income?

$H_0$2: There is no relationship between having a financial advisor and perceived financial success, given income.

$H_1$2: There is a relationship between having a financial advisor and perceived financial success, given income.

RQ3: What is the relationship between having a financial advisor and perceived financial success, given education?

$H_0$3: There is no relationship between having a financial advisor and perceived financial success, given education.

$H_1$3: There is a relationship between having a financial advisor and perceived financial success, given education.

RQ4: What is the relationship between having a financial advisor and perceived financial success, given age?

$H_0$4: There is no relationship between having a financial advisor and perceived financial success, given age.

$H_1$4: There is a relationship between having a financial advisor and perceived financial success, given age.

RQ5: What is the relationship between having a financial advisor and perceived financial success, given gender?

$H_0$5: There is no relationship between having a financial advisor and perceived financial success, given gender.

$H_1$5: There is a relationship between having a financial advisor and perceived financial success, given gender.

RQ6: What is the relationship between having a financial advisor and perceived financial success, given marital status?

$H_0$6: There is no relationship between having a financial advisor and perceived financial success, given marital status.

$H_1$6: There is a relationship between having a financial advisor and perceived financial success, given marital status.

RQ7: What is the relationship between having a financial advisor and perceived financial success, given racial status?

$H_0$7: There is no relationship between having a financial advisor and perceived financial success, given racial status.

$H_1$7: There is a relationship between having a financial advisor and perceived financial success, given racial status.

RQ8: What is the relationship between having a financial advisor and perceived financial success, given employment status?

$H_0$8: There is no relationship between having a financial advisor and perceived financial success, given employment status.

$H_1$8: There is a relationship between having a financial advisor and perceived financial success, given employment status.

RQ9: What is the relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household?

$H_0$9: There is no relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

$H_1$9: There is a relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

RQ10: What is the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success?

$H_0$10: There is no relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success.

$H_1$10: There is a relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the

number of children under the age of 19 in the household, and perceived financial success.

I conducted two types of statistical analysis: descriptive statistics and inferential statistics. I used descriptive statistics to summarize the data collected from the survey by calculating the frequency distribution of each study variable and providing descriptive statistics for all variables (see Hoe & Hoare, 2012). I used inferential statistics to draw conclusions about the population being studied, specifically on how financial advisor status and demographic variables (income, education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household) relate to perceived financial success.

I used ordinal regression analysis to gain insights into the study's research question(s). Regression analysis serves three purposes: description, control, and prediction (Nimon & Reio, 2011). I first conducted an ordinal regression analysis to examine if there is a relationship between each independent variable and the dependent variable. To explore the remaining hypotheses for RQ10, I included all independent variables in the regression analysis.

Ordinal regression analysis is considered a parametric test (Siddiqui and Ali 2017). Thus, to ensure the validity of an ordinal regression analysis output, researchers must meet several assumptions. These were that (a) the dependent variable is ordinal, (b) the predictor variables may be nominal, ordinal, or continuous, but they must be independent, (c) there is no multicollinearity among the independent variables, and (d)

the assumption of proportional odds (which SPSS refers to as the assumption of parallel lines) is met (Chen, 2018).

The level of significance in hypothesis testing is of utmost importance. I conducted hypotheses testing with a significance level of 0.05. (see Weakliem, 2016). I assessed the output of the p value of each ordinal regression using a 0.05 level of significance. A *p* value of less than 0.05 indicated a statistically significant relationship between the variables, thus rejecting the null hypothesis (Weakliem, 2016). At the same time, a *p* value greater than 0.05 between variables suggests no statistically significant relationship between those variables.

Threats to Validity

Internal, external, and construct validity are all essential concepts in academic research. They refer to different aspects of the quality and reliability of research findings. "In designing a research project, it is important to strive for high internal, external, and construct validity" (Morling, 2017, p. 40). Researchers can achieve this by using appropriate research methods, sample selection, and valid and reliable measures. However, in some cases, researchers may have to tradeoff between internal and external validity for feasibility or practicality. When deciding on their design and methods, I needed to consider the tradeoffs, research questions, and objectives.

External Validity

The validity of the quantitative research results heavily relied on the data provided by MTurk for the original Health and Wealth study I conducted in 2016. I established the aspect of external validity in this research. It included the factors and variables not

explicitly included within the investigation, including the boundaries of the timing of the study, the sample size (number of participants whose data is included in the study), and the types of participants (demographics).

Internal Validity

Specific aspects of this research included using a financial advisor versus not using a financial advisor and the subsequent perceived financial success of the participants. This aspect established internal validity by using/not using an advisor and the observed outcome of reported financial success.

Construct Validity

Validation of the theoretical concepts and measurements used in a study, known as construct validity, is an essential aspect of the research process. Schwab (2013) defined construct validity as expressing the relationship between a theoretical concept or definition of a variable and the specific methods used to measure or manipulate it in practice. It also noted the importance of construct validation in the research process. I considered construct validity by examining the relationships among the independent variables and ensuring their adequate measurement.

Ethical Procedures

Hocutt conducted the Health and Wealth Survey in 2016 as part of my joint master's and doctoral studies in financial planning at Texas Tech University, Lubbock, TX, to collect the primary data for this study's ethical procedures. Participants were recruited online via MTurk, a crowdsourcing website for that survey. The study employed convenience sampling to recruit participants, which is a method of non-

probability sampling that involves data collection from population members who are easily accessible and willing to take part in the study (O'Dwyer & Bernauer, 2014). The inclusion criteria for this study were: (a) 24 years old and above, (b) U.S. citizen, (c) employed full-time or self-employed, and (d) have at least $25,000 in investible assets.

As noted in previous chapters, this data is considered archival data. With that stated, as part of the initial data collection process (by the prior researcher and the current researcher, which are the same) as referenced above, all data collection, analyses, and data storage followed the Belmont principles of respect, beneficence, and justice for participants (Department of Health and Human Services, 2019). Respect refers to the need to protect participants' identities and to disclose all relevant details regarding the study in the Informed Consent Form for individuals to make an appropriate decision based on their circumstances. Potential participants had to select "I agree" electronically at the bottom of the Informed Consent Form before agreeing to participate in the proposed study. The Informed Consent Form included the purpose, title, and description of the study, assured that the data would be collected and remain anonymous, and that participation was voluntary. A participant could discontinue participation at any time without consequence. The Informed Consent Form also informed potential participants that they would receive compensation for completing the surveys. The results were to be anonymous because no personal identifying information, such as names and social security numbers, would be collected. I used only pseudo codes to identify each participant, such as P01 for Participant 1.

