

Drowning in “quicksand”: Theoretical exploration of social support in decision making  
processes among the financially insecure

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### **Abstract**

Financial instability is a reality for a significant portion of the U.S. population. The inability for people to live sustainably has wide-ranging ramifications for society. While there are governmental efforts to mitigate financial precarity, the lived experienced of those in economic insecurity is perpetually threatened and constrained. The theory of bounded rationality is used and critiqued in order to better understand the constraints of financially precarious decision making. This qualitative analysis explores the function of social support during financially precarious decision making using a grounded theory approach. The analysis revealed identified uncertainty, urgency, complexity, and risk as perpetual contextual factors surrounding financially precarious decision making processes. Depending on the availability of social support, these factors coalesce in decision making processes that potentially contribute to a range of outcomes from downward mobility and desperation to temporary stability and dignity. Even a modicum of social support can provide temporary stability, suggesting stronger social support can break the cycle of downward mobility. Two grounded theory models are presented followed by a discussion of contributions, limitations, and directions for future research.

**Key words:** financial instability, social support, grounded theory, uncertainty, decision making

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Financial instability is a constant stressor for people of varying backgrounds. In fact, Gabler (2016) maintains that the secret shame of America rests in the reality that most people could not find \$400 cash in an emergency. In fact, the Center for Financial Service Innovation maintains that 57 percent of Americans—138 million people—are struggling financially (Servon, 2017). Whether people are unemployed, underemployed, low-income workers, or dealing with something else entirely, the financially insecure are routinely faced with tough decisions that contextually entangled in constraints. This plight is not uncommon popularly or politically, as there have been multiple civic efforts to raise the minimum wage, including the “Fight for \$15” movement. The prevalence of such movements indicate a low-income populace struggling to afford material essentials such as shelter and food. Such circumstances frequently construct difficult decisions that the financially insecure must make to stay afloat.

The material struggle for the financially insecure is more pronounced than that of financially stable persons (Bertrand, Mullainathan, & Shafir, 2006) due to social class status. Social class affects the quality of life and impacts access to resources (Dougherty, 2011). Some attribute “poverty culture” and/or personal “shortcomings” as reasons why financially insecure populations live in precarity (Bertrand, Mullainathan, & Shafir, 2006). Generally speaking, the financially unstable have been stereotyped as irrational financial decision makers (Servon, 2017). Yet, few have fully considered the circumstances surrounding financially instable populations. The financially insecure face highly constrained decision since their “margin for error” (Bertrand, Mullainathan, & Shafir, 2006) is drastically narrower.

Financially instable individuals sometimes turn to governmental/nonprofit organizations for assistance ranging from food stamps to workforce training. Most of these agencies have missions to help low-income, underemployed, and unemployed individuals. However, there are concerns about the efficacy of such efforts (Ehrenreich, 2006; Rangarajan & Novak, 1999). In fact, some of these support organizations have been found to perpetuate the unemployment of select jobseekers (Gist, 2016). Prolonged unemployment, low-income status, and underemployment likely lead to diminished self-worth and self-efficacy and ultimately contribute to financial precarity. However, if help were available perhaps support could shift the reality of a financially precarious lived experience.

When present, social support can be a buffer against the adversities people face during life. Research maintains that social support has a positive effect on unemployed persons' outlook (Holmstrom, Russell, & Clare, 2015). In addition, boosts in self-esteem is positively correlated with support message. Finally, social support is also an integral part of how people cope with work-related stressors (House, 1981). These are the most prominent examples of how social support has been applied to financial precarity.

The absence of social support can exacerbate adversity. Researchers have analyzed social support as a response to negative life outcomes, such as the physiological and psychological effects of stress. Researchers noted that the *lack* of social support is as dangerous as other health risks such as cancer and obesity (House, Landis, & Umberson, 1988).

