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Entry

Financial Interdependence: A Social Perspective

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Definition: Financial interdependence refers to the practice of sharing money as an expression of mutuality. Forms of financial interdependence are often rooted in cultural norms and values and may be carried out as a commitment to the well-being of the family through financial transfers, practiced as informal savings groups, or even established as legally constructed agreements. Financial interdependence can result in either beneficial or harmful outcomes, depending upon the nature of the relationships and the available resources. As a social and cultural concept, it has been generally neglected in the discourse on financial independence, yet it has important implications for society as a basis for collective prosperity.

Keywords: financial interdependence; interdependence theory; informal financial practice; ROSCA; family resource management; household sharing; financial socialization; financial resilience; interdependency

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1. Introduction

Financial interdependence (FI) can be understood as an informal but important arrangement of economic dependence between two or more parties [1] as supported by interdependence theory [2]. Much of the literature related to FI situates the term as either a macroeconomic concept (such as correlated relationships between asset markets) [3] or a practice between two or more individuals in which they depend upon each other for economic support, often in a legal context such as a common-law marriage or business partnership [4]. However, from a cultural practice standpoint, FI is a phenomenon that encompasses the values, social relationships, and material means of individuals, families, and communities to support each other for the purpose of enhancing quality of life and well-being [1]. FI can have important implications for both individuals and communities. Few social science studies approach the topic of FI in such a holistic manner, focusing instead on specific cultural practices, behaviors, and expressions of FI, such as group savings [5,6], conducting remittances [7,8], or intergenerational wealth transfers [9,10]. In the United States and other neo-liberally oriented countries, these practices, behaviors, and concepts are often framed as deviations from the narrative of financial independence, despite their widespread practice. Financial education, policies, and products rooted within a financial independence paradigm espouse self-sufficiency, independence from others, and personal responsibility for financial success. However, in the context of widening wealth gaps, such a myopic approach to financial security is neither realistic nor advisable.

This entry will provide an overview of FI as a concept and practice through a range of theoretical frameworks and themes and explore its applications for improving social well-being.

2. Theoretical Frameworks and Themes

2.1. Frameworks

Many different fields have perspectives relevant to FI and contribute important insights for understanding its dynamics and manifestations. Three particularly helpful theories from an overarching perspective on FI are the interdependence theory [2] from the field of psychology, the life course theory [11] from family studies, and the person-in-environment perspective [12] from social work.

2.1.1. Interdependence Theory

Interdependence theory [2] provides a particularly useful orientation for exploring FI [1] as it helps scholars navigate between the intrapersonal and interpersonal, overcoming bias toward focusing on processes within one level exclusively. Much of the literature and activity advancing financial independence concentrates on building wealth for oneself and addressing the individual-level cognitive and behavioral impediments toward that end. Additional considerations (such as dependent care or recovery after a financial shock) are treated as externalities and are the responsibility of the individual to plan for and handle on their own. The financial independence narrative, research, and activity reflect the same narrow perspective on the individual as do many intrapersonal psychological theories. However, Rusbult and Van Lange [2] point out that many decisions, conscious and unconscious, are influenced by the presence of other people and our relationships with them. From the interdependence perspective, the goal of saving money is not just carried out with personal willpower and the individual habit of regularly setting aside a set amount every month, but the degree of success is enhanced when a partner advocates for and champions the goal and such behavior. The contrary is also true; a partner can undermine one's efforts both technically, by using the money, and emotionally, by denigrating intentions or efforts. The results of positive support may help explain the recent success of financial coaching as a burgeoning industry [13] or the longevity of savings and lending clubs globally [5,14].

According to interdependence theory [2], there are dual facets to motivation: the desires of self-interest ("given situation", i.e., the financial goal) and concerns that are more far-reaching ("effective situation"), which can pertain to relationships, other's interests, or second-order consequences. In other words, the longer view in which we are motivated and act in a manner that is interdependent with others is a natural part of human existence, in addition to being self-interested. That families and groups have flourished as a result since time immemorial makes this evident [2].

Thus, FI activity stems from both the need for material means and the consideration of the relationship in how those means are achieved: who benefits or is harmed and with whom we work to achieve the goal. Viewing FI as a lens that accounts for both the material and the social is a more humanistic and accurate approach for studying and carrying out financial decisions and activity, rather than situating FI as an alternative to the financial independence narrative [15].