In the context of the Belmont principles, beneficence refers to the responsibility to avoid causing harm. The original study complied with the Belmont guidelines as it posed minimal risk to the participants. The instruments used in the study were unlikely to cause distress for participants, I did not collect any personally identifiable information, and none of the participants were from a vulnerable population. The study addressed nonsensitive topics; even with a breach of anonymity, the collected data would unlikely be detrimental to the participants. Therefore, since the participants were not intrinsically vulnerable, and the data collected did not create vulnerability, the study posed no ethical challenges insofar as protecting the participants.

Regarding the Belmont principles, justice ensures that reasonable, nonexploitative, and considered procedures are administered fairly. The original study employed instruments and methods widely used in social sciences research in a non-exploitative manner, requiring less than an hour of participants' time, with minimal risk. This study, as it used the original archival data (Institutional Review Board (IRB) approval 06-22-22-1007273), posed no threat to the actual participants.

Summary

This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. For this study, I used a convenience sample of at least 146 participants and data from the Health and Wealth Study. The dependent variable is perceived financial success. The independent variables are having a financial advisor, income,

education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household. A series of ordinal regression analyses were conducted to analyze the data via SPSS. Chapter 4 presents the study findings by first characterizing the study sample using descriptive statistics and reporting statistical tests using inferential statistics organized by research question.

Chapter 4: Results

This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. The independent variables were having a financial advisor, income, education, age, gender, marital status, racial status, employment status, and the number of children under 19 in the household. The dependent variable was perceived financial success. The following research questions and their related hypotheses guided this study.

RQ1: What is the relationship between having a financial advisor and perceived financial success?

$H_0$1: There is no relationship between having a financial advisor and perceived financial success.

$H_1$1: There is a relationship between having a financial advisor and perceived financial success.

RQ2: What is the relationship between having a financial advisor and perceived financial success, given income?

$H_0$2: There is no relationship between having a financial advisor and perceived financial success, given income.

$H_1$2: There is a relationship between having a financial advisor and perceived financial success, given income.

RQ3: What is the relationship between having a financial advisor and perceived financial success, given education?

$H_0$3: There is no relationship between having a financial advisor and perceived financial success, given education.

$H_1$3: There is a relationship between having a financial advisor and perceived financial success, given education.

RQ4: What is the relationship between having a financial advisor and perceived financial success, given age?

$H_0$4: There is no relationship between having a financial advisor and perceived financial success, given age.

$H_1$4: There is a relationship between having a financial advisor and perceived financial success, given age.

RQ5: What is the relationship between having a financial advisor and perceived financial success, given gender?

$H_0$5: There is no relationship between having a financial advisor and perceived financial success, given gender.

$H_1$5: There is a relationship between having a financial advisor and perceived financial success, given gender.

RQ6: What is the relationship between having a financial advisor and perceived financial success, given marital status?

$H_0$6: There is no relationship between having a financial advisor and perceived financial success, given marital status.

$H_1$6: There is a relationship between having a financial advisor and perceived financial success, given marital status.

RQ7: What is the relationship between having a financial advisor and perceived financial success, given racial status?

$H_0$7: There is no relationship between having a financial advisor and perceived financial success, given racial status.

$H_1$7: There is a relationship between having a financial advisor and perceived financial success, given racial status.

RQ8: What is the relationship between having a financial advisor and perceived financial success, given employment status?

$H_0$8: There is no relationship between having a financial advisor and perceived financial success, given employment status.

$H_1$8: There is a relationship between having a financial advisor and perceived financial success, given employment status.

RQ9: What is the relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household?

$H_0$9: There is no relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

$H_1$9: There is a relationship between having a financial advisor and perceived financial success, given the number of children under the age of 19 in the household.

RQ10: What is the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success?

$H_0$10: There is no relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success.

$H_1$10: There is a relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under the age of 19 in the household, and perceived financial success.

This chapter includes the results of the data analyses to address the research questions and their related hypotheses. In this chapter, first, the data cleaning procedure is described. I discuss the results of the statistical data analyses and the tests of assumptions for these analyses and provide a summary of the quantitative results.

Data Collection

I collected the primary data for this study from the Health and Wealth Survey in 2016 to complete my joint master's and doctoral studies in financial planning at Texas Tech University, Lubbock, TX. Participants were recruited online via MTurk, a crowdsourcing website for that survey. I used convenience sampling to recruit participants. This nonprobability sampling method involves collecting data from population members who are easily accessible and willing to participate in the study

(O'Dwyer & Bernauer, 2014). The inclusion criteria for this study were (a) 24 years old and above, (b) U.S. citizen, (c) employed full-time or self-employed, and (d) have at least $25,000 in investible assets.

The Health and Wealth Survey had five sections consisting of 54 questions. The sections were (a) demographic, (b) health assessment: attitudes, lifestyle/behavior, and events, (c) financial "health"/tie to physical health, (d) awareness of healthcare coverage and costs and budgeting/future plans, and (e) health and retirement. For this study, the demographic section was be used: Age was self-reported as a numerical variable with 1 being age 24 or less, and 47 being 70 or older (for the purposes of this study, age was further categorized by generational cohorts and as converted to a categorical variable; Gender was self-reported as a categorical variable with 1 being male and 2 being female; Employment was self-reported as a categorical variable with 1 being employed full time and 2 being self-employed; Marital status was self-reported as a categorical variable with 1 being married, 2 living with partner, 3 single never married, 4 being divorced, 5 being separated, 6 being widowed; Race/ethnicity status was self-reported as a categorical variable with 1 being American Indian or Alaska Native, 2 being Asian, 3 being Black or African-American, 4 being Native Hawaiian or Pacific Islander, 5 being White; Children under the age of 19 in the household was self-reported as a nominal variable; Income was self-reported as a numerical variable with 1 being less than $35,000, 2 being $35,000.00-$49,999.00, 3 being $50,000.00-$74,999.00, 4 being $75,000-$99,999.00 5 being $100,000.00-$149,999.00, 6 being $150,000.00-$199,999.00, 7 being $200,000.00-$249,999.00, 8 being $250,000.00-$499,999.00, 9 being $500,000.00 or more, 10 being

Prefer not to say, and 11 being Don't know; Educational status was self-reported as a categorical variable with 1 being less than high school, 2 being High school, 3 being Vocational or technical school, 4being as some college, 5 being undergraduate college degree, 6 being Master's degree, 7 being PhD or other doctorate degree. A self-assessment of the individual determined financial success within this study. Specifically, Question 27 in the Health and Wealth Survey asked *How would you grade your overall financial situation?* Responses were provided through a Likert scale and a corresponding letter grade (i.e., A Excellent, B, C, D, E/F Failing) of 1 being letter grade A(excellent), 2 being letter grade B, 3 being letter grade C, 4 being letter grade D, and 5 being letter grade E/F (failing).

