Financial Infidelity in Blended Families: Determinants and Detriments

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Blended families face unique challenges in managing finances, with issues like financial infidelity posing significant threats to family harmony. This exploratory study investigates the relationships between genetic relatedness, emotional fusion, and financial infidelity in blended families. Employing the Actor-Partner Interdependence Model (APIM) on data from the Couple Relationships and Transition Experiences (CREATE) dataset, results suggest that the presence of stepchildren is associated with an increased probability of financial infidelity among wives' actor effects. Additionally, emotional fusion moderates the relationship between the presence of stepchildren and financial infidelity for husbands in both actor and partner effects and for wives in the partner effects. These findings emphasize the critical roles of effective communication and healthy family relationships in fostering financial transparency and trust within blended family structures and highlight the need for targeted interventions by practitioners.

Keywords: blended families; stepchildren; financial infidelity; family systems theory; kin selection theory; actor-partner interdependence model

INTRODUCTION

Financial infidelity–with increased awareness and perceived prevalence–is a significant challenge within families (Jeanfreau, et al., 2018; The Harris Poll, 2021). *Financial infidelity*, defined as the betrayal of trust through deceptive or secretive financial behaviors, such as hiding purchases or lying about expenses, can lead to relationship dissatisfaction, erosion of trust, and financial distress (Garbinsky, et al., 2020; Jeanfreau et al., 2018; Mong et al., 2021; The Harris Poll, 2021).

Despite an expanding body of research on financial infidelity, studies often overlook the unique dynamics of blended families. Blended families, or stepfamilies, comprise

approximately 42% of U.S. households (Pew Research Center, 2011). Financial management in blended families is particularly complex due to the integration of multiple family systems, such as stepparents, stepchildren, and former spouses (Raijas, 2011). Complexities in blended family finances arise from differing financial expectations, obligations from prior relationships, and the increased financial resources required to support the layered family structure (Raijas, 2011; Valentina, 2012). Consequently, financial behavior in blended families may prove vulnerable to occurrences of financial infidelity.

The present study used data from the CREATE project to explore why financial infidelity may pose a higher risk in blended families and addresses a gap in the existing literature. Drawing on concepts from family systems theory (FST) and kin selection theory (KST), a new comprehensive conceptual framework for understanding the intricate interplay between relationship dynamics (i.e., emotional fusion), genetic relatedness, and financial challenges (i.e., financial infidelity) within families with stepchildren, was created. This new conceptual framework was supported by empirical evidence from a nationally representative sample and is proposed as the basis for actionable interventions that promote financial transparency, trust-building, and effective communication within practitioners' work with clients.

The following sections provide a detailed literature review on financial infidelity in romantic relationships, an overview of the theoretical frameworks guiding this study, and the methodology used to analyze the data. The results section highlights significant associations between the presence of stepchildren and financial infidelity with a moderating effect of emotional fusion. The significance of the findings is discussed within the discussion and implications sections of the paper, and a role-playing model is proposed as a practical intervention for financial therapists and practitioners working with blended families.

LITERATURE REVIEW

Financial Infidelity in Romantic Relationships

Financial infidelity is a complex issue with negative consequences, including financial distress and divorce (Jeanfreau et al., 2019; The Harris Poll, 2021). Definitions vary, but the common theme is "secrecy and dishonesty over money" (Canale et al., 2015, p. 58). Common financial infidelity behaviors include hiding purchases, lying about the price of purchases, spending money on children without informing their spouse, and misrepresenting the price of a purchase as a sale price (Jeanfreau et al., 2018). According to a survey by The Harris Poll (2021), 43% of couples admitted to committing a listed act of financial infidelity. Additionally, 85% reported that financial infidelity had affected their current or past relationship, which Jeanfreau et al. (2018) found impacts relationship intimacy, respect, and negotiation between the couple. Despite its significance, research in this area is relatively new (Garbinsky et al., 2020; Jeanfreau et al., 2018; Saxey et al., 2022).

Although the determinants of and motivations for acts of financial infidelity vary, patterns have emerged in the literature. Individuals with less financial structure and those engaged in marital affairs are more likely to engage in financial infidelity (Jeanfreau et al.,

2018). These individuals typically have lower relationship satisfaction and trust levels (Dew et al., 2022; Garbinsky et al., 2020). Jeanfreau et al. (2019) found that individuals who engaged in financial infidelity did so to avoid conflict and to meet their personal needs. Evidence suggests that individuals may deceive their partners to hide their lack of financial knowledge (Saxey et al., 2022) or to satisfy a need for instant gratification (Garbinsky et al., 2020).

The negative impacts of financial infidelity threaten romantic relationships and lead to adverse outcomes if not addressed (Garbinsky et al., 2020; Jeanfreau et al., 2018; Olson & Rick, 2022). Although individuals in longer-term relationships are more likely to have adverse emotional and cognitive reactions to their partner's financial infidelity, they are less likely to leave the relationship (Mong et al., 2021). This diversity of negative results due to financial infidelity is compounded within a blended family due to the inherent complexities of additional decision-makers (spouses, ex-spouses, ex-in-laws, etc.) within the family structure.

Structure of Blended Families

Although family structures can be categorized in multiple ways, the present study defines a *nuclear family* as one in which both spouses are the biological parents of all children in the family. In contrast, a *blended family* is denoted by the presence of at least one stepchild. Commonly, blended families will have additional stakeholders that must be included in certain household financial decision-making. Those stakeholders can include ex-spouses, ex-in-laws, and new spouses married to ex-spouses. The inclusion of these additional relationships in the overall family system results in multiple subsystems that overlap in financial matters. The complicated family ties inherent in blended families with stepchildren are represented in Figure 1. The unique challenges and emotional reactivity that can occur in such complex family systems often make it difficult for family members to respond to problems or disagreements in ways that promote healthy communication and problem-solving.

Figure 1.