2.1.2. Life Course Theory

From a life course perspective [11], one's approach toward FI is largely contextually determined. A child is dependent upon parents and/or other guardians for material resources and will receive messages about how to think about and behave with money. As they develop and start their adult lives, children become less dependent emotionally and financially. They also become more interdependent, eventually contributing to the well-being of their own children and perhaps receiving care supports from grandparents or other important relationship figures. Not infrequently, the purchase of a young family's first home will include the transfer of a large lump sum for the down payment (a form of intergenerational wealth transfer) or co-signing on a loan with parents. The concept of the "sandwich generation", in which those in middle adulthood provide financial or other dependent care simultaneously for both their own children and their aging parents, is another example in which financial or other forms of responsibility may change over time. These arrangements are grounded in the dual FI social and material relationship commitments that characterize a family's life.

The life course concepts of individual agency and linked lives [11] are particularly relevant for the FI context: whereas agency relates to the decisions and control that an individual has over their financial concerns within the context of the social environment, the linked lives concept provides much of that environmental context in which material and social relationships are intergenerationally interdependent. Planning for and engaging in such interdependence with others underscores the importance of one's relationships throughout the lifespan, benefiting social networks and community; having access to material means (thereby having choice and a sense of security) gains salience in a context of relationships. The absence of these relationships—or isolation—is a known risk factor for poor health and well-being [16], regardless of one's levels of material wealth [17]. Rather, a balance between striving for personal responsibility so as not to be overly dependent upon others while also contributing to others' needs achieves greater outcomes in collective well-being than would likely result from accumulated individual efforts alone. In this way, FI is expressed through agency and linked lives and contributes to the overall quality of life course outcomes.

2.1.3. Person-in-Environment Perspective

The concept of person-in-environment is a perspective on practice from the field of social work [12,18]. It emphasizes the importance of assessing a presenting issue and determining intervention approaches by employing a multi-level perspective. These levels are often referred to as micro, mezzo, and macro levels, which can include looking at the individual, their intimate relationships, and family; their networks, groups, and community; and the institutions and systems that impact them. Many helping professionals and policymakers espouse a financial-independence-oriented approach to poverty alleviation in which responsibility for change and improvement (and blame for impoverishment) rests squarely on the individual. There is little regard for the influential roles played by entities at higher—mezzo and macro—levels. These influences include social determinants of health and wealth (such as structural oppression and barriers to affordable healthcare), the need to provide supports to people outside one's immediate household, or the impact of environmental violence and stressors on one's ability to engage in cognitively demanding activities, like managing financial concerns [19]. Even if an individual wanted to save money and increase their wealth on their own, their ability to do so might be inhibited by insufficient structural supports (lacking access to low-cost banking and credit services) due to being in a banking desert or being excluded from banking systems due to exorbitant fees and penalties. Most financial education, often incorporated as a condition to receiving assistance, perpetuates the individual-level responsibility narrative and ignores the role of the environment [20].

By employing the person-in-environment perspective with a FI lens, helping professionals can have clients look to extended family and other networks for support and engage in financial education with clients in such a way that it fosters systems change [20]. When reviewing and setting a budget (a frequent activity at both the intake and intervention stages of providing assistance), helping professionals should account for FI activity that may help or be hindering the client's ability to achieve financial stability. This might include establishing FI-related line items in the budget to help pay for one's elder parent's medications or to help an adult sibling with rent payment to prevent eviction (and thereafter having to support them within one's own home). As with employing interdependence theory, acknowledging that FI activity is taking place and will continue to occur is about accurately assessing the reality of the situation—in material and relationship terms—and creating more effective solutions than could be achieved by focusing on individual behaviors alone. Thus, applying the FI lens to financial education curricula and activities can reshape how people think about financial concepts and behaviors and apply them to their personal contexts.