The original data set for the ten variables in the current study contained information collected from 1,065 participants. I used a data cleaning process to ensure the quality of the collected data, the first step of screening the data for missing values. I found that the data for 121 of the participants had missing values. The next phase of the data cleaning process was to check for obvious errors in the survey responses. There were no erroneous observations in the data, which left 944 complete cases of participant data for analysis.

Study Results

Descriptive Statistics

The data collected for this study consisted of information from 944 participants. Tables 1 through 10 contain the frequency distributions for each study variable, respectively, and Table 11 includes the descriptive statistics for all the study variables.

As reported in Table 1, among the 944 participants, most indicated using a financial advisor.

Table 1

Frequency Distribution for Having a Financial Advisor

Having a financial advisor	Frequency	Percent
No	240	25.4%
Yes	704	74.6%
Total	944	100.0

As shown in Table 2, regarding annual household income, the top four categories with the highest frequencies were $50,000-$74,999 (28.7%), $75,000-$99,999 (23.4%), $35,000.00-$49,999.00 (16.2%), and $100,000-$149,999 (14.2%).

Table 2

Frequency Distribution for Level of Household Income

Level of household income	Frequency	Percent
Less than $35,000	82	8.7
$35,000-$49,999	153	16.2
$50,000-$74,999	271	28.7
$75,000-$99,999	221	23.4
$100,000-$149,999	134	14.2
$150,000-$199,999	53	5.6
$200,000-$249,999	15	1.6
$250,000-$499,999	6	0.6
Not Reported	9	1.0
Total	944	100.0

As shown in Table 3, 50.6% of the participants indicated that the highest level of education they had completed was an undergraduate college degree.

Table 3

Frequency Distribution for Highest Level of Education Completed

Highest level of education	Frequency	Percent
Less than high school	2	.2
High school	56	5.9
Vocational or technical school	32	3.4
Some college degree	193	20.5
Undergraduate college degree	478	50.6
Master's degree	148	15.7
Ph.D. or another doctorate	35	3.7
Total	944	100.0

As reported in Table 4, 55% of the study participants were millennials (i.e., Generation Y).

Table 4

Frequency Distribution for Age

Age	Frequency	Percent
Baby Boomer	120	12.5
Generation X	305	32.5
Millennials	519	55.0
Total	944	100.0

As shown in Table 5, 52.8% of the 944 study participants were men.

Table 5

Frequency Distribution for Gender

Gender	Frequency	Percent
Male	498	52.8
Female	446	47.2
Total	944	100.0

As shown in Table 6, 48.5% of the participants were married, while 28.5% were single and had never been married.

Table 6

Frequency Distribution for Marital Status

Marital status	Frequency	Percent
Married	459	48.5
Living with partner	135	14.3
Single, never married	269	28.5
Divorced	60	6.4
Separated	9	1.0
Widowed	12	1.3
Total	944	100.0

As seen from Table 7, concerning race/ethnicity, most of the respondents were White.

Table 7

Frequency Distribution for Racial Status

Racial status	Frequency	Percent
American Indian or Alaska Native	12	1.3
Asian	70	7.4
Black or African American	64	6.8
Native Hawaiian or other Pacific Islander	2	.2
White	791	83.8
Multiple races	5	0.5
Total	944	100.0

As shown in Table 8, most respondents identified their employment status as full-time.

Table 8

Frequency Distribution for Employment Status

Employment status	Frequency	Percent
Employed full time	766	81.1
Self-employed	178	18.9
Total	944	100.0

As reported in Table 9, 37% of the participants had a child under 19 in the household.

Table 9

Frequency Distribution for Number of Children Under 19 in the Household

Children under 19 in the household	Frequency	Percent
0	595	63.0
1	166	17.6
2	119	12.6
3	45	4.8
4	15	1.6
5	3	.3
6	1	.1
Total	944	100.0

As reported in Table 10, most participants rated their perceived financial success as a B or a C.

Table 10

Frequency Distribution for Perceived Financial Success

Perceived financial success	Frequency	Percent
Grade A	92	9.7
Grade B	407	43.1
Grade C	350	37.1
Grade D	81	8.6
Grade E	14	1.5
Total	944	100.0

Table 11 contains the descriptive statistics for the 10 study variables.

Table 11

Descriptive Statistics for Study Variables

Variable	*N*	*M*	Std. Error	*SD*	Skewness	Kurtosis
FA	944	1.75	.014	.436	-1.131	-.723
INC	944	3.51	.051	1.566	.883	2.093
EDU	944	4.77	.035	1.078	-.764	1.175
AGE	944	37.22	.351	10.785	.987	.191
GEN	944	1.47	.016	.500	.111	-1.992
MS	944	2.01	.037	1.147	.902	.356
RS	944	4.59	.033	1.015	-2.016	3.374
ES	944	1.19	.013	.391	1.595	.545
CH19	944	.66	.033	1.025	1.642	2.417
PFS	944	2.49	.027	.840	.350	.153

Note: See appendix B for variable names.

Evaluation of Research Questions

Ten research questions and their corresponding hypotheses guide the current study. A series of ordinal regression analyses were conducted to address these questions. Ordinal regression analysis makes several assumptions about the data. One assumption of the study is that the dependent variable is measured at an ordinal scale. The dependent variable in all ten regression analyses was perceived financial success. I measured this variable using a single survey item at an ordinal scale. A second assumption is the independence of observations. I randomly selected respondents from the target population based on the study's design. Thus, this assumption was also considered valid. The third assumption of the ordinal regression analysis is an absence of multicollinearity among the independent variables. Table 12 shows that while some of the independent variables have significant correlations, none are strong, indicating no multicollinearity issues among these variables.

Table 12

Assessment of the Multicollinearity Assumption

Variable	Pearson Correlation							
	FA	INC	EDU	AGE	GEN	MS	RS	ES
FA	–							
INC	-.166**	–						
EDU	-.078*	.262**	–					
AGE	-.077*	.041	-.008	–				
GEN	-.032	.031	-.019	.071*	–			
MS	.077*	-.267**	-.054	.014	-.071*	–		
RS	.010	-.051	-.076*	.070*	.034	-.063	–	
ES	.014	-.065*	-.064*	.193**	.075*	.012	-.004	–
CH19	-.046	.126**	-.018	.036	.077*	-.360**	-.002	-.029

***. Correlation is significant at the 0.01 level (2-tailed).*
**. Correlation is significant at the 0.05 level (2-tailed).*
Note: See appendix B for variable names.

The fourth assumption for ordinal regression analysis is that of proportional odds, which means that the slope coefficients are equal across the response categories of the outcome variable. I performed the parallel lines test using SPSS to evaluate this assumption. The null hypothesis of this test is that the slope coefficients are the same for each response category. The results of assessing this assumption are provided separately for each ordinal regression analysis.