Example of a Nuclear Versus a Blended Family Structure.
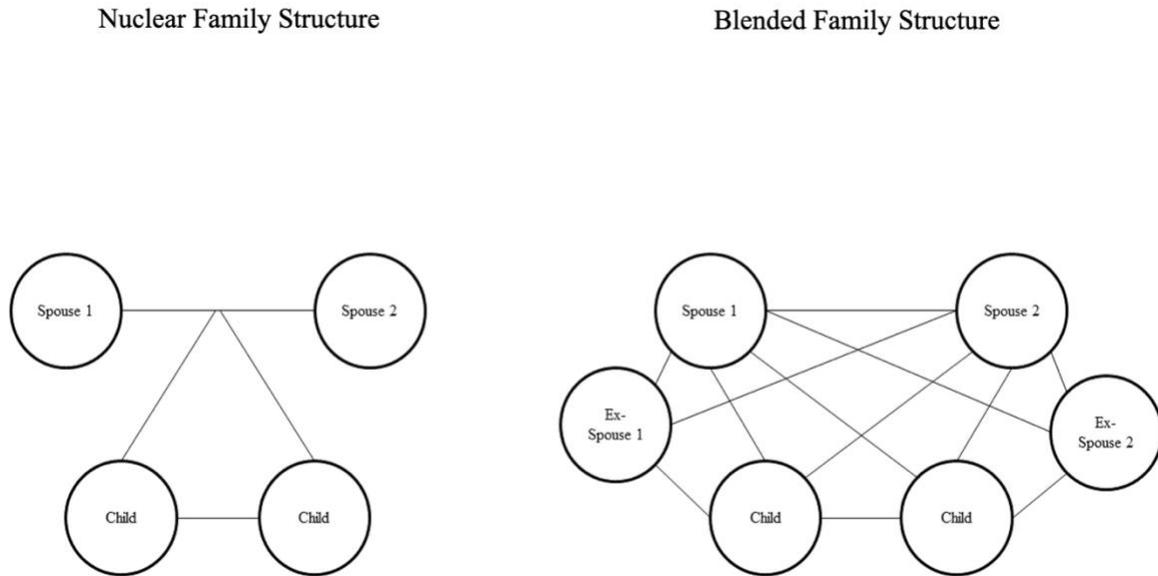
THEORETICAL FRAMEWORK

Partners in blended families are more likely to have different views on money management than those in nuclear families due to past relationships, the presence of stepchildren, and a diminished outlook on marital permanency (Raijas, 2011). Blended families have more complex financial situations than nuclear families as they need to provide for stepchildren, extended family members, and financial obligations, such as alimony and child support (Valentina, 2012). As such, managing finances in blended families can be complex and create opportunities for financial infidelity. The present study integrates concepts from family systems theory (FST) and kin selection theory (KST) to create a new, comprehensive conceptual framework for blended families. This new framework examines determinants of financial infidelity within the context of complex relationship dynamics found in blended family structures.

Family Systems Theory

The origin of family systems theory (FST) has roots in sociology, psychology, and general systems theory, which asserts that the results of a system are dependent on both the composition of individual parts and their interactions with each other and external factors (Suppes, 2022). The foundational assumption of FST is that family relationships have a greater effect on an individual than any other relationship and, per system's thinking, can influence generations in the future (Suppes, 2022). Within FST, the family is a complex "emotional unit" with each member influencing another's behavior due to emotional

interdependence that results in "reciprocal functioning" where family members have habitual responses to each other (Kerr & Bowen, 1988, pp. 6-8).

Although, per FST, individuals technically cannot be treated in isolation since the individual's behavior reflects the family system, the goal of individual treatment is to increase that individual's autonomy via differentiation of self. Within the context of relationship dynamics, *differentiation of self* refers to an individual's ability to separate their thoughts and emotions from others and maintain a sense of self while staying connected to the overall family system (Brown, 1999). Differentiation of self is a life-long process, and total differentiation is impossible to achieve (Kerr & Bowen, 1988). *Emotional fusion*, or lack of differentiation of self, describes how individuals mitigate autonomous choices in pursuit of overall family system functioning (Brown, 1999). An emotionally fused relationship can lead to emotional outbursts that include a lack of rational thought and calm communication, which can have severe impacts on household decision-making (Brown, 1999).

In the case of blended families, multiple individuals from the immediate household, prior relationships, and extended family are involved in decision-making, which adds to the complexity of the family "emotional unit." This complexity can lead to emotional fusion, which, in the context of family finances, could open the door to financial infidelity behaviors.

Kin Selection Theory

Kin selection theory (KST) is an evolutionary biology concept that offers additional insights into the dynamics of financial infidelity in blended families by considering the influence of biological bonds and kinship obligations (Gilbert, 1995). According to KST, individuals are more likely to display altruistic behaviors towards genetically related kin, as they share a common genetic heritage (Segal et al., 2015). This tendency is illustrated in the concept of inclusive fitness, which combines an individual's reproductive success, referred to as "direct fitness," with the reproductive success of close relatives, which is referred to as "indirect fitness" (Gardner & West, 2014). Hamilton's rule combines direct and indirect fitness and states that any social trait will be favored only when the sum of direct and indirect fitness exceeds zero (Gardner & West, 2014). Taken together, genetically based altruistic behaviors and inclusive fitness, as found in Hamilton's rule, indicate that biological bonds are stronger than social bonds when it comes to individual resource allocation decisions. In the case of financial decisions, altruism is more likely to be displayed toward biological family members than to members joined by marriage, such as stepchildren or stepparents.

Blended Family Financial Framework

By incorporating the KST concept of genetic relatedness with the FST focus on relationship dynamics, a new conceptual framework arises that makes it possible to understand how biological bonds and family dynamics influence financial behaviors within blended families (see Figure 2). The present study asserts that the mixture of social and biological bonds found within blended families coupled with emotional fusion (a potential result of complex relationship dynamics) creates fused marital bonds that are vulnerable to occurrences of financial infidelity.

Figure 2.