2.1.4. Other Theories and Perspectives

Many other perspectives that are relevant to understanding FI include the following:

- Social exchange theory [11]: individuals navigate relationships via FI and the associated material and relational costs and benefits;
- Stress and resilience theory [11,21]: when financial crises arise, a family may rely upon their network of relationships to recover with resultant implications that may strengthen or weaken those relationships;
- Cumulative inequality theory [22,23]: strong or weak networks of interdependence reinforce harm or benefits experienced and thereby influence different trajectories over the lifespan, leading to health and wealth gaps in society;
- Feminist and conflict theories [11]: considerations of dependence and power shape the nature of FI and the extent to which it may lead to equitable and empowering relationships or domination and control;
- Transtheoretical model and stages of change [24]: the emotional development of an individual who starts out with a dependence, either providing or receiving in a manner that is emotionally unhealthy, and moves to a healthy balance of personal responsibility for self and others;
- Financial socialization [25,26]: the transmission of values, habits, and attitudes toward money and finances down generations, from partners, and resulting from experiences;
- Experiential learning theory [27]: the practice of FI is either reinforced or diminished based upon the perception of the outcome and if, how, or when it should be conducted in the future;
- Financial capability [28]: the features of FI may present as reasons, ways, and means for achieving financial well-being.

Far from being an exhaustive list, it is highly probable that as research on FI develops, connections with many other theories and concepts will undoubtedly be made.

2.2. Culture

Many cultures have practices that entail engaging in reciprocity and mutuality. For instance, among Indians [29], Filipinos [30], and others, one tradition is for a young adult to give their first paycheck to their parents as a sign of respect and appreciation for the sacrifices made in raising them. Other adult children may provide wholly or partly for their parents' retirement [31]. In the context of South Africa originally, and among African communities and the Black diaspora generally, the "Black Tax" is a practice of transferring money from those who have achieved a perceived level of financial success to friends and family members who are still in financial need and may have supported the person earlier in time [32]. Similarly, the practice of remittance is practiced globally, sending money to one's family of origin across national boundaries or from urban to rural areas [7]. These examples are often conducted out of a sense of obligation to one's extended family and may cause a degree of hardship for the donating person when requests for money are seemingly unrelenting, and the perception of success (such as the prestige of a particular position of employment) discounts the accompanying costs of living. Alternatively, the opportunity to engage in such FI may be considered an honor [31].

There are also more strength-based examples of culturally practiced FI, such as savings groups. Known by many different names and having various designs and levels of formality, these savings clubs—such as the Mexican "tanda" [33], the West African and Caribbean "susu" (sou-sou) [34], the Turkish "altın günü" [35], or the Chinese "hui" [36], or the more formal group micro-finance organization, such as the Grameen Bank [14] and other similar ROSCAs (Rotating Savings and Credit Associations) [5]—rely upon the strength of interpersonal relationships to engage in savings and loan activity. Typically, each member of a savings group will regularly contribute an amount, and each, in turn, will then receive their share of the collected money. This activity manifests FI in perhaps its fullest expression: participants achieve financial goals with collective support. They invest large sums into their own business or save money to prepare for a hardship expense, and the social aspect of these savings groups fosters a spirit of encouragement, mutual aid, and trust, as well as fellowship and socializing. As these arrangements are often rooted in traditionally collectivist cultures, they are frequently also perpetuated within immigrant enclaves [6,33,37].

In other instances, the cultural norm has been to pool other material resources [6] and, by extension, even share passwords to electronic financial accounts [38]. Caring for the well-being of extended family may even take precedence over household obligations. Many expressions of material interdependence among Indigenous populations predate the explicitly financial form but are maintained through an "in-kind" form of interdependence, such as sharing the harvest of traditional foods to ensure collective food security [39]. Whether trading government food benefit allotments for cash or non-food goods, exchanging home repair services [1], or providing dependent care, FI may be characterized more by interdependent relationships than strict financial transactions. Whether or not a good or service is assessed for monetary value or converted into a monetary form is less relevant than the end outcome: stability, well-being, and positive regard in the relationship. This contrasts with the financial independence perspective, which seeks to accumulate or access financial resources that can then be converted into opportunity and security for self and others.