Research Question 1

I formulated the first research question to determine if there was a relationship between having a financial advisor and perceived financial success. Null Hypothesis 1 shows no relationship between having a financial advisor and perceived financial success. I performed an ordinal regression analysis to evaluate this hypothesis. I used a dummy

variable representing whether a participant had a financial advisor as a predictor variable and perceived financial success as the criterion variable.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(1) = 30.617$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(3) = 1.703$, $p = .636$. The Nagelkerke and McFadden pseudo-R-square values were .035 and .013, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(3) = 1.703$, $p = .636$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.781$, Wald $\chi^2(1) = 29.914$, $p < .001$. These results indicated that those with a financial advisor typically reported significantly higher financial success scores than those without a financial advisor. Hence, these results supported rejecting Null Hypothesis 1 that no relationship exists between having a financial advisor and perceived financial success.

Research Question 2

The second research question asked whether there was a relationship between having a financial advisor and perceived financial success, given income. Null Hypothesis 2 shows no relationship between having a financial advisor and perceived financial success, given income. I performed an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing

whether a participant had a financial advisor and level of income as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(10) = 141.626$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(62) = 52.171$, $p = .809$. The Nagelkerke and McFadden pseudo-R-square values were .152 and .061, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(30) = 18.232$, $p = .955$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.561$, Wald $\chi^2(1) = 14.602$, $p < .001$. However, perceived financial success scores did not differ significantly by income level. These results indicated that after controlling for income, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting rejecting Null Hypothesis 2.

Research Question 3

The third research question asked whether there was a relationship between having a financial advisor and perceived financial success, given education. Null Hypothesis 3 shows no relationship between having a financial advisor and perceived financial success, given education. I conducted an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing

whether a participant had a financial advisor and level of education as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(7) = 56.541$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(41) = 33.446$, $p = .793$. The Nagelkerke and McFadden pseudo-R-square values were .064 and .024, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(21) = 15.324$, $p = .806$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.721$, Wald $\chi^2(1) = 24.924$, $p < .001$. I also found that regarding education level, 'less than high school' was a significant predictor of the outcome variable, $B = 3.135$, Wald $\chi^2(1) = 5.295$, $p = .021$, indicating that typically those with a Ph.D. or other doctorate degrees reported higher levels of financial success than those with less than a high school degree. I concluded from these results that after controlling for education level, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting the rejection of Null Hypothesis 3.

Research Question 4

I formulated Research Question 4 to determine whether there was a relationship between having a financial advisor and perceived financial success, given age. Given the

age, null Hypothesis 4 shows no relationship between having a financial advisor and perceived financial success. I conducted an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and age as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(2) = 44.615$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(342) = 283.522$, $p = .991$. The Nagelkerke and McFadden pseudo-R-square values were .050 and .019, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(6) = 2.895$, $p = .822$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.835$, Wald $\chi^2(1) = 33.691$, $p < .001$. I also found that age was a significant predictor of the outcome variable, $B = 0.021$, Wald $\chi^2(1) = 14.015$, $p < .001$, indicating that as age goes up, the level of perceived financial success tends to decrease. I concluded from these results that after controlling for age, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting the rejection of Null Hypothesis 4.

Research Question 5

I formulated the fifth research question to determine whether there was a relationship between having a financial advisor and perceived financial success, given

gender. Null Hypothesis 5 shows no relationship between having a financial advisor and perceived financial success, given gender. To address the fifth hypothesis, I performed an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and gender as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(2) = 32.731$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(10) = 5.634$, $p = .845$. The Nagelkerke and McFadden pseudo-R-square values were .037 and .014, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(6) = 3.582$, $p = .733$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.788$, Wald $\chi^2(1) = 30.387$, $p < .001$. However, perceived financial success scores did not differ significantly by gender. Overall, these results provided support that after controlling for gender, there existed a significant relationship between having a financial advisor and perceived financial success. Hence, these findings provided support to reject Null Hypothesis 5.

Research Question 6

The sixth research question asked whether there was a relationship between having a financial advisor and perceived financial success, given marital status. Given

marital status, null Hypothesis 6 shows no relationship between having a financial advisor and perceived financial success. I conducted an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and marital status as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(6) = 41.249$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(38) = 49.251$, $p = .105$. The Nagelkerke and McFadden pseudo-R-square values were .047 and .018, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model failed to pass the proportional odds test ($\chi^2(18) = 36.453$, $p = .006$) as the null hypothesis that the location parameters (slope coefficients) are the same across response categories was violated. As this was not a valid predictive model, the findings did not support rejecting Null Hypothesis 6.

Research Question 7

The seventh research question was formulated to determine whether there was a relationship between having a financial advisor and perceived financial success, given racial status. Given racial status, null Hypothesis 7 shows no relationship between having a financial advisor and perceived financial success. An ordinal regression analysis was performed with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and racial status as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(9) = 48.649$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(43) = 25.571$, $p = .984$. The Nagelkerke and McFadden pseudo-R-square values were .055 and .021, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model failed to pass the proportional odds test ($\chi^2(27) = 107.362$, $p < .001$) as the null hypothesis that the location parameters (slope coefficients) are the same across response categories was violated. As this was not a valid predictive model, the findings did not support rejecting Null Hypothesis 7.

Research Question 8

The eighth research question was formulated to determine whether there was a relationship between having a financial advisor and perceived financial success, given employment status. Given employment status, null Hypothesis 8 shows no relationship between having a financial advisor and perceived financial success. To evaluate the eighth hypothesis, an ordinal regression analysis was performed with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and employment status as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(2) = 34.791$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(10) = 14.816$, $p = .139$. The Nagelkerke and McFadden pseudo-R-square

values were .040 and .015, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(6) = 10.328$, $p = .112$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.783$, Wald $\chi^2(1) = 30.008$, $p < .001$. I also found that regarding employment status, 'employed full time' was a significant predictor of the outcome variable, $B = -0.326$, Wald $\chi^2(1) = 4.397$, $p = .036$, indicating that typically those who were employed full time reported significantly higher levels of financial success than those who were self-employed. Overall, I concluded from these results that after controlling for employment status, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting the rejection of Null Hypothesis 8.

Research Question 9

Research Question 9 asked whether there was a relationship between having a financial advisor and perceived financial success, given children under the age of 19 in the household. Null Hypothesis 9 is that there is no relationship between having a financial advisor and perceived financial success, given children under the age of 19 in the household. An ordinal regression analysis was conducted with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor and the number of children under 19 as the predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(2) = 37.052$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(46) = 41.153$, $p = .675$. The Nagelkerke and McFadden pseudo-R-square values were .042 and .016, respectively. These shallow values suggested the need for other predictor variables in the model. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(6) = 9.449$, $p = .150$) and was, therefore, a valid predictive model.