Blended Family Financial Framework.
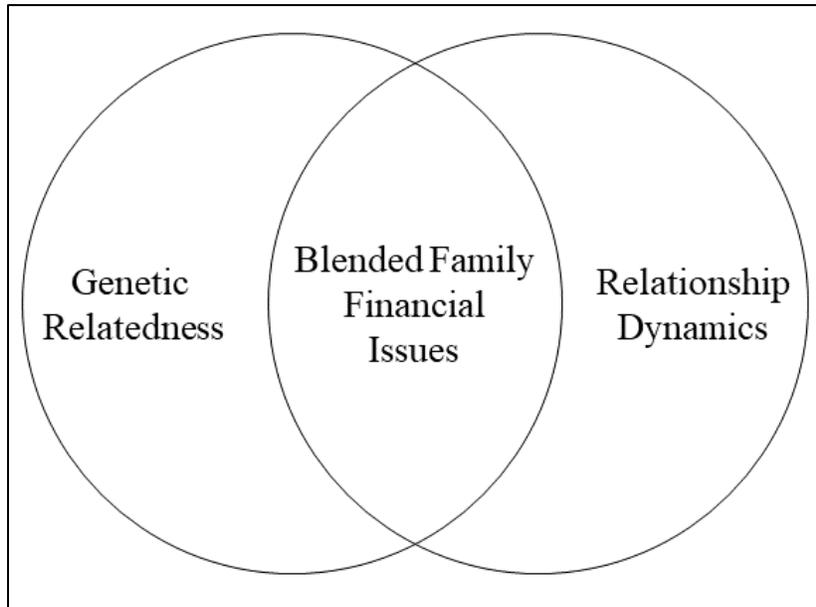
In the context of blended families, the biological parent-child relationship represents a strong genetic bond that does not exist between a stepparent and a stepchild. Existing literature shows that biological parents often prioritize the financial needs of their biological children over those of their stepchildren, which preference can be attributed to the desire to maximize their own reproductive success (Gilbert, 1995; Maclean et al., 2015). Maclean and associates (2015) found that parents who felt a lower perceived obligation to support stepchildren emphasized the lack of genetic relatedness. This influence of genetic relatedness over a stepparent's financial behavior would affect the marital relationship since the other partner is the biological parent. Due to potential negative effects on the spousal relationship, there may be an increased temptation not to be fully transparent or honest about financial decisions.

Because emotional fusion, which is the specific area of measurement for relationship dynamics in this study, engenders a lack of rational reactions and healthy couple collaboration, financial decision-making within an emotionally fused marital relationship can offer financial infidelity as a tempting course of action. In addition, emotional fusion within a blended family system helps to explain the harmful effects of financial infidelity and how it can lead to a "loyalty bind" for children caught between the demands of their biological parents and stepparents (Dupuis, 2007). In general, financial conflicts can pressure children to choose sides or worry about their financial security in the new family system (Sanner et al., 2020).

The Blended Family Financial Framework sheds light on why financial infidelity could occur at higher rates in blended families than in nuclear families. The present study used

data from a nationally representative sample to test this framework and analyze the relationship between the presence of stepchildren in a household and incidents of financial infidelity.

Hypotheses

Given the intricate interplay between genetic relatedness, relationship dynamics, and financial challenges outlined in the conceptual framework, two hypotheses arose:

H1. The presence of stepchildren in a household increases the probability of financial infidelity behavior.

H2. The association between the presence of stepchildren in the household and financial infidelity is moderated by emotional fusion.

METHODS

The data utilized in this study came from Wave 6 of the Couple Relationships and Transition Experiences (CREATE) project. CREATE is a nationally representative longitudinal study of 2,177 couples that used a two-stage cluster stratification design to recruit participants via public marriage records (Yorgason et al., 2023). The criteria for participation included the following: (a) the couple was married, (b) at least one partner was age 18-36, (c) at least one partner was in a first marriage, and (d) the couple lived in the United States (Yorgason et al., 2023). With an approximate retention rate of 75% from Wave 1, the Wave 6 sample included 1,379 couples and 289 individuals, totaling n = 1,668 households, and was collected between April 2022 and December 2022 (Yorgason et al., 2023). The current analysis used observations from those in Wave 6 who participated in the Wave 6 parenting survey. Due to participation rate differences within the invited households, the sample population resulted in 584 married couples, with the rest of the respondents being individuals whose spouses chose not to participate. Parenting survey responses resulted in an unweighted n = 852 for the primary respondent and n = 668 for the secondary respondent. Applying survey weights, which are only applied to original participants from Wave 1, resulted in n = 849 and n = 676.

The primary respondent identifies as female 98% of the time, and the secondary respondent identifies as male 96% of the time. The majority of the sample is married (96% of primary and 97% of secondary), with most identifying as heterosexual couples (98% of the primary respondents and 96% of secondary respondents). For ease of interpretation, the primary respondent is hereafter referred to as "wives," and the secondary respondent is referred to as "husbands." The simplification process is not 100% accurate, but it allows for quicker and more parsimonious reporting for this paper.

Family structure was identified based on responses to the type of child in the parent survey. 96% of wives and 91% of husbands indicated biological children. 2% of wives and 6.5% of husbands indicated the presence of stepchildren. A small percentage of all included

participants indicated having adopted children or "other," with one husband indicating the presence of a foster child.

Measures

Dependent Variable. The financial infidelity survey question, developed specifically for the CREATE study, asked, "How often would you say that you have been less than fully honest with your spouse about financial issues in the past year?" and was measured via a 5-point Likert scale ranging from "Never" to "Frequently" (Yorgason et al., 2023). Sample means indicated a moderate tendency toward financial infidelity for all groups. For the analysis, the variable was re-coded as binary ("Yes" or "No") for having ever committed financial infidelity to investigate the prevalence of financial infidelity and not the frequency.

Independent Variable. A respondent was identified as a blended family if they indicated having a stepchild, as found in the "child type" survey question. Participants were asked, "Is this child a: biological child, stepchild, foster child, adopted child, or other," in the original dataset.

Moderator Variable. CREATE participants answered a modified, 20-item questionnaire based on Skowron and Schmitt's (2003) Differentiation of Self (DSI) inventory. The scoring of the 20 DSI survey questions was reversed to measure emotional fusion. Initially, higher scores on the DSI items indicated greater differentiation of self. Each DSI item was transformed by subtracting the original score from seven since the original responses were on a 6-point Likert scale, resulting in higher scores indicating greater emotional fusion. This transformation was applied to all DSI items for both wives and husbands in the dataset. Some of the statements included, "It has been said (or could be said) of me that I am very attached to my partner," "I try to live up to my partner's expectations," and "Whenever there is a problem in my relationship, I'm anxious to get it settled right away."

Hot Deck Imputation. Hot deck imputations were performed for the DSI variables to recover missing observations. The hot deck approach is a common method used in statistical analysis and involves replacing missing observations with observations within similar units (Andridge & Little, 2010).

Principal-Component Factor Analysis (PCF). PCF was conducted to create a composite measure of emotional fusion from the reversed DSI variables. This approach helped identify the underlying structure of the emotional fusion construct by leveraging the principal components method for factor extraction (Harman, 1976). Initial factor models were tested using all DSI items, with the goal of retaining items that loaded strongly on a single factor. Based on the results, a final factor model was selected, with 18 of 20 DSI items for wives and 17 of 20 DSI items for husbands being retained, with all factor loadings above 0.4. The eigenvalue for wives was 5.19, with an overall Kaiser-Meyer-Olkin measure of sampling adequacy score of 0.89, and the eigenvalue for husbands was 5.88, with an overall Kaiser-Meyer-Olkin measure of sampling adequacy score of 0.90. Factor scores for emotional fusion were then generated, resulting in two variables: one for wives and one for husbands.