2.3. Socialization and Behavior

The exploration of financial socialization is a growing field of inquiry and is helpful for explaining differences in perspectives on money and financial behaviors beyond the technical knowledge and skills related to financial literacy [26,40]. Patterns of family financial socialization can be observed through the use of a financial genogram [41] or other reflective exercises in which habits and attitudes, often subconscious, are associated with family history and analyzed [42]. Financial socialization results from a child's observation of their parent's (or other influential person's) financial behaviors and attitudes, the explicit discussions they may have about money, and experiences (either intentional, such as opening a bank account [43], or from consequences, such as seeing the resulting fees associated with a late payment on a credit card [25]). This socialization influences the degree to which people view their relationships in terms of interdependence and thereby engage in FI activity. Although a person's worldview may be passed down as an aspect of culture, it may also be in response to an experience. For instance, distrust of a banking institution may be due to an ancestor losing savings, and thus a distrust of formal banking is passed through the subsequent generations as a resilience mechanism. Instead, where the familial and community relationships have proved trustworthy, FI savings groups thrive outside the formal savings institution [6]. Reliance upon family to hold savings may also have explicit behavioral and cost benefits. One vignette provided in *The Financial Diaries* [37] told the story of an adult child who used the "Bank of Mom", handing money to his mother (with whom he lived) for safekeeping to save for the deposit on an apartment, bypassing bank fees and penalties and limited institutional access hours and, instead, gained an advocate for his savings goal.

A fundamental component of financial socialization is the concept of efficacy [44], which is relevant to FI and extends into both financial self-efficacy [45–47] and group- and community-efficacy. Financial efficacy combines people's belief in their ability to improve their financial state with their capacity to navigate financial difficulties. Frequently, motivations supporting efficacy can come from a coach, loved one, or group of similarly goal-oriented people. The strategies used to handle financial shocks depend not solely upon the individual but also on the resources these advocates might have collectively or be able to gather (such as through a network group collection online or in person). Financial self-efficacy is naturally reflective of the financial independence narrative, exemplified by measurement items such as "I can solve most financial problems if I invest the necessary effort" [46]. Yet, it quickly becomes evident that for many people, the solution to a financial difficulty may, in fact, lie within the capacity of the relationships with which they are interdependent. Being socialized to look to one's network may have a clear advantage over seeking help from a formal institution: there may be lower or no interest, fees, or penalties, more flexible repayment terms, and a greater chance of ensuring that money repaid stays within the community. It should, however, be recognized that the ability of the community to support its members is only as strong as its collective assets. As has been observed in many studies [37,48], where community wealth is low, infusions from outside (such as an insurance payout) may be immediately dissipated to meet the basic needs of financial stability. In addition, for some families, leveraging a large sum for their own benefit (e.g., buying a house in a safer neighborhood) may entail cutting off social connections and any expectation of participating in future FI activity [48].

2.4. Income and Wealth

Some studies have explored the sharing of resources, including money, among people according to income level focusing on those living in a range of poverty conditions from extreme [49], to periodic [37,50], to situational [48,51]. Gerstel [52] found that there was a greater likelihood of engaging in FI activity among people at lower socioeconomic levels than at higher levels, regardless of their racial/ethnic identity. Although Gerstel's [52] focus was on the use of kinship ties in this regard, Desmond [49] found that in more dire situations, explicitly non-kin ties may be developed, utilized, and then disposed of in a rapid cycle of FI activity such as following an eviction. Whereas much of the context of FI is rooted in culture or perpetuated via socialization, there can be a purely situational facet as well. FI can serve as a mutually beneficial survival mechanism for two otherwise random people who find themselves in similar circumstances. FI activity is also frequently practiced under less dire conditions of income and expense volatility (whereby the ability to meet needs fluctuates according to irregular receipt and expense of income [53]). In the United States, 41% of low- and moderate-income families engage in FI activity [50]. Similar to Gerstel's findings [52], the receipt of regular support from friendship and kin networks was endorsed by 15% of adults with less than a high school degree, compared to only 5% to 9% of those with higher levels of education [54].

Whereas FI activity at lower income levels may be directed to maintain survival or stability, some researchers focus instead on wealth (in terms of assets rather than income flow), in which patterns of exchange may be less frequent and/or unidirectional. Accumulated liquid wealth can be applied to smooth out variations in income and expense volatility. From a technical stance, individuals and families with wealth may be defined as having higher socioeconomic status. (It should be noted, however, that higher levels of income do not always equate to higher wealth; people may have higher debt to income, and expense to income, ratios than people who have lower incomes but more conservative spending patterns). However, with wealth, many families provide support to extended family and friends. In the 2021 U.S.-based Survey of Household Decisionmaking (SHED; [54]), 15% of adults reported providing regular support (either monetary or in-kind) to others, a conservative figure which does not capture the ad hoc or periodic support that may also be given. These latter forms could be in response to a particular financial shock (e.g., a parent helping their adult child purchase replacement car tires), in anticipation of an upcoming seasonal need (e.g., paying for day-camp during the summer), due to life changes (e.g., helping with moving expenses), or simply the occasional gift, such as buying groceries. Such gestures may not have an explicit cultural origin but are an expression of love or generosity—made possible through excess monetary resources.