Our aim is to nuance scholarly knowledge regarding the function of social support in financially precarious decision making. Please note terms “financially unstable” and “financially insecure” are used interchangeably in this study since both terms reflect the tenuous position participants held. Knowledge regarding how social support functions during difficult decisions

and how it affects the lived experience of being financially insecure could contribute both practically and theoretical. A grounded theory approach was used to theoretically explore the function of social support in the difficult decisions of the financially insecure.

### **Literature Review**

In order to set the context for this study, we review literature in the following areas: financial instability, decision-making (DM) processes, bounded rationality, and social support.

#### **Precarity of Financial Instability**

The working poor comprise a sizable part of the workforce, yet receive few benefits in exchange for their workforce contributions (Leana, Mittal, & Stiehl, 2012). In fact, many working poor individuals find themselves in perpetual instability. Financial instability constructs a constrained and precarious lived experience. For example, low-income status has been connected a number of outcomes including lower cognitive function, unhappiness, physical decline, and unsatisfactory job performance (Leana & Meuris, 2015). Working poor and near poor populations typically work long hours, yet continually struggle with hardship (Newman & Chen, 2007). Few low income individuals experience economic security, which is a marker of dignity (Bolton, 2007). In fact, low-income populations often experience threats to dignity linked to labor such as poor working-conditions and low autonomy at work (Bolton, 2007). Economic insecurity and indignities infuse uncertainty and stress into their occupational and personal lives.

Newman and Chen (2007) conducted a seven year ethnography of nine low-income families in New York City. Their analysis reveals the precarity of lived experience in the lives of the near poor. Life events such as unemployment, divorce, or a diagnosis are particularly dangerous to low-income populations because of their economic instability (Newman & Chen, 2007). Any major event could trigger a spiral of downward mobility where low income

populations found themselves in nearly inescapable poverty, which threatened their livelihood, quality of life, and overall wellbeing (Newman & Chen, 2007). The material reality of living a low-income life inherently constrains DM processes.

### **Decision Making Processes**

Decision making (DM) has been extensively studied at the group and organizational level. These foci of DM literature privileges analysis of DM processes at the meso-level and does not fully knowledge regarding nuance micro-level DM. Organizational scholars have articulated a number of contributing factors to DM processes. For example, the Carnegie group developed a model that analyzes the contextual and cognitive limitations of DM (Mumby, 2001). According to Simon (1976), when individuals decide, they either “satisfice” or “optimize.” When individuals satisfice they made decisions based on limited information and when they optimize decisions are based on evaluation of all relevant information (Simon, 1976). This model makes a number of assumptions regarding DM. First, this model privileges pure rationality (Mumby & Putnam, 1992; Simon, 1976) and does not account for a number of constraints that contribute to DM processes. Second, this model constructs a dichotomy for DM between satisficing and optimizing, when in reality DM processes can be highly complex and fuzzy.

Initial theorizing about DM foregrounded psychological influences and ignored larger structural factors, such as power (Mumby, 2001). Power infuses DM processes with political nuances, especially in regard to resources (Pfeffer & Salancik, 1974). Social class issues are about power (Dougherty, 2011), which we believe include financial instability. Some scholars argued for consideration of both internal and external factors when considering DM among the poor (Bertrand, Mullainathan, & Shafir, 2006). In fact, Bertrand et al. (2006) argue that many people make a fundamental attribution error when considering the DM of the poor placing too

much emphasis on internal attributes and not enough on situational forces. For example, there are many situational reasons why poor populations have low participation in mainstream financial institutions, such as cost-benefit analysis, cultural factors, lack of options in the geographic area, and distrust of financial institutions among others. In essence, the decision for a poor individual to participate in mainstream financial institutions is constrained in a number of ways. Olson, McFerran, Morales, and Dahl (2016) found that cultural stigma surrounding the DM of low-income earners and welfare recipients who were deemed to be less deserving of certain consumer products, namely 'green' products since that were costly yet more ethically conscious. Bounded rationality, a concept that complicates scholarly notions of DM, accounts for constraints.

