FINANCIAL SERVICES REVIEW

Financial Services Review 11 (2002) 381–391

What Factors Affect the Household Net Worth of Employees and Business owners?

Zhan (Sandy) Chen, Sharon A. DeVaney*

Purdue University, Consumer Sciences and Retailing, West Lafayette, IN 47907-2060, USA

Accepted 30 October 2002

Abstract

Why do some households accumulate a prodigious amount of wealth while others have barely enough to meet their needs? This study investigates the effects of financial attitudes, financial behavior, employment, and socioeconomic factors on the household net worth of employees and business owners. Regression analysis using the 1998 Survey of Consumer Finances shows that household income has the largest impact on employees' net worth. The ownership of a large business and household income have the largest impact on business owners' net worth. Being frugal also influences business owner's net worth. © 2003 Academy of Financial Services. All rights reserved.

JEL classification: D19; E21

Keywords: Business owner; Employee; Net worth; Survey of consumer finances

1. Introduction

Net worth is often used as an indicator of the economic status of a household. When households have negative or only a little net worth, it is assumed that they are financially vulnerable to difficulties such as layoff, illnesses, and other emergencies. In contrast, some households who have accumulated considerable net worth often continue to save. Why do some households accumulate a prodigious amount of wealth while others have barely enough to meet their needs?

Warneryd (1999) argues that psychological and behavioral factors provide insight to

* Corresponding author. Tel.: +1-765-494-8300; fax: +1-765-494-0869.
E-mail address: sdevaney@purdue.edu (S. DeVaney).

economic phenomena that cannot be interpreted solely on the basis of economic and demographic factors. Previous studies based on aggregate level data do not appear to sufficiently explore the attitudinal and behavioral factors that might be related to the accumulation and level of household net worth. Moreover, Sullivan, Warren and Westbrook (2000) in a study of personal bankruptcy, found that job-related income interruption was the most frequently cited reason for personal bankruptcy filing. Yet little research has examined the effect of employment on household net worth. Because most households generate income through employment, job-related factors undoubtedly play an important role in net-worth accumulation.

Furthermore, among working households, business owners and employees differ in terms of their employment characteristics, financial attitude, and financial behavior (Becker, 1993; Bregger, 1996; Silvestri, 1999; Stanley & Danko, 1997). Therefore, it is important to study the factors affecting the level of net worth separately for business owners and employees. The purpose of this research is to identify and examine the factors that influence the level of net worth of employees and business owners.

2. Review of literature

2.1. The effect of financial attitude on household net worth

Warneryd (1999) proposes that psychological factors might explain the variance in an economic model that is not explained by demographic and economic variables. This suggests that psychological factors such as attitude toward the use of credit and risk tolerance will influence the level of net worth and that they should be examined. Although Godwin (1997) found that individuals developed a more negative attitude toward credit over time, the overall trend has been an increased amount of credit debt and household debt as a fraction of disposable personal income since the 1980's (Canner, Kennickell & Luckett, 1995). Kim and DeVaney (2001) found that credit card revolvers with a positive attitude toward credit had higher outstanding balances than revolvers with a negative attitude toward credit use. It is hypothesized that those who are more approving of the use of credit will have less net worth. The same effect is expected for both employees and business owners.

An individual's risk tolerance is likely to influence the ability to achieve one's investment goals (Grable & Lytton, 1998; Trone, Allbright & Taylor, 1996). Those who are more risk tolerant tend to include more high-risk/high-return investments in their household portfolio. Consequently, they tend to accumulate more wealth over the long run than those who are more risk averse (Badu, Daniels & Salandro, 1999; Chang, 1994). It is hypothesized that households that are more risk tolerant will have more net worth than those that are risk averse. The same relationship is expected for both employees and business owners.

2.2. Financial behavior and household net worth

The effect of saving behavior on household net worth might be either positive or negative. Hefferan (1982) found that the decision to save and the level of saving are positively related

to net worth, but the life-cycle saving hypothesis (Modigliani & Brumberg, 1954) implies that increased household net worth may be a disincentive to save. Thus, there could be either a positive or a negative relationship between saving behavior and the level of net worth for business owners and employees.

Research has shown that households who pay higher interest on loans are likely to have less wealth (Badu et al., 1999). Because of high interest rates, credit cards are an expensive means of borrowing money (Bird, Hagstrom & Wild, 1997; Sullivan et al., 2000). Unlike credit card revolvers, convenience users of credit cards always or almost always pay off the monthly credit card balance. Thus, convenience use of credit cards is expected to be positively associated with the household net worth of both employees and business owners.