The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model, $B = -0.801$, Wald $\chi^2(1) = 31.286$, $p < .001$. I also found that the number of children under the age of 19 in the household was a significant predictor of the outcome variable, $B = 0.148$, Wald $\chi^2(1) = 6.187$, $p = .13$, indicating that as the number of children increases the level of perceived financial success tends to decrease. Overall, these results suggest that after controlling for the number of children under 19 in the household, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting the rejection of Null Hypothesis 9.

Research Question 10

I formulated Research Question 10 to determine whether there was a relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success. Null Hypothesis 10 is that there is no relationship

between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success. I conducted an ordinal regression analysis with perceived financial success as the criterion variable and a dummy variable representing whether a participant had a financial advisor, income, education, age, gender, marital status, racial status, employment status, and the number of children under the age of 19 in the household as predictor variables.

The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model, $\chi^2(33) = 214.857$, $p < .001$. The Chi-squared statistic calculated based on the model deviance indicated that the model fit the data well, $\chi^2(3567) = 2045.561$, $p = 1.000$. The Nagelkerke and McFadden pseudo-R-square values were .223 and .092, respectively, low. Based on the results obtained from the test of parallel lines, the model passed the proportional odds test ($\chi^2(99) = 77.846$, $p = .943$) and was, therefore, a valid predictive model.

These results showed that the significant predictors of the outcome variable were having a financial advisor ($B = -0.597$, Wald $\chi^2(1) = 15.709$, $p < .001$), age ($B = 0.024$, Wald $\chi^2(1) = 12.872$, $p < .001$), all categories of racial status ($p < .001$), and the number of children under the age of 19 in the household ($B = 0.220$, Wald $\chi^2(1) = 10.085$, $p = .001$). On the other hand, none of the categories for income, education, gender, marital status, and employment status significantly contributed to the model. Hence, these findings provided support to reject Null Hypothesis 10.

Summary

This quantitative, correlational study examined the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the number of children under 19 in the household, and perceived financial success. The primary data for this study came from the Health and Wealth Survey conducted in 2016 by Hocutt as part of completing my joint master's and doctoral studies in financial planning at Texas Tech University, Lubbock, TX. After a data cleaning procedure, data for 944 participants on each of the variables of interest for this study were analyzed. I used ordinal regression analysis to evaluate each of the research hypotheses. Before providing the results from these analyses, I assessed their assumptions. The results from the regression analyses supported rejecting eight out of the ten null hypotheses evaluated in favor of the alternative hypothesis that there was a relationship between the independent (i.e., predictor) variables and the dependent (i.e., criterion) variable. Hypotheses 6 and 7 could not be evaluated as the results of assumption checking indicated that the ordinal regression model was not a valid predictive model for those hypotheses. The statistical analyses supported the conclusion that a significant but weak relationship existed between having a financial advisor and perceived financial success (Hypothesis 1).

Moreover, I found that significant but weak relationships existed between having a financial advisor and perceived financial success given each of these independent variables: income (Hypothesis 2), education (Hypothesis 3), age (Hypothesis 4), gender (Hypothesis 5), employment status (Hypothesis 8), and children under 19 in the

household (Hypothesis 9). The results also showed a statistically significant but weak relationship between having a financial advisor, age, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success (Hypothesis 10). In Chapter 5, I interpret these findings in relation to the sources in the literature review and the theoretical foundation for the study found in Chapter 2, discuss the study's limitations, make recommendations for future research, and describe the implications of the study findings for positive social change.

Chapter 5: Discussion, Conclusions, and Recommendations

One of the main challenges in financial literacy is the lack of access to the necessary knowledge and resources to make informed financial decisions. The general problem I addressed in my study was that individuals do not have the human capital to make optimal financial decisions (see Marginson, 2019). The problem was that individuals do not know whom to turn to for financial advice when they obtain human capital. Exploring the perceived financial investment success is paramount because of the continued need to support individuals who experience financial losses that may affect subsequent financial decision-making (Chang, 2005). Individuals with lower income are less likely to be experienced in using financial investment strategies or seeking financial advisory services (Guo & Finke, 2018). Thus, it is essential to explore the difference in perceived financial success between individuals who work with a financial advisor and those who do not. Therefore, this quantitative correlational study examined the relationship between financial advisor, income, education, gender, marital status, race/ethnicity, employment status, children under 19, and perceived financial success. The independent variables were (a) having a financial advisor, (b) income, (c) education, (d) age, (e) gender, (f) marital status, (g) racial status, (h) employment status, and (i) children under the age of 19 in the household. The dependent variable was perceived financial success.

I collected the primary data for this study from the Health and Wealth Survey conducted in 2016 as part of the completion of my joint master's and doctoral studies in Financial Planning at Texas Tech University, Lubbock, TX. For this survey, participants

were recruited online via MTurk. I conducted a convenience sampling to recruit participants for the study. After a data cleaning procedure, data for 944 participants on the variables of interest for this study remained for the analysis. I used ordinal regression analysis to evaluate each of the research hypotheses. I assessed their assumptions before providing the results from these analyses. The results from the regression analyses provided support to reject eight out of the ten null hypotheses evaluated. I could not assess Hypotheses 6 and 7 as the results indicated that the ordinal regression model was not a valid predictive model for those hypotheses. The results of the statistical analyses supported a significant but weak relationship between having a financial advisor and perceived financial success (Hypothesis 1). Moreover, I found that significant but weak relationships existed between having a financial advisor and the outcome variable given each of the variables of income (Hypothesis 2), education (Hypothesis 3), age (Hypothesis 4), gender (Hypothesis 5), employment status (Hypothesis 8), and children under 19 in the household (Hypothesis 9). The results also showed that there was a statistically significant but weak relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success (Hypothesis 10).

The remainder of this chapter contains a discussion of the study findings and conclusions and recommendations based on those findings. Specifically, the chapter includes an interpretation of the findings limitations of the study are then discussed, recommendations for future research and improving practice, and the implications of

these findings for social change. This chapter concludes with a summary and outline of key points.

Interpretation of the Findings

This section contains an interpretation of the findings based on their alignment with the literature and theory discussed in Chapter 2. The section organizes the research questions, which totaled 10. For each of the ten questions, I restate the question and findings, confirm or deny the associated hypothesis, and assess the degree of alignment with prior research and theory.