Relatedly, intergenerational transfers of wealth are also a form of FI. Whereas ad hoc or periodic support might be for smaller amounts of money and the result of a deliberate request or in response to a particular need, wealth transfers are generally more planned and may or may not have these same conditions. They also may be for larger, planned purchases, such as saving for college or the down payment on a house, and have specific savings vehicles and tax laws for facilitating such transfers. Estate planning, including having a will and/or trust established for designating the transfer of funds following death, is perhaps the most formal form of wealth transfer across generations which can help perpetuate the socioeconomic gains established by ancestors. It should be acknowledged that the ability to engage in this type of transfer is also impacted by social conditions; where economic marginalization exists, wealth frequently dissipates to help others in immediate need or is reduced or inhibited due to institutional malfeasance (e.g., in the U.S. context, redlining, biased real estate appraisal, or excessive fees in a foreclosure). Thus, the ability to engage in FI and how it is carried out may be influenced not only by culture, structural determinants, and individual circumstances but also levels of income and wealth.

2.5. Resilience

Financial resilience can be understood as the ability to financially withstand, adapt to, and recover from shocks that challenge or threaten one's income or wealth [55,56]. Shocks are stressful life events such as health crises, divorce or death of a spouse, job loss, natural disasters, and economic downturns. In each of these cases, people frequently reach out to extended family and friends rather than (or in addition to) formal institutions for financial assistance [57]. Seeking help this way can reinforce the historical reliance on family and community and the collective sense of community resilience. Shocks can alter families' contexts and norms and, according to the ABC-X model of family stress and coping, push families to reestablish equilibrium in order to function [58,59]. The ways in which extended family and networks contribute to FI-oriented resilience may vary, depending on how financial resilience is conceptualized.

From an individualist perspective, there are three main conceptualizations of financial resilience, each of which relies upon the networks that are central to FI. The first focuses on a singular measure of financial resilience, such as individuals' ability to access emergency funds from various sources when needed, including from family and friends [57]. The second conceptualization (see Muir et al. [60] and Goyal et al. [61]) takes a wider view and reflects FI-oriented financial self-efficacy, focusing on individuals' abilities to rely on both internal resources (e.g., money management abilities) and external resources (e.g., reliance on family, friends, or other forms of social supports) during and after shocks. The third conceptualization (see O'Neill and Xiao [62], Salignac et al. [63], and OECD [64]), and most expansive perspective, mirrors aspects of financial capability, taking into account the ways in which internal and external resources are interconnected with other factors such as skills to search for financial information, having a financial cushion, having access to financial products and services, fraud literacy, and wielding social capital more broadly.

However, in applying the FI lens, all these individualist-level conceptualizations generally situate the network of helpers as a means to achieve one's goal. The impact of requesting help on one's relationships is not acknowledged; resources—be they material or social—are simply used. By relying upon friends and family in a crisis, the individual chooses when and whom to call on for help. This orientation can be contrasted with more communal (and thereby intentional and proactive) forms of financial resilience. For instance, many cooperative and collectivist movements have both the goal of economic stability for all members and achieve it by strengthening relationships via association, friendship, and comradery, frequently using education to do so. Collective well-being is a key goal, with structures created toward that end. Wealth is generated and can be a buffer rather than dissipated during each crisis. Examples include the Black cooperative movement in the U.S. [65], the Mondragon Cooperative Corporation in Spain as originally organized [66], and the Organization of Rural Associations for Progress (ORAP) in Zimbabwe [67,68]. By placing emphasis on both goals and relationships, financial resilience becomes a form of social empowerment and protection through FI versus simply a way through an ad hoc shock.

