

Highlighting faculty who think outside the box

IT'S COMMON CENTS

BY Liza N. Burby

A developmental consumer researcher studies an unlikely College of Business demographic: children and their ideas about money



As a child whose parents involved her in household financial decision-making, Margaret Echelbarger didn't realize that writing checks and using a credit card as a middle schooler was unusual. But while she knew her parents simply wanted to make sure she was financially independent, her economic socialization experience as a middle-class kid led to confusion.

"I understood that my parents were very frugal and I interpreted that frugality as we were experiencing economic precarity that we weren't. I was in my 20s before I believed that my parents would be financially okay," said Echelbarger, who is assistant professor of marketing in the College of Business (CoB) at Stony Brook University.

It was when she was pursuing a PhD in developmental psychology that Echelbarger realized her experience provided an opportunity to "really understand how people develop their economic awareness, how they enter into market-related practices like negotiation, and decide how much things are worth from a very young age."

So she determined she wanted to help parents be able to communicate accurately with their kids about money. Echelbarger, a developmental consumer researcher who joined the CoB faculty in 2022, has been researching child consumer behavior to understand how they develop as decision-makers. Her goal: to improve well-being across the lifespan.

A Valuable Population

Echelbarger has found that children are sophisticated economists who are thinking about money long before they're able to spend it. She said, in fact, that children are the youngest consumers, responsible from an early age for influencing all purchases they want and need in households.

However, they are not the average study subjects for the department.

"Typically in the business disciplines we are relying on populations over the age of 18 for our research," said Stacey Finkelstein, professor and area head of marketing. "While we know this population shapes a huge amount of economic growth and development in this country from all of the things that we buy and consume on a regular basis, what Margaret's



work does is shed light on a really important population: children."

For Echelbarger, who doesn't have a marketing degree, the interdisciplinary nature of the department with its focus on leveraging the power of marketing to improve well-being supports the theme of her work.

"It's why I'm here — to do research that I think is going to have a direct impact on people," she said. "In this department I have the support I need to do research that will allow me to go into communities and connect with families and help them feel more financially empowered. I get to explore how what we learn as children shapes our future financial decision-making, and how the conversations we have with our parents shape household decision-making in the moment and then across the lifespan."

The people who are helping to answer her questions are 5- to 10-year-olds whom she calls the "sweet spot," capable of understanding that they can buy more with \$5 than one dollar, even if they're not the ones shopping. Echelbarger said her studies include how children make sense of economic inequality and how they think about debt.

"I've seen that kids really understand some of the key elements of negotiation and economic exchange. They know that you can only get what you can pay for in a purchasing context," she said.

How Kids Think

Echelbarger conducts research in the Child Consumer Behavior Lab she founded in the college. She recruits families to meet in one-on-one Zoom sessions, giving her greater geographical access beyond Long Island. She meets with families as far away as Hawaii, Chicago and Canada. Among her subjects was 7-year-old Edith Biddle of Honolulu who participated in the study when she was 6,

answering questions through the use of gender-neutral characters about her ideas relating to the value of variety.

Her mother, Ashley Biddle, a developmental psychologist, said, "One of the most valuable things that Edith learned from doing the studies is that she gets to be the expert; that there's no right or wrong answer. Margaret told her we're just trying to learn how kids think. The valuable thing about kids participating in this research is that their ideas matter. You can tell that Margaret really cares about children and that she thinks it's an important topic for the world to understand more."

Echelbarger's main project centers on what parent-child conversations look like about money. She said she also wants to "identify strategies that parents can implement to facilitate conversations with their kids, to help them understand the economic world, and ultimately to help kids make better or healthier decisions."

She said preliminary findings show that parents who are willing to talk about spending have children who spent less in her lab store. "It suggests that a reluctance to talk about spending can actually backfire."

Echelbarger's other area of research is how parents think about children, social media and privacy. She said she and a colleague are trying to understand how parents communicate social media rules, how they learn about the platforms themselves, and the degree to which they are willing to share information about their children online.

As such, she devotes part of her social media marketing class to the associated ethical considerations. "I don't just want my students to be effective marketers," she said. "I want them to be ethical marketers and remember that there are people at the end of these advertisements and that in our quest to persuade, we really do have well-being top of mind."

TIPS FOR PARENTS

Here are Margaret Echelbarger's tips for how parents can help their children become educated consumers.

- Talk to them about money. Welcome them to participate in household decision-making. For example, when creating a budget, consider asking them how much they think different items cost. Ask them to plan a meal within a certain budget.
- When shopping, if a child says there's something they want, instead of answering, "We don't have money for that," say, "That's not in our budget" or "That's not what we plan to buy today, but we can think about that for the future."
- Allow children to safely fail. They will inevitably make mistakes, like buying something that they ultimately regret spending their money on. Let them experience these failures in a safe environment.
- Be the decision-maker you want your children to be. "Do as I say, not as I do" sends mixed messages and can be confusing for children who are trying to figure out the "rules" of childhood and adulthood.

Accessible Research

Echelbarger is also having an impact on the four undergraduate research assistants who have been working with her at community outreach events to recruit parents and children for her studies and helping to collect the data. One of them is Nicholas Takemoto, a junior double majoring in psychology and health science, who said he wanted to get the research experience for a possible PhD in psychology.

"What I learned working with Margaret is that I enjoy the interactive side of her research, talking to the parents and kids," he said. "I'm shifting towards wanting to go into possibly counseling or therapy. I think Margaret's been very helpful in making sure that although I'm currently doing research, I can stay open-minded in what I want to do."

Finkelstein said that Echelbarger's approach to engage the wider community beyond campus in her research offers a unique opportunity to highlight the university. "I feel really fortunate to have Margaret as a junior scholar in the department. Her research is exciting. How she talks about business research in the community is exciting. She's the sort of scholar that the university encourages, someone who can contribute to a discipline, but move beyond it to create a broader impact. She makes research accessible in a really important and impactful way." ★