Research Question 1

The first research question was, "What is the relationship between having a financial advisor and perceived financial success?" I hypothesized that there is a relationship between having a financial advisor and perceived financial success. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The model's parameter estimates showed that having a financial advisor made a significant contribution. These results indicated that typically those who had a financial advisor reported somewhat higher financial success scores than those who did not. Hence, these results supported rejecting $H_0$1 that there is no relationship between having a financial advisor and perceived financial success. This finding is relatively intuitive and confirms previous research discussed in Chapter 2 (see Chen et al., 2021; Sharpe et al., 2007). Having a financial advisor has been linked with both real and perceived financial success in the past (Muralidhar, 2019; Nam & Loibl, 2020). Financial advisors play essential roles in

providing financial advice, helping to inform decision making, and adding to clients' self-confidence and self-efficacy associated with finances (Linnainmaa et al., 2021). These findings also help extend human capital theory by illustrating that financial advisors can potentially contribute to individuals' physical capital and success (see Becker, 1993; Lucas, 1990). Therefore, the role of financial advisors in enhancing an individual's financial literacy and decision-making abilities, as well as their potential impact on an individual's financial success, is an important area of study.

Research Question 2

The second research question was, "What is the relationship between having a financial advisor and perceived financial success, given income?" I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given income. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. However, perceived financial success scores did not differ significantly by income level. These results showed that after controlling for income, a significant but weak relationship existed between having a financial advisor and perceived financial success, given income, thus, providing support to reject $H_0 2$. This finding confirms some studies in Chapter 2 (see Muralidhar, 2019; Nam & Loibl, 2020) while contradicting others (see Chen et al., 2021; Sharpe et al., 2007). This finding appears to indicate that financial advisors contribute to the perceived success of individuals, regardless of their income levels. One of the reasons this may be the case is

that financial advisors effectively tailor their advice and strategies to meet the specific needs of their clients, including with respect to their income levels. By simply meeting with a financial advisor, clients experience an increase in their absolute levels of perceived success, which does not appear to differ across income categories (see Chen et al., 2021; Sharpe et al., 2007). According to human capital theory, education and training contribute to physical capital, and income does not appear to influence this effect (Becker, 1993; Lucas, 1990). This assertion suggests that financial advisors are crucial in helping individuals achieve individual financial goals regardless of income level. These advisors' education and training increase human capital, leading to perceived financial success.

Research Question 3

The third research question was, “What is the relationship between having a financial advisor and perceived financial success, given education?” I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given education. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. I also found that regarding education level, “less than high school” was a significant predictor of the outcome variable, indicating that typically those with a Ph.D. or other doctorate degrees reported higher levels of financial success than those with less than a high school degree. Overall, I concluded from these results that after controlling for education level, a significant relationship existed between having a

financial advisor and perceived financial success, thus supporting rejecting $H_0$3. As with income, education does not appear to change the fact that a financial advisor can increase clients' perceived level of success. This finding also aligns with some evidence presented in Chapter 2 (see Hussein & James, 2019; Tran & Wang, 2019) while contradicting other research (see Sharpe et al., 2007; Yogo, 2016). However, when accounting for the assumptions of human capital theory, this finding appears intuitive. It suggests that all individuals can benefit from the education and training of a financial advisor, regardless of their level of education (see Marginson, 2019). This suggestion highlights the importance of considering multiple perspectives and the potential limitations of previous research when interpreting findings.

Research Question 4

The fourth research question was, “What is the relationship between having a financial advisor and perceived financial success, given age?” I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given generational cohorts. The ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. The parameter estimates for this model showed that having a financial advisor significantly contributed to the model, indicating that perceived financial success tends to decrease as age increases. Overall, I concluded from these results that after controlling for age, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting rejecting $H_0$4. This study makes a

significant contribution to the literature, being one of the few to demonstrate that age or generation influences the impacts of a financial advisor. Previous studies have provided conflicting evidence of this relationship (see Kettunen & Kriikkula, 2020). One of the reasons that age may influence the perceived impact of a financial advisor on success is that finances increase in importance with age and as individuals begin to enter retirement (see Colby & Ortman, 2014). Younger clients may have different priorities or be less concerned with how they will support their retirement. Financial advisors may become increasingly important in providing confidence and stability as clients age (Luther et al., 2018). Additionally, as individuals age, their financial goals and objectives, such as retirement planning, may change. As these goals become more pressing and relevant, financial advisors may possess better qualifications to provide the required advice and strategies.

Research Question 5

The fifth research question was, "What is the relationship between having a financial advisor and perceived financial success, given gender?" I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given gender. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. However, perceived financial success scores did not differ significantly by gender. Overall, these results provided support that after controlling for gender, there existed a significant relationship between having a financial advisor and

perceived financial success. Hence, these findings provided support to reject $H_0$5. Previous research has been inconsistent regarding whether gender differences exist regarding perceived financial success (see Brook & Shmelev, 2019; Cupák et al., 2018). Some research has suggested that men demonstrate greater perceived financial success due to historically earning more than women and being the primary earner within their households (see Cupák et al., 2018; Potrich et al., 2018). However, this trend has gradually changed over time. Evidence suggests that women demonstrate more stability and make more effective long-term investment decisions than men (see Chatterjee & Zahirovic-Herbert, 2010; Salter et al., 2010). The extent to which a financial advisor contributes to perceived financial success is not fully understood, as this study was correlational.

Research Question 6

The sixth research question was, "What is the relationship between having a financial advisor and perceived financial success, given marital status?" I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given marital status. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. Based on the results obtained from the test of parallel lines, the model failed to pass the proportional odds test as the null hypothesis that the location parameters (slope coefficients) are the same across response categories was violated. Therefore, the model could not be used as a valid predictor, and I did not report its results to address H_06. Previous research has also been equivocal concerning marital status and financial

success, whether actual or perceived (see Dale & St John, 2020; Salter et al., 2010). These findings allow me to conclude that the education and training of a financial advisor can benefit married couples, single individuals, divorcees, and widows. This finding also aligns with human capital theory, in which education and training contribute to more significant capital regardless of demographic variables like marital status (see Marginson, 2019). Additionally, seeking advice from a financial advisor can help individuals, regardless of their marital status, better understand their financial situation, set goals, and develop a plan to achieve them, leading to greater financial success and stability.

Research Question 7

The seventh research question was, "What is the relationship between having a financial advisor and perceived financial success, given racial status?" I hypothesized that there is a relationship between having a financial advisor and perceived financial success, given racial status. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. Based on the results obtained from the test of parallel lines, the model failed to pass the proportional odds test as the null hypothesis that the location parameters (slope coefficients) are the same across response categories was violated. Therefore, the model was not a valid predictor, and I did not use its results to interpret the null hypothesis under investigation. Some evidence identified in Chapter 2 suggests that race or ethnicity influences the relationship between perceived financial success and having a financial advisor (see Al-Bahrani et al., 2019). However, the literature also showed that most individuals appear to experience improvements in their perceived financial success after

consulting with a financial advisor (see Balasubramnian & Sargent, 2020; Radianto et al., 2020). As with other variables explored in this study, I used human capital theory to explain this trend based on the assumption that education and training contribute to human capital regardless of demographic variables (see Becker, 1993; Lucas, 1990). This theory suggests that consulting with a financial advisor can be a valuable step for individuals in improving their financial literacy and decision making, increasing their perceived financial success.