2.6. Religion, Spirituality, and Moral Principles

Religion, spirituality, and moral principles are significant influences on culture and socialization that guide behavior. Despite the global plethora of religious creeds, traditions, and interpretations of texts, many teachings commonly advocate for adherents to share wealth and materially help others [69]. For example, in some religious communities, a family in a period of mourning following the death of a loved one may receive varying levels of material supports from congregants to help ease the burden of financial and other concerns. The concept of debt forgiveness is found in many religious texts, and one way it is practiced in contemporary U.S. society is through medical debt buyup, often undertaken by religiously oriented groups in which commercially traded medical debt is bought and then forgiven [70]. Other religious groups provide financial and material assistance for people experiencing financial hardship (e.g., soup kitchens and pantries for food insecurity, second-hand clothing sales, and eviction and utility shut-off prevention assistance). Teachings on charity, mutual assistance, and wealth redistribution can either be a matter of personal discretion in how it is carried out within one's lived context [71] or prescribed according to certain methods, as with tithing, Zakát, and Ḥuqúqu'lláh [69]. As with different cultures and forms of socialization, FI activities from various religious orientations may look different and may operate at any variation of individual, group, or community levels. Yet, despite this diversity, the dual material and social motivations of interdependence inform the behavior.

FI-related spiritual and moral principles (which may be part of a religious orientation or secular) include expressions of generosity and giving of one's time and means for the benefit of others. Ideals of trustworthiness, honesty, and integrity are particularly important in FI expressions. For instance, interpersonal trust and the strength of the interdependent bond are instrumental to savings and loan groups, where no collateral is secured to mitigate loan default other than an individual's reputation. Here, the social relationship component in FI can arguably be more important than the material: whereas struggling to make a repayment on a loan can impose hardship temporarily, loss of trust may cause irreparable damage to one's relationships and overall well-being. The principles of contentment and moderation permit an individual or family to determine how much excess money they have and then help facilitate healthy FI activity, in which the needs of others can also be met [72]. Cooperation, mutual assistance, and reciprocity are also practiced at myriad levels: by individuals helping each other when financial crises arise [48], through the collaborative efforts of ROSCAs and similar groups, or even in formal cooperative institutions such as mutual insurance companies, credit unions, and other cooperatively arranged businesses and real estate holdings. Many business owners recognize their financial interdependence with employees and so provide stock or profit sharing in addition to wages.

3. Applications and Implications

According to interdependence theory [2], the thought processes and actions of individuals are deeply influenced by other person(s)—not just for the goal outcome but also in consideration of relationship implications. Thus, it is important for helping professionals to appreciate that a client's thinking, decisions, and behaviors are not merely reflective of their own intrapersonal condition but are shaped—for better or worse—by the surrounding social environment, including considerations of FI. FI can have significantly beneficial outcomes for individuals and groups when there is a balance between personal responsibility and responsibility to others. If interdependence is viewed dichotomously with independence and taken to an extreme in either direction, it can be problematic. For example, in the field of financial therapy, a person may be overly dependent upon someone for money or material provisions, or conversely, they may enable another's dependence [73]. In this case, problematic behaviors hinder healthy socioemotional development and financial stability for both parties. Giving money (the financial component of FI) may be confused with expressing love (the relationship component). Likewise, an individual may perceive an overwhelming burden of responsibility to provide remittances to family, feel guilty for being unable to provide for their needs, and thereby develop behavioral health issues as they seek to cope with their emotional distress. In this regard, extreme FI may be just as problematic (from a psychosocial standpoint) as extreme pursuit of financial independence.

In the case of independence, excessive reliance upon self for security and saving can lead to a hoarding disorder [73], a psychological condition that is typically associated with the accumulation of material things but can also present as a pathological need to save money. The goal is the only outcome that matters, as relationships may be considered unreliable or irrelevant. The person hoarding may have difficulty sharing and potentially put others in danger, placing money or other material possessions ahead of others' concerns. If helping professionals and their clients view FI as a lens, it can help them see where extreme patterns of behavior exist and how to design an appropriate intervention that not only accounts for the client's need but also the social environment in which the client resides (as opposed to simply cutting off relationships or ignoring their problematic influence).

In some cases of intimate partner violence, financial control inhibits empowerment and fosters extreme codependency. Understanding what healthy FI is (in which positive regard for the relationships exists) and developing key financial capabilities are important steps toward living free from violence [74]. Thus, FI has important implications for power and equity dynamics. Within families, married or otherwise committed partners may be financially interdependent to varying extents. Financial contributions, management of financial tasks, holding of assets, and determinations of ownership often reflect dynamics of power within a relationship. Although many different conceptions of power exist, in cases of power as a form of control, maintaining financial dependence is one manifestation of dominance [74]. This should be compared to power as capacity [75], in which both partners, recognizing interdependence, find benefit in mutually agreed upon contributions to healthy family financial well-being. Again, arrangements of FI can be leveraged to achieve greater outcomes than could be achieved independently. Pooling resources, consulting on needs and goals, and focusing on what the family can achieve (rather than one's power being determined by the size of their contributions), are ways FI can improve family cohesion and well-being.