Reliability Assessment. The internal consistency of the resulting scale was assessed using Cronbach's alpha (Cronbach, 1951), ensuring that the scale reliably measured the construct of emotional fusion with $\alpha > 0.85$ for wives and husbands.

Control Variables. Race, education, and income were included as control variables. The income variable was re-coded from 16 categories to four. Prior literature demonstrates that these variables could influence financial infidelity (Dew et al., 2022; Jeanfreau et al., 2018).
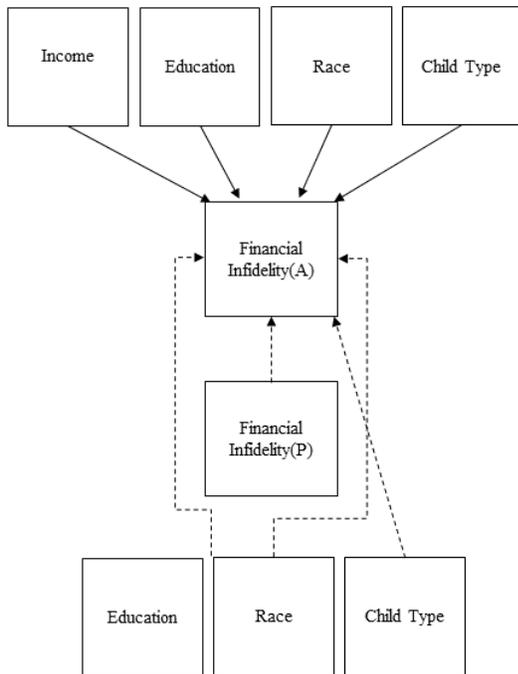
Analysis

The Actor-Partner Interdependence Model (APIM) was used as a statistical framework to examine the dyadic nature of financial infidelity within blended families due to its emphasis on partner interdependence and frequent citation in the literature (Campbell & Stanton, 2015; Cook & Kenny, 2005; Kenny & Ledermann, 2010; Ledermann et al., 2011; Loeys et al., 2014). The use of the APIM framework allows for the simultaneous assessment of the effects of each participant's characteristics (actor effects) on their own financial infidelity outcomes while also considering, for those in a coupleship, their partner's characteristics (partner effects), thereby enabling the measurement of the Blended Family Financial Framework.

Multivariate Analysis. Using generalized structural equation modeling (GSEM) with a logit link function in Stata 18, the first set of analyses examined actor effects on individual characteristics, including how the presence of stepchildren (child type), education, race, and income directly influence a person's probability of committing financial infidelity. Partner effects explored how the partner's child type, education, race, and financial infidelity could influence the actor's probability of financial infidelity.

Figure 3.

First Analysis APIM Model.

Note. Solid line = actor effects; dotted line = partner effects

In the second set of analyses, an emotional fusion scale was added, and pathways were created to measure the main effects from model one, the main effect of emotional fusion, and the moderating effects of emotional fusion on child type in predicting financial infidelity. Partner effects were measured by including the partner characteristics from the first analysis, the partner's emotional fusion, and the moderating effects of the partner's emotional fusion on child type as predictors of financial infidelity.

Figure 4.

Second Analysis APIM Model.
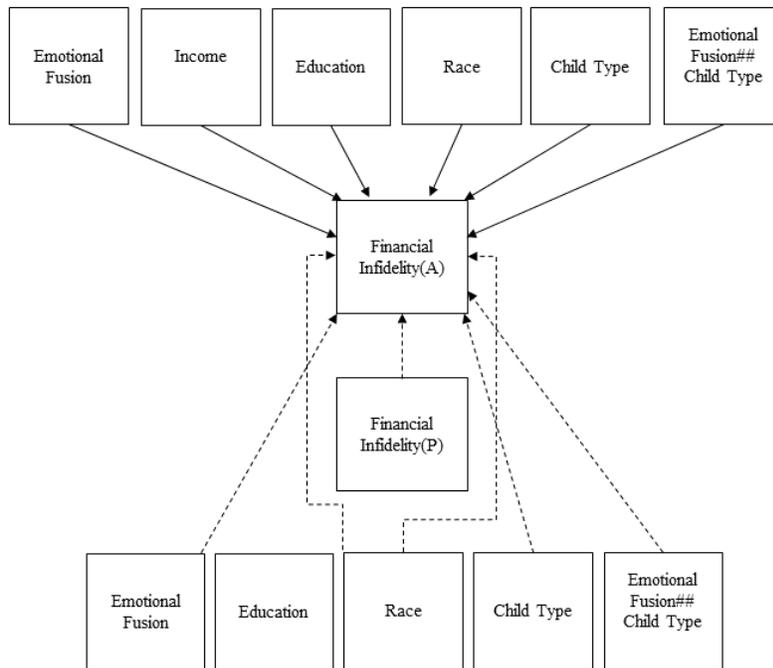
Note. Solid line = actor effects; dotted line = partner effects.

After running the GSEM models, average marginal effects for each variable were calculated to provide more insightful probabilities than those offered by the log-odds coefficients from GSEM. Sampling weights were included in the regression models to increase the likelihood that sample estimates reflect associations within the population.

Model Fit Diagnostics and Analyses. Stepwise selection, in conjunction with the Akaike Information Criterion (AIC) and Bayesian Information Criterion (BIC) metrics and Variance Inflation Factor (VIF) analyses, was employed to identify the model that best-balanced complexity and goodness of fit. Gender, the number of financial dependents, and partner income were removed from the models due to issues with multicollinearity.

Likelihood ratio (LR) tests were also used to compare the goodness-of-fit of the GSEM models. Adjusted Wald tests were then conducted to assess the joint significance of various predictors on the probability of financial infidelity among respondents. The LR test was used due to the fact that other model goodness-of-fit tests commonly used in structural equation modeling (SEM) are not applicable because of the differences between GSEM and traditional SEM. Specifically, SEM typically assumes continuous, normally distributed outcomes, whereas GSEM can handle various types of outcomes, including binary, count, and ordinal. GSEM allows for different link functions (e.g., logit, probit), providing flexibility in modeling non-linear relationships. While SEM generally assumes a multivariate normal distribution, GSEM can model data from various distribution families, such as Bernoulli, Poisson, and multinomial (StataCorp, 2023).