Research Question 8

The eighth research question was, "What is the relationship between having a financial advisor and perceived financial success, given employment status?" It was hypothesized that there is a relationship between having a financial advisor and perceived financial success, given employment status. The results of the ordinal regression analysis revealed that the model significantly improved over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. I also found that regarding employment status, 'employed full time' was a significant predictor of the outcome variable, indicating that typically those who were employed full-time reported significantly higher levels of financial success than those who were self-employed. Overall, it was concluded from these results that after controlling for employment status, there existed a significant but small but weak relationship between having a financial advisor and perceived financial success, thus providing support to reject Null Hypothesis 8. This finding contradicts some of the literature presented in Chapter 2 (Coe & Goda, 2014; Kofoed & Frasier, 2019).

Having a financial advisor would seemingly have a more significant impact on perceived financial success for individuals who are not employed than those who are employed, as the latter would likely have more confidence in their financial status (Kwan & Asher, 2019). However, this finding may suggest that a financial advisor adds to the confidence employed individuals already have and potentially exacerbates the uncertainty that unemployed individuals possess (Kofoed & Frasier, 2019). This finding also highlights the importance of financial education and guidance for all individuals, regardless of their employment status, as it can lead to greater financial confidence and stability.

Research Question 9

The ninth research question was, "What is the relationship between having a financial advisor and perceived financial success, given children under the age of 19 in the household?" It was hypothesized that there is a relationship between having a financial advisor and perceived financial success, given children under the age of 19 in the household. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. The parameter estimates for this model indicated that having a financial advisor significantly contributed to the model. I also found that the number of children under 19 in the household was a significant predictor of the outcome variable, indicating that the level of perceived financial success tends to decrease as the number of children increases. Overall, these results suggest that after controlling for the number of children under 19 in the household, a significant relationship existed between having a financial advisor and perceived financial success, thus supporting the rejection of Null Hypothesis 9. This

finding is also relatively intuitive and adds to the literature presented in Chapter 2 (Chatterjee & Zahirovic-Herbert, 2010; Salter et al., 2010). Financial constraints increase as the number of dependents within a household simultaneously increases (Salter et al., 2010). These constraints can contribute to financial uncertainty (Chaffin, 2013). People who are unsure about their finances may feel more confident when working with a financial advisor. However, it is not entirely clear how financial advisors can best help them feel more financially secure, given that these individuals may worry about their economic situation and the number of dependents they have (Chatterjee & Zahirovic-Herbert, 2010). It may be beneficial for financial advisors to actively address and alleviate the financial constraints that come with a more significant number of dependents to better assist their clients in increasing their perceived financial success.

Research Question 10

The final research question was, "What is the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success?" I hypothesized a significant relationship exists between having a financial advisor, income, education, generational cohorts, gender, marital status, racial/ethnic status, employment status, the presence of children under the age of 19 in the household, and perceived financial success. The results of the ordinal regression analysis revealed that the model provided a significant but small improvement over the baseline intercept-only model. These results showed that the significant predictors of the outcome variable were the number of children under the age of 19 in the household),

having a financial advisor, and all categories of racial status. On the other hand, none of the categories for income, education, gender, marital status, and employment status significantly contributed to the model. These results suggested that younger individuals, those with fewer children under 19 in the household, and those with a financial advisor reported significantly higher perceived financial success scores. Hence, these findings provided support to reject Null Hypothesis 10. This finding helps to potentially demonstrate a predictive model for factors that contribute to increased perceived financial success when consulting with a financial advisor, thus, extending the literature in the sense that previous researchers have only found independent correlations between these variables (Chang, 2005; Guo & Finke, 2018; Marginson, 2019). These results also highlight areas where financial advisors must improve by addressing demographic groups that do not appear to be as positively impacted by such consultations.

Limitations of the Study

Although these findings significantly contribute to the literature, certain limitations require consideration. First, the non-probabilistic nature of the sampling approach could have affected the reliability of the results (Lusardi et al., 2020). Furthermore, the current study did not describe alternative marriage arrangements or consider gender beyond binary categories. The survey method could have also influenced results based on subjective reporting biases. The anonymity of surveys may elicit participant responses that are potentially unauthentic (Rasinger, 2013). The secondary data may have also been outdated and thus no longer applicable to contemporary societal trends. Secondary data also prevents the ability to control for confounding or extraneous

variables (Poterba, et al., 1995). Examples may have included familial education levels, the value placed on finances, characteristics of financial advisors, and job type (Yuh & Hanna, 2010). Thus, it is unclear how these variables potentially influenced the relationship between having a financial advisor and any of the indicators measured in the study.

Recommendations

Based on the study's findings, I can make numerous recommendations. As noted in chapter 2, the study finds that future research should address limitations such as sample size, alternative marriage arrangements, and data collection methods. Longitudinal data and non-correlational research are needed to determine the causal relationship and effect of having a financial advisor on financial success. Qualitative research is also necessary to understand why such relationships and effects exist. Interventions should also be implemented based on human capital theory to guide financial advisors in working with clients of different demographic groups. Specifically, as noted by Gao (2017), researchers should study theories related to financial planning, such as strategic management, modern portfolio theory, life cycle theory, behavioral finance, etc. Financial institutions should apply the predictive model identified in the study to predict outcomes and adapt their approach for different types of clients. Financial advisors should also focus on increasing clients' financial self-efficacy and evaluate their performance to determine if they have contributed to clients' financial success. As referenced in chapter 2, dependencies such as income (Chen et al., 2021), employment status (Kofoed & Frasier, 2019), education (Harlow et al., 2020), gender

(Brook & Shmelev, 2019), marital status, and ethnicity (Balasubramnian & Sargent, 2020) all influence the level of financial success these individuals could obtain.

Implications

This study potentially adds to the literature and theory on perceived financial success and human capital. First, this study contributes to the theory associated with human capital. As Becker (1962) noted in his classic article on human capital theory, certain activities affect future well-being and other activities that involve the here and now. This quantitative correlational study extends the research on human capital by examining the impact of using a financial advisor for financial advice on individuals' well-being (Muralidhar, 2019; Nam & Loibl, 2020). This study also provides new insight into how best to address the theoretical framework by expanding on the conceptualization of human capital, focusing on financial advisors' help in making financial decisions.

