

Handbook of Consumer Finance Research

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Preface

For several reasons, American consumers are now facing many financial challenges. First, the social security system will likely be insolvent within the next 40 years. Second, private industries are moving from defined benefit pensions to defined contribution retirement plans. These trends require individual consumers to take more responsibility for their financial future. Another factor is the rising cost of higher education that many consumers now have to consider when planning their children's college education. In addition, easily accessible credit has pushed many consumers deep into debt, leading to record high individual bankruptcy filings, increased demand for credit counseling, and increased numbers of debt consolidations. These growing social issues recently prompted government and private organizations to sponsor joint efforts of financial education and research. Out of these developments grows the need for a book to summarize research findings and point out future directions. *Handbook of Consumer Finance Research* answers this call by addressing these social issues as well as directly helping consumer finance researchers, policy makers, educators, and practitioners to design, implement, and evaluate financial education and research initiatives.

Active, multidisciplinary researchers in consumer finance have contributed the chapters that provide a comprehensive overview of the current research. All chapters have received blind reviews by peers who are qualified researchers, some of whom are also chapter contributors. In each chapter, the author first critically reviews the research publications on the focused topic, then assesses the status of the research, and provides directions for future research. The authors were asked to search literature in multiple fields for the latest research in consumer finance, compile the findings, and present it in a manner accessible to people who are not specially trained in the field. In several chapters, the authors also present their original research.

The handbook is divided into four parts consisting of 25 chapters. Part I has six chapters that review research on basic concepts and theories in consumer finance such as risk tolerance, financial wellness, retirement savings, financial education, behavior theory application, and consumer economic socialization. Part II reviews consumer finance research in the Internet setting including e-banking, online insurance, and online shopping. The nine chapters in Part III describe consumer financial issues among special populations such as high school students, college students, older consumers, low-income consumers, family business owners, individual

investors, and racial and ethnic minority consumers (Hispanic, African, and Asian Americans). Part IV discusses consumer financial issues on special topics such as healthcare, marriage, family communication, bankruptcy, workplace, regulation, and applied research.

The first of its kind to provide a comprehensive picture of consumer finance research, this book lays the foundation on which to develop more quality research in consumer finance. It helps to generate helpful information for financial educators, researchers, and policy makers to improve consumer financial well-being and quality of life. In addition, most contributors are professors who teach consumer finance and related courses at the university level making the material accessible to graduate and undergraduate students as well as professionals. Overall, it enriches the literature of consumer science, economics, finance, business, family studies, human development, and related fields.

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