11

RESULTS

Over half of the respondents in this study (50% of wives and 55% of husbands) admitted to at least one act of financial infidelity in the past year. This behavior was more pronounced among those with stepchildren (83% and 73% for wives and husbands, respectively). While proportionally small within the dataset, the distributions for stepchildren in CREATE mirror that of national data when considering only stepchildren under 18 in the household (United States Census Bureau, 2023). On average, wives and husbands reported four children in total. See Table 2 for descriptive statistics.

The sample is highly educated and predominately White (69% of wives and 70% of husbands), with the next highest racial and ethnic groups represented by Latino (14% of wives and 12% of husbands) and Black (6% of wives and 8% of husbands). 44% of wives and 45% of husbands reported annual household incomes over $100,000.

Table 2.

Descriptive Statistics of Study Variables.

Variables	Wives		Husbands	
	N	%	N	%
Survey Weighted N	849	55.67%	676	44.33%
Financial Infidelity				
Never				
Biological Child	385	48.75%	283	47.08%
Stepchild	3	16.99%	11	26.67%
At least once				
Biological Child	405	51.25%	319	52.92%
Stepchild	14	83.01%	31	73.33%
Child Type				
Biological Child	817	96.20%	616	91.10%
Stepchild	17	2.02%	44	6.51%
Foster Child	0	0.00%	1	0.15%
Adopted Child	9	1.00%	7	1.11%
Other	6	0.73	8	1.13%
HH Income				
$0 – 49,999	140	17.40%	115	17.90%
$50K – 99,999	307	38.30%	215	33.60%
$100K – 149,999	200	24.90%	172	26.80%
$150K+	156	19.40%	138	1.26%
Financial Dependents	M = 4.13		M = 4.10	
Education				
Less than HS	45	5.28%	22	3.21%

High school	128	15.2%	139	20.80%
Some college	176	20.90%	160	23.80%
Associates	72	8.54%	70	10.40%
Bachelors	237	28.10%	176	26.20%
Masters	154	18.30%	71	10.60%
Advanced degree	31	3.62%	33	4.96%
Race				
Multiracial	49	5.89%	39	5.85%
Black	47	5.56%	52	7.79%
Asian	44	5.26%	20	2.94%
White	577	68.89%	463	69.60%
Native American	2	0.18%	4	0.62%
Latino	116	13.86%	80	12.00%
Other	3	0.35%	8	1.17%
Gender				
Female	828	98.20%	21	3.11%
Male	13	1.58%	646	96.10%
Marital Status				
Married	789	96.40%	640	96.50%
Separated	25	3.07%	17	2.52%
Divorced	4	0.54%	6	0.94%

Data source: Wave 6 of the Couple Relationships and Transition Experiences (CREATE) project. For a detailed description of the data and collection methods, please refer to the Methods section and Yorgason et al., 2023, in the References.

Note. Differences in totals are the result of missing observations or survey weight rounding.

Multivariate Analyses

H1: The presence of stepchildren in a household increases the probability of financial infidelity behavior.

As seen in Table 3, the presence of a stepchild significantly increased the probability of financial infidelity among wives by 36% ($p < 0.001$) when analyzing actor effects. However, the wives' partner effects, which considered husbands' characteristics, did not show a significant association with the presence of stepchildren. Similarly, for husbands, neither actor nor partner effects showed significant associations with the presence of stepchildren ($p > 0.05$).

The presence of an adopted child was significantly associated with financial infidelity. Specifically, wives' actor effects showed a 50% increase in the probability of financial infidelity ($p < 0.001$), while partner effects revealed a 52% decrease ($p < 0.001$). For husbands, actor effects indicated a 52% decrease in financial infidelity ($p < 0.001$), while partner effects showed a 47% increase ($p < 0.001$). These results highlight the complex dynamics of adoption in predicting financial infidelity, showing both protective and risk factors depending on the role.

The data also revealed significant associations with race. For wives, being Black increased the probability of financial infidelity by 30% ($p < 0.05$) as an actor effect and decreased the probability of financial infidelity by 23% as a partner effect ($p < 0.05$). Being Native American showed a statistically significant probability of decreasing financial infidelity for wives' actor effects and a decreased probability for those who are Latino and Other in wives' partner effects. Conversely, husbands only had a significant partner effect, with being Black increasing the probability of financial infidelity by 30% ($p < 0.01$).

Educational attainment played a crucial role in financial infidelity. Wives' actor effects showed an increase in the probability of financial infidelity of 33% ($p < 0.05$) for those with an associate degree, and partner effects indicated that higher education levels generally decreased the probability of financial infidelity. Husbands actor and partner effects showed significant decreases in the probability of financial infidelity based on education levels, highlighting education as a protective factor against financial infidelity.

Finally, the presence of a partner who has committed financial infidelity was a significant predictor of increased financial infidelity. For wives and husbands, partner effects showed a 17% increase in the probability of financial infidelity if their partner had engaged in such behavior ($p < 0.01$).

Table 3.

Average Marginal Effects of Predictor Variables on Financial Infidelity.

Financial Infidelity	Wives				Husbands			
	Actor Effects		Partner Effects		Actor Effects		Partner Effects	
Variable	ME	SE	ME	SE	ME	SE	ME	SE
Child Type (Biological)								
Stepchild	.36***	0.09	-.12	.12	-.04	.12	-.23	.14
Adopted	.50***	.02	-.52***	.02	-.52***	.02	.47***	.02
Other	-.11	.37	.07	.24	-.19	.22	.20	.26
Race (White)								
Multi-Race	-.02	.10	-.06	.08	.10	.09	.09	.10
Black	.30*	.12	-.23*	.11	-.07	.12	.30**	.11
Asian	-.16	.09	.19	.11	-.09	.14	.11	.11
Native Am.	-.34	.17	-.26	.20	.06	.24	.24	.19
Latino	.12	.08	-.18*	.08	.11	.09	-.05	.09
Other	-.02	.24	-.32*	.13	-.14	.21	.04	.19
Education (Less than HS)								
High School	.04	.16	-.24*	.12	-.50***	.10	-.15	.13
Some College	.16	.16	-.30*	.12	-.38***	.10	-.30*	.12
Associates	.33*	.16	-.43**	.13	-.22*	.10	-.37**	.13
Bachelors	.13	.16	-.36**	.13	-.36***	.10	-.30*	.12
Masters	.15	17	-.46**	.13	-.40***	.11	-.26*	.13
Advanced	.06	.19	-.25	.15	-.64***	.12	-.14	.15

HH Income (0 – 49,999)								
50K – 99,999	.16*	.06	-	-	-.14	.07	-	-
100K – 149,999	.11	.08	-	-	-.05	.08	-	-
150K+	.07	.09	-	-	-.09	.09	-	-
Partner FI (No)								
Yes	-	-	.17***	.04	-	-	.17***	.04

Data source: Wave 6 of the Couple Relationships and Transition Experiences (CREATE) project. For a detailed description of the data and collection methods, please refer to the Methods section and Yorgason et al., 2023, in the References.