2.3. The influence of employment on household net worth

The majority of Americans generate income through employment; either they work for themselves or they work for someone else. Some households react to increased income uncertainty by reducing consumption (Dunn, 1998). Nevertheless, some will be unable to manage their finances and will encounter economic difficulty. Sullivan et al., (2000) found that two thirds of bankruptcy filers had either experienced employment problems before they filed for bankruptcy or they were unemployed when they filed. Hence, employment-related factors are expected to have a significant impact on net worth.

The life-cycle hypothesis of savings (Modigliani & Brumberg, 1954) implies that older individuals will have more wealth than those who are younger. Similarly, individuals with a longer work history are likely to earn more than those with a shorter job tenure. Compared to part-time workers, full-time workers usually have a more stable job and greater access to pension plans (DeVaney & Chien, 2001). Consequently, it is hypothesized that those who have always worked full-time will have more net worth than those with mostly part-time work experience. Similarly, those who work in white-collar positions are hypothesized to have higher income, more benefits and, consequently, more potential to accumulate net worth compared to those who are not in white-collar positions.

Kennickell, Starr-McCluer and Surette (2000) found that families headed by business owners had the highest mean and median levels of household net worth in the 1995 and 1998 Surveys of Consumer Finances. Although business owners make up less than 20% of the workers in America, they account for two-thirds of the millionaires in America (Stanley & Danko, 1997). However, about 25% of sole proprietorships and 42% of partnerships make no profit during a typical year (Stanley & Danko, 1997). It is hypothesized that medium and large business owners will have higher levels of net worth compared to small business owners. Furthermore, employees of large firms are likely to hold more household net worth compared to employees of small firms.

2.4. Socioeconomic factors influencing household net worth

As suggested by the life-cycle hypothesis (Modigliani & Brumberg, 1954) and permanent income hypothesis (Friedman, 1957), low-income households are likely to expect income to increase in the future and to overspend before their expected income increase is realized. On

the contrary, those who have a higher level of income may save to pay off debts and meet future needs, and thus they will gradually increase wealth. It is hypothesized that income will be positively related to the net worth of both employees and business owners.

Other socioeconomic characteristics that might impact net worth include age, education, marital status, and race. A hump-shaped pattern between age and net worth is reported by many empirical studies and reflects the life-cycle hypothesis of saving (Modigliani & Brumberg, 1954). However, age is highly correlated with the number of years worked full-time; thus, age will not be included in this study. Education is expected to be a good predictor of ability to earn (Becker, 1993). Kennickell et al., (2000) found that between 1995 and 1998, median net worth increased for families headed by someone with at least some college education, whereas it fell for families headed by those with less than a high school education. In regard to the relationship between marital status and net worth, Stanley and Danko (1997) showed that continuing to be married to the first spouse was frequently observed among American millionaires. The financial disadvantage of being unmarried is reinforced by data showing that a higher proportion of bankruptcy filers are single, divorced, separated, or widowed compared to the proportion of filers who are married (Sullivan et al., 2000).

White families have significantly greater net worth and financial assets relative to black families (Badu et al., 1999; Plath & Stevenson, 2001; Weicher, 1997). Families who are supporting children under the age of 23 are likely to have more expenses than those who do not have children at home. It is hypothesized that household income, the number of years of education, being married and having a working spouse, and being white will be positively related to household net worth. It is hypothesized that the number of children younger than 23 at home will be negatively related to household net worth. These effects are expected to be the same for business owners and employees.

3. Methodology

3.1. Data and sample

Data are drawn from the 1998 Survey of Consumer Finances (SCF), a triennial survey sponsored by the Federal Reserve Board of Governors. The SCF dataset provides detailed information on household assets and liabilities along with income, demographics, employment, attitude, and behavior (Kennickell, 2000). The 1998 SCF consists of 4,305 households. Only households headed by those who are currently working (either full-time or part-time) are included in the sample, resulting in a sample size of 3,211.

3.2. Variables and measurement

The dependent variable—net worth—is defined as the difference between the value of assets and debts in the household balance sheet. Assets consist of financial assets (including checking accounts, stocks, bonds, trusts, life insurance, retirement accounts, and other accounts, such as money market, savings, and certificate of deposit) and nonfinancial assets (including vehicles, houses, real estate, noncorporate business equity, and other assets).

