
Changes in family structure parallel rising inequality

By Editorial Staff *Thu, May 22, 2014*

Even though 85% of Americans consider themselves middle-class, the Allianz LoveFamilyMoney study found that 57% of members of non-traditional families said they are just “making ends meet,” “struggling financially,” or “poor.”

Americans in non-traditional families—that is, not in families of married heterosexual couples with a child under 21—are much more likely to feel financially insecure than traditional families, according to *LoveFamilyMoney*, a survey of 4,500 Americans conducted by Allianz.

Even though 85% of Americans consider themselves as middle-class, the study found, 57% of non-traditional family members said they are “making ends meet,” “struggling financially,” or “poor.” That was 10 percentage points higher than members of traditional families. About half (49%) of modern families say that they currently live paycheck to paycheck, versus 41% of traditional families, and 25% are not saving any money at all.

Only 19.6% of U.S. households are the traditional married-heterosexual-couples-with-children today, down from the 40.3% in 1970, the study said.

Allianz defined non-traditional or “modern” family structures as one of the following:

- Multi-generational: Three or more generations living in the same household
 - Single parent families: One unmarried adult with at least one child under 18
 - Same-sex couple—Married or unmarried couples living together with a member of the same gender
 - Blended—Parents who are married or living together with a stepchild and/or child from a previous relationship
 - Older parent with young children: Parents age 40+ with at least one child under five in the household
 - “Boomerang” families—Parents with an adult child (21-35) who left and later rejoined the household
- The study also found:
- Only 30% of modern families felt a high level of financial security, versus 41% of traditional families.
 - Nearly 36% of modern families have collected unemployment, versus only 21% of traditional families.
 - 35% of modern families have unexpectedly lost a main source of income, compared with 23% in the traditional category.
 - Twice as many modern families have declared bankruptcy versus traditional families (22% compared with 11% of traditional families).
 - 34% of modern families believe that they have “excellent/above average” financial planning knowledge/expertise, compared with 44% of their traditional counterparts.
 - 51% of modern families (versus 60% of traditional families) think that they are on track to achieve their financial goals.
 - 58% of modern families say that covering current expenses takes priority over planning for the

future.

On the other hand, 54% of modern family members say they openly talk to their children about their personal financial situation, versus 47% of traditional families. Moreover, 47% of modern families have actively encouraged their children to invest and save for their own retirement goals, compared to only 38% of traditional families.

But modern families are unlikely to rely on professional assistance to build their own financial plan, Allianz said in its release. Less than half (43%) of modern families say they have ever used a financial professional, versus 53% of traditional families.

More than a quarter (26%) said they “don’t make enough money to think about financial planning for the future,” versus 18% of traditional families. Nearly a third (31%) say they have “too many expenses and/or debts to pay off before I can think about planning for the future,” compared to about a quarter (26%) of traditional families.

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