Note. Marginal effects (ME) describe the change in the expected value of the dependent variable for a one-unit change in the independent variable, holding other variables in the model constant. ME for factor levels is the discrete change from the base level. The base level is indicated in parenthesis next to the variable name. SE = standard errors; FI = financial infidelity. Foster child not estimable. GSEM with the logit link function is limited to recursive systems in STATA. As such, separate APIM models were run for wives and husbands to allow husbands' financial infidelity to predict wives' financial infidelity for partner effects and for wives' financial infidelity to predict husbands' financial infidelity.

***$p < 0.001$, **$p < .01$ *$p < .05$

Table 4.

Model Fit Statistics for H1.

Model	χ^2 (df)	*p*	Wald F (df)	*p*
Wives	59.47 (34)	*< 0.01*	15.45 (34, 505)	*< 0.001*
Husbands	59.17 (34)	*<0.01*	16.11 (34, 507)	*< 0.001*

Note. χ^2 = Chi-square; df = degrees of freedom; F = F-test statistic; p = significance level. LR test performed on unweighted GSEM due to Stata limitations with survey-weighted data. Adjusted Wald test conducted on survey-weighted GSEM.

H2: The association between the presence of stepchildren in the household and financial infidelity is moderated by emotional fusion.

For the second analysis, main and moderated pathways were examined to assess the influence of having stepchildren on the probability of financial infidelity, with demographic variables controlled. The moderated effect includes the two-way interaction between child type and emotional fusion on financial infidelity (see Figure 5).

Figure 5.

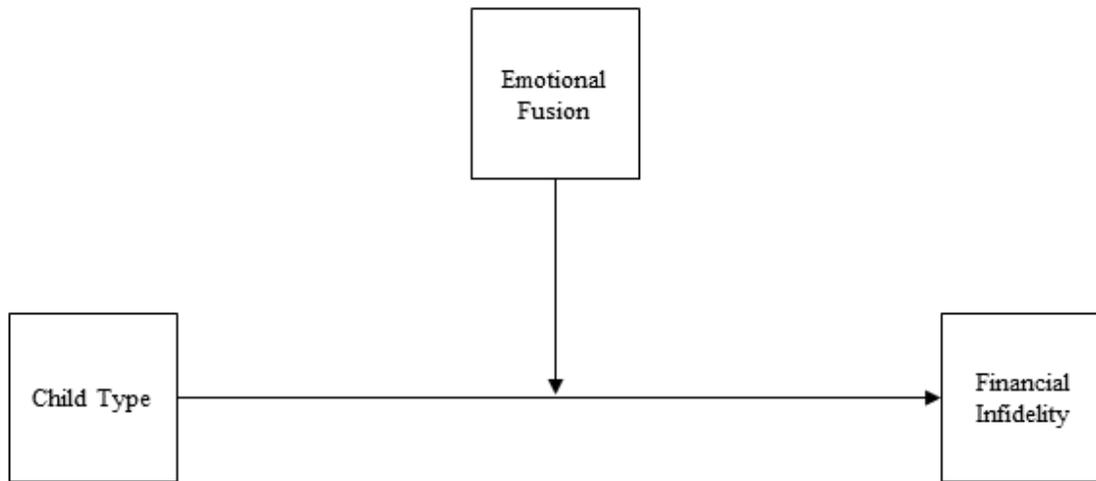*Pathway of Moderated Effects.*

      Table 5 illustrates the moderating effect of emotional fusion on the relationship between the presence of a stepchild and the probability of financial infidelity. This interaction was significant for husbands' actor and partner effects and for wives' partner effects. Specifically, the probability of financial infidelity increased by 19% ($p < .01$) in husbands' actor effects and by 26% ($p < .001$) in husbands' partner effects with heightened emotional fusion. For wives' partner effects, the probability of financial infidelity increased by 14% ($p < 0.05$). Although the wives' actor effect results were not significant concerning the presence of a stepchild, emotional fusion did show a moderating effect when the child was biological, increasing the probability of financial infidelity by 7% ($p < .01$). This suggests that emotional fusion plays a different role in financial infidelity dynamics depending on the type of child (biological or stepchild) and the gender of the parent, with wives predominantly being female and husbands predominantly male.

      The analysis also showed significant moderated effects for additional child types. Specifically, adopted children in the wives' partner model increased the probability of financial infidelity by 26% ($p < .001$), while adopted in the husbands' actor model decreased the probability of financial infidelity by 22% ($p < .001$). The main effect for emotional fusion was significant in the wives' actor model, as was the presence of stepchildren and the act of financial infidelity by the partner in the wives' partner model. Stepchildren and emotional fusion did not show significant results in the husbands' actor or partner effect models as main effects; however, partner financial infidelity did increase the probability of husbands' financial infidelity in the husbands' partner model.

Table 5.