Debts include housing debt, credit card debt, installment loans, and other consumer debts. Net worth is a continuous variable. The SAS code provided in the SCF codebook (Kennickell, 2000) is used to calculate household net worth.

Four sets of independent variables: financial attitude, financial behavior, employment, and socioeconomic factors, are included in the regression model to predict household net worth. The financial attitude variables include the household head's preference for credit and their risk-tolerance level. A credit index is created by summing a preference for these uses of credit: to borrow money for (a) a vacation, (b) living expenses when income is cut, (c) finance the purchase of a fur coat or jewelry, (d) the purchase of a car, and (e) educational expenses. Risk-tolerance level is measured by asking how much risk someone is willing to take when saving or investing.

There are two financial behavior variables—whether a consumer saves regularly and whether he/she is a convenience user of credit. Employment variables include: full-time work, white-collar position, number of years worked full-time, business ownership (for business owners only), and the employer size (for employees only). Business owners are categorized into three groups: (a) small, with fewer than 20 employees; (b) medium-sized, with 20 to 99 employees; and (c) large, with 100 or more employees. Employees are divided as follows: if they work for a firm of 100 or more employees or a firm with fewer than 100 employees. Socioeconomic variables include household income, the household head's years of education, a variable that combines marital status and spouse's work status, race, and number of children less than 23 years old who are at home. The coding of variables and weighted descriptive statistics are shown in Table 1.

3.3. Method of analysis

Ordinary Least Squares (OLS) regression is the appropriate tool to predict and explain a continuous dependent variable using a covariate of independent variables (Hair, Anderson, Tatham & Black, 1998). In this study, OLS regression is performed separately for employees and business owners. A hierarchical modeling method is adopted to assess the effects of each additional group of variables on household net worth. Three sets of variables enter the regression model in the following order: financial attitude and financial behavior variables, employment variables, and socioeconomic variables.

4. Results

4.1. Sample characteristics

To present the population characteristics, a weight variable is applied to the sample. The average household net worth for employees is $169,237, whereas business owners have an average of $887,625 in household net worth, about five times that of employees. Business owners also have a much higher median net worth than employees, with $254,200 for business owners as opposed to $53,220 for employees.

A typical business owner has worked full-time for 26 years, which is 6 years longer than

Table 1
The coding of variables and weighted descriptive statistics for employees (N = 2,123) and business owners (N = 1,088) in the 1998 survey of consumer finances

Variable	Coding	Employees mean (SD) or %	Business owners mean (SD) or %
Dependent variable			
Net worth	Continuous: total household net worth	$169,237 (5.3E4)	$887,625 (4.3E6)
Independent variables			
Financial attitude			
Credit index	Continuous: ranging from 0 (not approve of any use of credit) to 5 (approve all five ways of using credit)	2.42 (0.99)	2.24 (1.00)
Risk tolerance level	Continuous: ranging from 1 (not willing to take any risk when saving or making investments) to 4 (willing to take a substantial amount of risk)	2.03 (0.88)	2.09 (0.86)
Financial behavior			
Regular saver	1 if save regularly (either save one family member's income and spend the other, or spend regular income and save other income, or save regularly by putting money aside each month); 0 if not save or have no regular saving plan	53.23	47.07
Convenience user of credit	1 if always pay off the total balance owed on the credit card account each month; 0 otherwise	34.10	49.40
Employment			
Full-time worker	1 if currently work full-time and with no part-time work experience since 18; 0 otherwise	58.74	54.40
White-collar	1 if working in managerial or professional position, 0 otherwise	28.01	35.92
Years worked full-time	Continuous: number of years that the household head has worked full-time	19.71 (11.72)	25.83 (13.48)
Size of the employer (Employee only)			
Working for big employer	1 if working for an employer with more than 100 employees; 0 otherwise	66.69	N/A
Size of the business (Business owner only)			
Small business owner (ref)	1 if owner with $<$20 employees; 0 otherwise	N/A	85.42
Mid-sized business owner	1 if owner with 20 $\leq$ employees $<$100; 0 otherwise	N/A	9.85
Big business owner	1 if owner and $\geq$100 employees; 0 otherwise	N/A	4.73
Socioeconomic variables			
Income	Continuous: total household income in 1997	$52,881 (9.3E4)	$106,903 (6.1E5)
Education	Continuous: number of years of completed education	13.48 (2.63)	13.92 (2.74)
Married & spouse is working	1 if married and spouse is working; 0 otherwise	36.61	50.51
White	1 if race is white; 0 otherwise	75.74	90.00
No. of children under 23	Continuous: number of children under 23 at home	1.24 (1.59)	1.16 (1.54)