Older adults may rely upon FI as a resilience factor for addressing day-to-day material concerns [1]. FI with a partner can also be a protective factor against elder financial abuse; older adults who live with a spouse/partner are at a significantly lower risk of financial exploitation than those who live alone or with non-spousal household members [76]. With FI, there is greater awareness and monitoring of accounts, as well as potential for deep positive regard for the partner's well-being, even as dementia or other cognitive capacity declines occur. This underscores the importance of having a competent and trustworthy designated representative or power of attorney who can appropriately handle a person's financial matters to prevent that person's increasing dependency from putting them at heightened risk of exploitation by others. Again, healthy and valued regard for the relationship is a concomitant component of FI—they may otherwise be easily taken advantage of when money is the sole object of concern. Simply having a legally designated power of attorney is insufficient [77]; the quality of that designee's regard for the well-being of the dependent is key.

At the community level, FI fosters collective resilience and can at least help prevent the most dire of conditions. Within the United States, Stack's study [48] from the early 1970s of a Black community's life highlights the important role sharing material resources has in preventing homelessness or other severe hardships. Since then, however, Desmond's more recent work [49] has found that both the sense of responsibility to one's community and the resources available may be waning. In the absence of a strong social relationship (half of the FI decision–consideration dyad), money that is shared simply dissipates: infusions of wealth go to plugging holes in sinking ships rather than raising all boats in the community. This is especially so where active wealth stripping due to structural oppression has occurred over the course of generations. In response to the economic challenges faced by many communities, the messages in some financial education and related discourse materials targeted to individuals are encouraging reflection on the implications of personal financial well-being on the community [72]. Understanding how reciprocal relationships bolstered traditional societies can help inform efforts to support contemporary local economies [78]. In other contexts, this person-in-community context is being framed as an opportunity for social transformation in which FI principles, such as mutual aid and collaborative efforts, are employed to overcome harmful traditional practices and create more equitable and just community environments [72,79].

Depending on the theoretical models guiding financial research, the FI lens helps interpret both motivations and outcomes, especially when the relevance of such an influence has not yet been considered. As a result, researchers and those who design questions for data collection should have a clear understanding of the ways in which FI can present and ask questions specifically intended to elicit such information. They should be familiar with the range of practices of FI if studying it from a particular cultural perspective, but also understand how the modern discourse of financial independence may be shaping FI practice. Discrepancies between definitions of family (e.g., the household versus the extended family) can influence what is reported and, importantly, what is not [80]. For example, asking how much money is spent on food or one's ability to access food may not capture the extent to which they are providing food for, or are being supported by, others. Questions regarding the regular provision or receipt of material assistance should include a time frame and frequency with the understanding that irregular assistance would not be reflected and thus require its own questions. Participation in savings and lending groups could provide a safety net and leverageable assets, in addition to illustrating good savings behavior; yet questions that only ask about saving money into formal banking and investment accounts would miss this potentially significant dimension of financial behavior.

4. Conclusions and Prospects

Interdependence among individuals, families, and groups often finds expression in material concerns. The literature related to FI as a micro- and mezzo-level practice draws from myriad theoretical frameworks, including interdependence theory, life course theory, and person-in-environment perspective, among others. Although more formally recognized as a macroeconomic or legal term, FI can also be understood as an informal but culturally important arrangement of economic dependence [1], practiced among virtually all people, with as many different forms. How FI is conceptualized and then practiced may be determined by culture, socialization, or behavior, as a function of income and wealth, in response to historical traumas or current stressors, and in accordance with principles associated with religious, spiritual, or moral frameworks. In all of these, a key point of consideration is that FI stems from complementary motivations: to achieve both material and relational well-being. As a lens for interpreting people's situations and behaviors, as well as planning activity, FI is helpful for the broader, more holistic perspective it affords. It can temper the narrative of financial independence, helping individuals accommodate multiple responsibilities, striving not to be a burden on others but to help others relieve their burdens. As policymakers, practitioners, financial educators, and researchers strive to address poverty, financial dependence, and financially related behavioral health challenges, adopting FI-informed approaches will help provide tools for improving outcomes.

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