Average Marginal Effects of Predictor Variables + Emotional Fusion on Financial Infidelity.

| Financial Infidelity	Wives				Husbands			
	Actor Effects		*Partner Effects*		*Actor Effects*		*Partner Effects*	
Variable	ME	SE	ME	SE	ME	SE	ME	SE
Interaction Effects								
EF## Child Type								
Biological	.07**	.02	.00	.02	.03	.02	.03	.02
Stepchild	-.01	.10	.14*	.07	.19**	.07	.26***	.05
Adopted	.00	.00	.26***	.06	-.22***	.02	.00	.00
Other	.37***	.03	.07	.24	.26***	.04	-.00**	.00
Main Effects								
Child Type (Biological)								
Stepchild	.35**	.10	-.06	.13	.02	.12	.03	.10
Adopted	.50***	.02	-.38***	.03	-.47***	.02	.47***	.02
Other	.16**	.05	.07	.24	-.13***	.02	.48***	.02
Emotional Fusion	.07**	.02	.01	.02	.04	.02	.03	.02
Race (White)								
Multi-Race	.01	.10	-.04	.08	.07	.09	.12	.10
Black	.29*	.12	-.18	.12	-.04	.12	.30**	.11
Asian	-.16	.09	.22*	.11	-.05	.15	.09	.12
Native Am.	-.43***	.10	-.26	.20	.09	.22	.23	.21
Latin	.13	.08	-.18*	.08	.12	.08	-.06	.08
Other	.06	.24	-.30*	.12	-.12	.20	.11	.19
Education (Less than HS)								
High School	.08	.15	-.22	.12	-45***	.10	-.24*	.10
Some College	.22	.15	-.31**	.12	-.35**	.10	-.35***	.09
Associates	.36*	.16	-.44**	.13	-.23*	.11	-.42***	.10
Bachelors	.20	.15	-.39**	.12	-.33**	.10	-.36***	.09
Masters	.21	.16	-.48***	.13	-.40**	.11	-.34**	.10
Advanced	.13	.18	-.28	.15	-60***	.12	-.20	.13
HH Income (0 – 49,999)								
50K – 99,999	.18**	.06	-	-	-.13	.07	-	-
100K – 149,999	.12	.07	-	-	-.04	.07	-	-
150K+	.09	.09	-	-	-.09	.09	-	-
Partner FI (No)								
Yes	-	-	.15**	.04	-	-	.15**	.04

Data source: Wave 6 of the Couple Relationships and Transition Experiences (CREATE) project. For a detailed description of the data and collection methods, please refer to the Methods section and Yorgason et al., 2023, in the References.
Note. Marginal effects (ME) describe the change in the expected value of the dependent variable for a one-unit change in the independent variable, holding other variables in the model constant. ME for factor levels is the discrete change from the base level. The base level is indicated in parenthesis next to the variable name. SE = standard errors; FI = financial infidelity; EF = emotional fusion. Foster child not estimable. GSEM with the logit link function is limited to recursive systems in STATA. As such, separate APIM models were run for wives and husbands to allow husbands' financial infidelity to predict wives' financial infidelity for partner effects and for wives' financial infidelity to predict husbands' financial infidelity.
***$p < 0.001$, **$p < .01$ *$p < .05$

Figure 6.

Average Marginal Effects of Emotional Fusion as a Moderator to Child Type on Financial Infidelity.
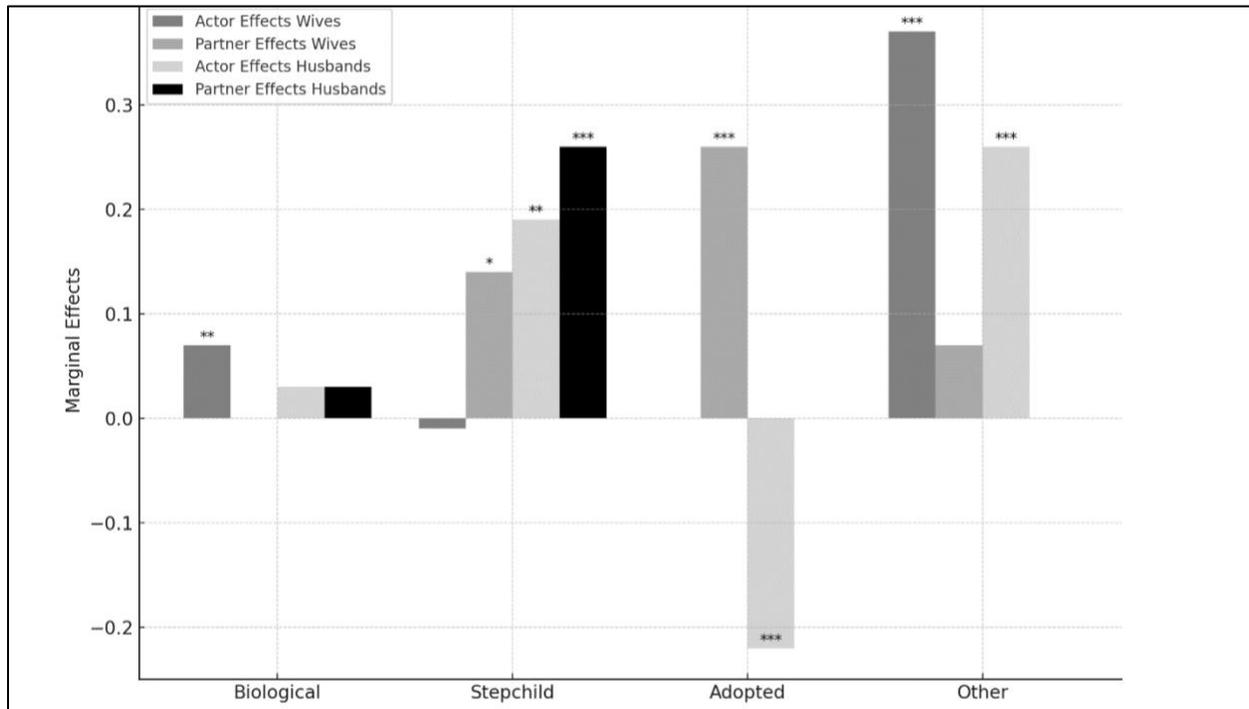
***$p < 0.001$, **$p < .01$ *$p < .05$

Table 6.

Model Fit Statistics for H2.

Model	χ^2 (df)	p	Wald F (df)	p
Wives	75.31 (42)	*< 0.01*	33.53 (42, 497)	*< 0.001*
Husbands	84.81 (42)	*<0.001*	38.60 (40, 501)	*< 0.001*

Note. χ^2 = Chi-square; df = degrees of freedom; F = F-test statistic; p = significance level. LR test performed on unweighted GSEM. Adjusted Wald test conducted on survey-weighted GSEM.