that of an average employee (20 years). Fifty-nine percent of the employees and 54% of the business owners have worked full-time since age 18. About 36% of business owners report that their work is white-collar, compared to 28% of the employees. The average household income for employees is $52,881, which is less than half that of the business owners ($106,903). About 67% of employees work for large employers and 33% work for small employers. A majority of the business owners (85%) own a small business; 10% own a medium-sized business, and 5% are big-business owners.

A typical employee approves of 2.42 out of 5 potential uses of credit, a fact that suggests a slightly negative attitude toward credit. The average risk-tolerance level for employees is 2.03, suggesting slightly above-average risk. A typical business owner has a lower approval of the use of credit (2.24) and tolerates more risk (2.09) than employees. Fifty-three percentage of the employees save regularly, whereas about 47% of the business owners are regular savers. Thirty-four percent of employees are convenience users of credit cards, compared with 49% of business owners.

On average, an employee has 13.5 years of education compared to 14 years for a business owner. More business owners are married with a working spouse (51%) than the employees (37%). Whites are over represented among the business owners (90%) compared to employees (76%). The average number of children under 23 at home for employees is 1.24, whereas that number for business owners is 1.16.

4.2. Results of hierarchical OLS regression models

The results of OLS regression are presented in Table 2 for the employees and in Table 3 for the business owners. For each group, financial attitude and behavior variables are entered first into the regression model, followed by employment variables, and finally by socioeconomic variables. Regression coefficients are standardized in order to compare the magnitude of effect that each independent variable has on the dependent variable.

4.3. The employee model

In the first step of the hierarchical model to predict level of net worth of employees, all the financial attitude and behavior variables are significant. Being a convenience user of credit has the largest positive impact on level of net worth ($b = 0.14$). Having a favorable attitude toward credit and being a regular saver are negatively related to net worth for the employees. A higher level of risk tolerance is associated with more net worth.

In the second step, employment variables are added to the model. The number of years worked full-time and holding a white-collar position are positively related to net worth. All of the financial attitude and behavior variables retain their significance in this step. The number of years worked full-time had the largest impact on the dependent variable ($b = 0.11$), followed by being a white-collar worker and a convenience user of credit cards with a regression coefficient around 0.098 for each of those variables.

When socioeconomic variables are included, household income is highly significant and has the largest impact on net worth ($b = 0.76$). Being a regular saver is the only variable among the financial attitude variables that is still significant; however, the effect is negative.

Table 2
Standardized results of the hierarchical OLS regression model for the employees (N = 2,123)

Variables	Model 1	Model 2	Model 3
Financial attitude and behavior			
Credit index	−0.0720***	−0.0610**	−0.0216
	(0.0217)	(0.0217)	(0.0143)
Risk tolerance level	0.0587***	0.0471*	0.0110
	(0.0222)	(0.0223)	(0.0150)
Regular saver	−0.0497*	−0.0728**	−0.0343*
	(0.0227)	(0.0228)	(0.0151)
Convenience user of credit	0.1462***	0.0978***	0.0098
	(0.0227)	(0.0234)	(0.0159)
Employment			
Full-time worker		−0.0312	0.0206
		(0.0219)	(0.0147)
Number of years worked full-time		0.1149***	0.0387*
		(0.0228)	(0.0156)
White-collar		0.0998***	0.0193
		(0.0231)	(0.0164)
Working for big employer (≥100 employees)		0.0118	0.0059
		(0.0216)	(0.0143)
Working for small employer (reference)		—	—
Socioeconomic variables			
Income			0.7567***
			(0.0144)
Education			−0.0052
			(0.0174)
Married and spouse is working			−0.0219
			(0.0147)
White			−0.0037
			(0.0148)
Number of children under 23			−0.0306*
			(0.0146)
Intercept	0.0000	0.0000	0.0000
	(0.0214)	(0.0211)	(0.0139)
***R*-square**	0.0317	0.0563	0.5929
Adjusted *R*-square	0.0298	0.0527	0.5903

Note: 1 Standard errors of the parameter estimates are presented in the parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Among the employment variables, only the number of years of full-time work is significant. Number of children under 23 has a significant negative impact on employees' net worth, supporting the hypothesized relationship. In summary, only four factors are significant in the final step: income, being a saver, the number of years of full-time work, and the number of dependent children. Income and years of full-time work are positively related to the level of net worth; the saving variable and number of children at home are negatively related to the level of net worth.