The current study is also potentially significant for its insights into how financial advisors can contribute to different generational cohorts' financial well-being. Results from this study extend the reviewed literature by showing that individuals are often uniquely positioned in their financial advisements and require advice for spending, health and education, and employment literacy (Chicca & Shellenbarger, 2018). The current study helps to inform recommendations based on considering different generational cohorts' advice procedures to understand how various factors within each generation have worked or not with the financial advisor to experience different levels of financial success (Marginson, 2019). Future research should continue to explore the impact of

different generational cohorts on the effectiveness of financial advice to provide tailored recommendations for clients of different ages and backgrounds.

Ultimately, suppose individuals use the study findings to decide whether to use a financial advisor to help them make better financial decisions. In that case, they may increase their overall financial well-being and reach their financial goals. This study contributes to practice by encouraging individuals to solicit the help of financial advisors to ensure better financial security. The current research also contributes positively to practice by demonstrating how financial advisors can most effectively support different generations by tailoring their financial literacy and financial advising strategies. The study's findings may positively contribute to interventions or future research aimed at identifying

Results from this study are socially significant in that they may change how multiple generational cohorts perceive financial advice and use it to improve their financial success, literacy, and financial health (Marginson, 2019). The findings of this study provide essential positive social change by contributing to the understanding of how a financial advisor may support individuals with diverse demographic characteristics through various health shocks or unplanned financial downfalls (Ayyagari, 2019; De Nardi et al., 2010; Kettunen & Kriikkula, 2020). This study is essential to expand social change by understanding financial losses and providing advice about subsequent financial decision-making procedures (Chang, 2005).

This study also makes a potentially significant contribution to practice by demonstrating the intersecting variables associated with financial literacy and the use of a

financial advisor. The findings of this study supply helpful information that could contribute to financial advisors' ability to improve individuals' financial literacy. Further, the results may apply to interventions in financial practice to ensure individuals' financial literacy and enhance their ability to plan for retirement.

Conclusions

This chapter contained a discussion of the findings and conclusions that can be drawn regarding their contributions to knowledge related to the relationship between having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under the age of 19 in the household, and perceived financial success. First, I interpreted the findings. This study's results could significantly contribute to the literature by demonstrating the most critical factors in predicting increases in perceived financial success when working with a financial advisor. These results showed that younger individuals, those with fewer children under 19 in the household, and those with a financial advisor reported higher perceived financial success scores. Limitations of the study were then discussed, followed by recommendations for future research and improving practice. I recommended conducting non correlational (i.e., experimental) research using current primary data to investigate contemporary trends related to this topic. I discussed the implications of these findings. Findings from this study could significantly contribute to previous research and demonstrate the applicability of human capital theory while offering insights into a potential predictive model to guide financial advisors in their consultations with clients.

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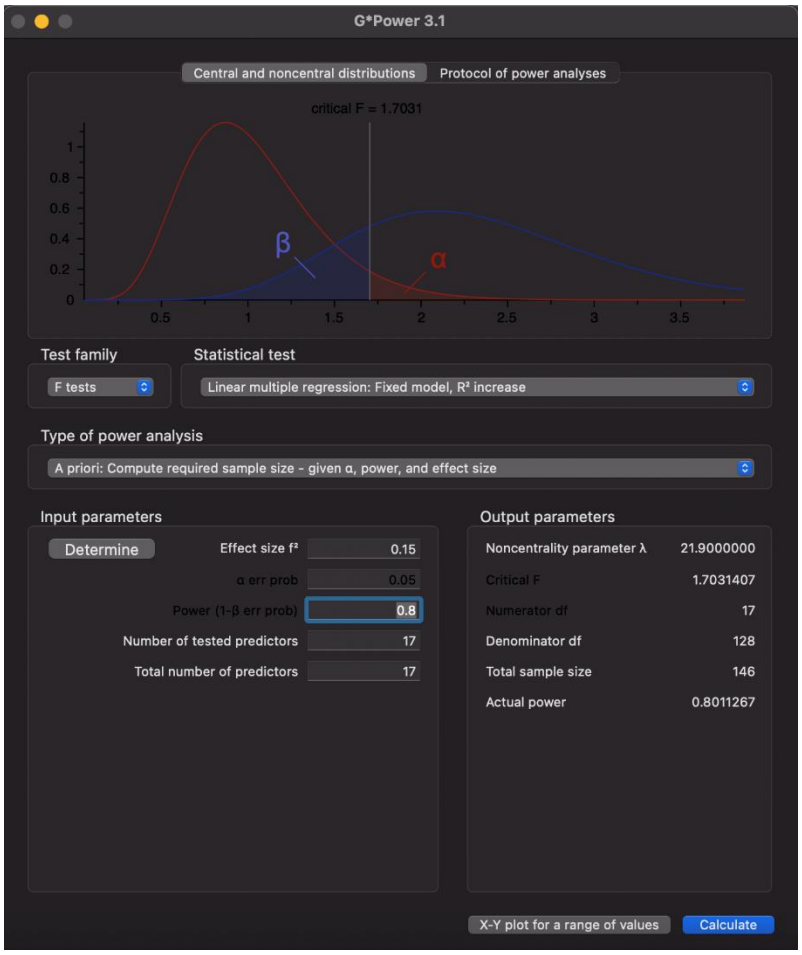
Appendix A: Minimum Sample Size



Appendix B: Study Variable Descriptions

The variables for this study are having a financial advisor, income, education, age, gender, marital status, racial status, employment status, the presence of children under 19 in the household, and perceived financial success. The type and nature of the numerical data for each variable are:

Financial Advisor (FA)

Nominal: Yes = 1, No = 2

Income (INC)

Ordinal: 1 (less than $35K) through 9 ($500K or more): 1 = less than $35,000, 2 = $35,000-$49,999, 3 = $50,000-$74,999, 4 = $75,000-$99,999, 5 = $100,000-$149,999, 6 = $150,000. -$199,999, 7 = $200,000-$249,999, 8 = $250,000-$499,999, 9 = $500,000 or more

Education (EDU)

Ordinal: 1 (less than high school) through 9 (PhD or other doctoral degree): 1 = less than high school, 2 = High school, 3 = Vocational or technical school, 4 = some college, 5 = undergraduate college degree, 6 = Master's degree, 7 = PhD or other doctorate degree

Age (AGE)

Scale: 24 to 70

Gender (GEN)

Nominal: Male = 1, Female = 2

Marital Status (MS)

Nominal: Married = 1, Living w/ partner = 2, Single, never married = 3, Divorced = 4, Separated = 5, Widowed = 6

Racial Status (RS)

Nominal: American Indian or Alaska Native = 1, Asian = 2, Black or African American = 3, Native Hawaiian or other Pacific Islander = 4, White = 5

Employment Status (ES)

Nominal: Employed Full time = 1, Self-employed = 2

Children Under 19 (CH19)

Scale: 1, 2, 3, . . .

Perceived Financial Success (PFS)

Ordinal: A = 1 (Excellent), B = 2, C = 3, D = 4, E = 5 (Failing)