DISCUSSION

The application of the Actor-Partner Interdependence Model (APIM) revealed significant insights into the dynamics of financial infidelity within blended families. The results underscore the complex interplay of genetic relatedness and relationship dynamics in predicting financial behaviors that undermine financial transparency within these families. Support was found for Hypothesis 1 for wives' actor effects (i.e., that stepchildren increase the probability of financial infidelity). Hypothesis 1 was not supported for the wives' partner effects or husbands' actor or partner effects. Interestingly, husbands' actor effects and wives' partner effects did show a significant decrease in the probability of

financial infidelity with the presence of adopted children. In contrast, husbands' partner effects and wives' actor effects showed a significant increase. Further research should explore the differences in financial behaviors between parents when adopted children are present.

Hypothesis 2 was supported by husbands' actor and partner effects and wives' partner effects (i.e., emotional fusion moderates the effect of stepchildren on the probability of financial infidelity). Husbands also showed significant interaction effects for families with adopted and "other" children. Hypothesis 2 was not supported for wives' actor effects. Instead, the results showed that emotional fusion had an interaction effect on biological children and "other" children in the actor model.

The results are mixed but show the significant main effects of stepchildren for wives and the significant interaction effects of emotional fusion and stepchildren on financial infidelity for husbands in the actor and partner effect models and wives in the partner effect model, underscoring the financial and emotional pressures that blended families may experience. The differences in results between wives and husbands suggest that both are sensitive to the dynamics of a blended family structure. Interventions aimed at reducing financial infidelity should consider both partners' perspectives and characteristics, focus on improving emotional differentiation, and understand the complexities introduced by stepchildren.

Although the present study explored important associations between family structure and the presence of financial infidelity within a relationship, there are limitations to the research. While the dataset was longitudinal, only Wave 6 was utilized due to limited variability observed in the specific variables used from earlier waves. This decision allowed the focus to be on the most recent information available; however, it restricted the ability to establish causal relationships. The study design limitation was compounded by the reliance on self-reported data, which can introduce potential biases, such as social desirability and recall biases. Another limitation was the imbalance between the number of biological children and stepchildren in the sample. While the ratio aligns closely with estimates from the 2021 American Consumer Survey regarding the number of stepchildren under the age of 18 living in a household (United States Census Bureau, 2023), the actual number of stepchildren might be underrepresented due to the questionnaire design. The survey design required at least one partner to be in their first marriage. Consequently, families with both spouses having children from previous marriages may be underrepresented, potentially underestimating actual associations that could be detected with a larger stepfamily sample. Future studies should aim to recruit more diverse samples encompassing a wider array of family structures, including same-sex couples, to ensure greater representativeness and generalizability of findings.

Despite these limitations, the current exploratory study contributes valuable insights into the associations between genetic relatedness, emotional fusion, and financial infidelity within blended family relationships. The results have significant implications for financial therapists and practitioners working with blended families.

Implications

Practitioners, including legal professionals, financial planners, and mental health professionals, who familiarize themselves with this paper's theoretical and conceptual frameworks will be better equipped to serve their blended family clients. Practitioners can use the following case study and proposed financial therapy intervention to help clients work through financial infidelity concerns. The intervention focuses on improving communication, setting clear financial boundaries, and enhancing differentiation of self among family members to mitigate instances of financial infidelity and promote healthier financial behaviors within blended family contexts.

Case Study

A client, John Davis, feels his spouse, Jane, is being unreasonably difficult in expressing her displeasure with how much he spends on his daughter, Kelly. As a result, John decides to engage in secretive spending (financial infidelity) and asks Kelly not to tell Jane because he does not want to argue. Jane finds out about John's indiscretions and feels hurt and betrayed. She tells Austin, her son and John's stepson, who feels it is unfair and that John does not care about him. The situation causes trust issues between the spouses, the stepparents and stepchildren, and the stepsiblings.

Intervention

John and Jane meet with their financial therapist and share the challenges they have been facing. The therapist uses the Van Cleve-Klontz Role Play Model for Couples to help them express their feelings and create a solution (Van Cleve & Klontz, 2022).

Figure 7.

Van Cleve-Klontz Role Play Model for Couples.

The financial therapist leads John and Jane through the intervention as follows:
Step 1: Identify the Situation. The financial therapist establishes ground rules and gains clarity on the situation.
Step 2: State Positions. John and Jane actively listen to each other's stories.
Step 3: Switch Roles. John and Jane switch roles and pretend to be the other person. This switching of roles forces both spouses to effectively listen in Step 2 and begin to feel and understand the other spouse's feelings while playing the reverse role in Step 3.
Step 4: Explore Solutions. John and Jane express how they feel after role-playing and attempt to gain agreement on the best path forward. The role play can be repeated if necessary.

Step 5: Implement. With an agreement in place between John and Jane, a plan is implemented for healthy financial management.

Step 6: Review. John and Jane regularly review the plan with their financial therapist to ensure continued unity.

By using the Van Cleve-Klontz Role Play Model for Couples, John and Jane begin to establish an open and healthy communication plan to help mitigate the risk of financial infidelity happening again. If, at any point, John and Jane feel themselves slipping into old habits, they can re-engage in the role-play exercise. This intervention alone may not be enough to break down issues with emotional fusion. Should things escalate, or the financial therapist reaches a point where it is obvious John and Jane need additional help to work through their differences, the financial therapist should refer John and Jane to a marriage therapist or mental health professional.

CONCLUSION

The results of this study provide compelling evidence that both genetic relatedness and emotional fusion are associated with financial infidelity in blended families. Support was found for Hypothesis 1, which indicates that the presence of a stepchild increases the probability of financial infidelity. This association was evident in actor effects for wives. Hypothesis 2, which suggested that emotional fusion would moderate the association between the presence of a stepchild and the probability of financial infidelity, was supported for husbands' actor and partner effects and wives' partner effects. Emotional fusion in the wives' actor effect model also had an interaction effect with the presence of biological children. This result highlights the nuanced ways in which relational dynamics influence financial behaviors in blended families.

The present study makes a significant contribution to the literature by highlighting the financial and emotional pressures that blended families may experience and emphasizing the need for targeted interventions. Practitioner counseling and the use of interventions that enhance communication and promote healthy differentiation of self within coupleships could serve as effective measures to help clients prevent financial infidelity behaviors and foster stronger, more transparent relationships in blended families. Enhancing communication, promoting financial transparency, and fostering trust within blended families are crucial for mitigating such risks.

Future research on blended families can incorporate the Blended Family Financial Framework to critically examine other financial behaviors or issues that affect relationship dynamics or functioning. Such investigations could include estate planning, caregiving, and tax planning within blended families. As the population of blended families continues to grow, there will be greater need and demand in the market for insights into how practitioners can best help their blended family clients.

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