4.4. The business-owner model

In the first step, financial attitude and financial behavior variables are included in the model. As hypothesized, business owners with more net worth are likely to be more risk

Table 3
Standardized results of the hierarchical OLS regression model for the business owners (N = 1,088)

Variables	Model 1	Model 2	Model 3
Financial attitude and behavior			
Credit index	−0.0906**	−0.0769**	−0.0767**
	(0.0299)	(0.0288)	(0.0285)
Risk tolerance level	0.1092***	0.0908**	0.0880**
	(0.0302)	(0.0292)	(0.0293)
Regular saver	−0.0007	−0.0252	−0.0201
	(0.0304)	(0.0294)	(0.0288)
Convenience user of credit	0.1448***	0.0652*	0.0614*
	(0.0309)	(0.0309)	(0.0307)
Employment			
Full-time worker		0.0376	0.0318
		(0.0288)	(0.0289)
Number of years worked full-time		0.1207***	0.1094***
		(0.0295)	(0.0316)
White-collar		0.0313	0.0413
		(0.0305)	(0.0312)
Medium-sized business owner (20–99 employees)		−0.0529	−0.0402
		(0.0352)	(0.0346)
Big business owner (≥100 employees)		0.2250***	0.2170***
		(0.0338)	(0.0330)
Small business owner (reference)		—	—
Socioeconomic variables			
Income			0.2203***
			(0.0279)
Education			−0.0373
			(0.0327)
Married and spouse is working			−0.0226
			(0.0283)
White			−0.0120
			(0.0283)
Number of children under 23			0.0100
			(0.0309)
Intercept	0.0000	0.0000	0.0000
	(0.0296)	(0.0283)	(0.0276)
***R*-square**	0.0477	0.1353	0.1846
Adjusted *R*-square	0.0441	0.1281	0.1740

Note: Standard errors of the parameter estimates are presented in the parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

tolerant (b = 0.11) and to be convenience users of credit cards (b = 0.14). The relationship between the credit index and level of net worth is negative suggesting a low approval of credit use.

In the second step, being a big-business owner has the largest positive impact on a business owner's net worth (b = 0.23), followed by number of years worked full-time (b = 0.12). The financial behavior and attitude variables that were significant in the first step retain their significance. Compared with business owners with a medium-sized business, big-business owners have a higher net worth, whereas there is no significant difference between the net worth of the small- and medium-sized business owners.

When socioeconomic variables are included in the model, there is no difference in level of net worth of business owners based on their education, being married with spouse working, race, and presence of children under 23. Instead, income, owning a big business, number of years worked full-time, attitude toward credit use, risk-tolerance level, and convenience use of credit influence the level of net worth. Interestingly, household income and being a big-business owner have the largest positive impact on a business owner's household net worth (beta for each variable is 0.22), followed by the number of years worked full-time ($b = 0.11$). The direction of the relationship (positive or negative) for the variables that are statistically significant predictors of net worth is as hypothesized.

5. Conclusions

The regression results are largely consistent with the developed hypotheses and have several implications for financial advisors. They support Stanley and Danko's (1997) suggestion that business owners who accumulate more wealth are those who are "frugal." As indicated in the results, business owners who do not approve of the use of credit, and those who avoid paying interest on outstanding credit-card balances are likely to be better off than those who favor the use of credit cards and those who carry a balance on their credit cards. Moreover, those who are better off are willing to take more risk in investing, a financial practice that gives them a higher return over the long run.

Regression results also show that financial attitude and behavior are important for employees. Financial advisors should encourage employees who have trouble in accumulating net worth to identify and change inappropriate financial attitudes and behaviors, such as the excessive use of credit cards and being risk averse.

Second, the results show that, as expected, the level of net worth increases as individuals work longer. The question is: for employees and business owners who are approaching retirement, will they continue to save and invest, or will they increase spending? Financial advisers can seek opportunities in this segment of the market and provide needed services.

Third, the study reveals the differences in the level of net worth among business owners. Lacking economies of scale, small-business owners may have more concerns about how to effectively finance their businesses at the lowest cost while avoiding possible financial difficulty at the same time. Financial advisers need to determine the specific needs and preferences of business owners and tailor their services accordingly.

Fourth, the effect of income on employees' net worth suggests that financial advice to employees should correspond to their income level. High-income employees will probably benefit from investment and estate planning advice, whereas low- and middle-income employees may need advice on debt reduction, college planning, and investing.

References

Badu, Y. A., Daniels, K. N., & Salandro, D. P. (1999). An empirical analysis of differences in Black and White asset and liability combinations. *Financial Services Review*, *8*, 129–147.

Becker, G. S. (1993). *Human capital: A theoretical and empirical analysis with special reference to education, Third edition.* Chicago: The University of Chicago Press.

Bird, E. J., Hagstrom, P. A., & Wild, R. (1997). Credit and the poor. *Institution for Research on Poverty Discussion Paper No. 1148-97* (October).

Bregger, J. E. (1993). Measuring self-employment in the United States. *Monthly Labor Review, 116*, 3–9.

Canner, G. B., Kennickell, A. B., & Luckett, C. A. (1995). Household sector borrowing and the burden of debt. *Federal Reserve Bulletin, 81*, 323–338.

Chang, Y. R. (1994). Saving behavior of U.S. households in the 1980s: Results from the 1983 and 1986 Survey of Consumer Finances. *Financial Counseling and Planning, 5*, 45–64.

DeVaney, S. A., & Chien, Y. (2001). Participation in retirement plans: A comparison of the self-employed and wage and salary workers. *Compensation and Working Conditions, 5* (4), 31–36.

Dunn, W. E. (1998). Unemployment risk, precautionary saving, and durable goods purchase decisions. *Board of Governors of the Federal Reserve System, Finance and Economics Discussion Series, No. 1998-49* (October).

Friedman, M. (1957). *A theory of the consumption function.* London: Oxford University Press.

Godwin, D. D. (1997). Dynamics of households'income, debt, and attitude towards credit, 1983–1989. *The Journal of Consumer Affairs, 31* (2), 303–325.

Grable, J. E., & Lytton, R. H. (1998). Investor risk tolerance: Testing the efficacy of demographics as differentiating and classifying factors. *Financial Counseling and Planning, 9* (1), 61–73.

Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate data analysis.* Upper Saddle River, NJ: Prentice Hall.

Hefferan, C. (1982). Determinants and patterns of family saving. *Home Economics Research Journal, 11* (1), 47–55.

Kennickell, A. B. (2000). *Codebook for the 1998 Survey of Consumer Finances.* Washington, DC: Federal Reserve Board of Governors.

Kennickell, A. B., Starr–McCluer, M., & Surette, B. J. (2000). Recent changes in U.S. family finances: Results from the 1998 Survey of Consumer Finances. Board of Governors of the Federal Reserve System. *Federal Reserve Bulletin, 86*, 1–29.

Kim, H., & DeVaney, S. A. (2001). The determinants of outstanding balances among credit card revolvers. *Financial Counseling and Planning, 12* (1), 67–77.

Modigliani, F., & Brumberg, R. E. (1954). Utility analysis and the consumption function. In K. Kurrihara (Ed.), *Post-Keynesian economics* (pp. 388–436). New Brunswick, NJ: Rutgers University Press.

Plath, D. A., & Stevenson, T. H. (2001). Financial service and the African-American market: What every financial planner should know. *Financial Services Review, 94*, 343–359.

Silvestri, G. T. (1999). Considering self-employment: What to think about before starting a business. *Occupational Outlook Quarterly, 43* (2), 15–23.

Stanley, T. J., & Danko, W. D. (1997). *The millionaire next door.* Atlanta: Longstreet Press.

Sullivan, T. A., Warren, E., & Westbrook, J. L. (2000). *The fragile middle-class: Americans in debt.* New Haven, CT: Yale University Press.

Trone, D. B., Allbright, W. R., & Taylor, P. R. (1996). *The management of investment decisions.* Chicago: Irwin.

Warneryd, K.-E. (1999). *The psychology of saving: A study on economic psychology.* Cheltenham, UK: Edward Elgar Publishing Limited.

Weicher, J. C. (1997). The rich and the poor: Demographics of the U.S. wealth distribution. *Federal Reserve Bank of St. Louis Review, 79*, 25–37.