### **Bounded Rationality**

Bounded rationality, a theoretical framework presented by Simon (1976), was an effort to complicate the way organizations have been constructed as purely rational. Rationality is defined as, "intentional, reasoned, goal-directed behavior" (Mumby & Putnam, 1992). In scenarios where pure rationality was assumed, individuals would selected the best choice based on evaluation of options. Simon's (1976) use of the adjective 'bounded' nuanced assumptions of pure rationality by arguing that DM is limited by various contextual factors.

Simon (1972) posits three limits to pure rationality. The first occurs when there is *uncertainty* about consequences of alternative choices. In essence, if there is incomplete information regarding particular decisional outcomes then it is not possible to make a purely rational choice. Second, rationality is limited when there is *incomplete information* about alternatives. In essence, if one does not have a full range of data available then certain choices can be omitted, obscured, or overlooked. Finally, rationality is limited when *complexity* about a decision is so high that evaluation and consideration cannot be fully carried out.

Despite the heuristic utility of bounded rationality, it is not without critique. Mumby & Putnam (1992) deconstructed bounded rationality through a feminist lens identifying patriarchal assumptions for organizing. Their argument presents the notion of bounded emotionality with alternative feminist ways of organizing (Mumby & Putnam, 1992). They ultimately redefine the relationship between rationality and emotionality. This study aimed to theoretically examine bounded rationality from a social class lens. The limits to rationality Simon (1972, 1976) identified, are likely emergent in DM for the financially precarious, yet in unique ways.

It is likely that financially instable populations are also faced with uncertainty, incomplete information, and complexity when faced with decisions in their daily lives. For instance, many times financial instable populations have been stigmatized and stereotyped regarding their financial DM processes. A recent example can be found in the comments of politician Jason Chaffetz. “Utah Republican Jason Chaffetz said that rather than “getting that new iPhone that they just love,” low-income Americans should take the money they would have spent on it and “invest it in their own health care” (Ingraham, 2017). This comment has drawn public attention to the ideological assumptions and stigmas placed onto financially instable populations, which complicate DM. In fact, Olson et al. (2016) found that low-income earners were judged more harshly and considered less moral regarding their consumer choices when compared to high-wage earners. In Servon’s (2017) study about the unbanking of America, she found a stigma regarding low-income population’s decision to use services such as payday loans and check cashing services. Servon’s (2017) study challenges stigmatized perceptions of these financial decisions. Many scholars who have studied the DM processes of the financially instable have considered explicitly financial decisions (Bertrand et al., 2006; Olson et al., 2016; Servon, 2017). Our study does not restrict its analysis to financial decisions and instead examines

personal narratives in order to explore the variety of difficult decisions emergent in the lived experience of the financially unstable. We aimed to produce a substantive theory grounded in data that explains this process. One communicative phenomena that could mitigate the challenges of such DM processes for financial instable populations is social support.

### **Social Support**

Burleson and MacGeorge (2002) define social support as “the study of supportive communication: verbal (and nonverbal) behaviors intended to provide or seek help” (p.384). Social support strongly influences individual well-being (Braithwaite & Eckstein, 2003) and is thus relevant to our study of DM processes given our populations’ financial instability. We use House’s (1981) typology including the following types of social support: informational, emotional, appraisal, and instrumental. Informational support comes from obtaining information that reduces stress (House, 1981). Informational support decreases uncertainty and provides a sense of control (Malecki & Demaray, 2003). Emotional support accounts for expressions of love, trust, concern, or caring (House, 1981). Appraisal support provides evaluative feedback that is useful (House, 1981). Appraisal support often involves social comparison (House, 1981). Instrumental support is physical, tangible, or material including financial, physical, or effort based resources (House, 1981). To better understand social support in the DM processes of the financial instable this study took grounded theory approach to answer the following research question: how does social support function in the DM processes of financial instable individuals?

### **Methodology & Methods**

Grounded theory is a methodology that uses data to build theory (Corbin & Strauss, 2008). Theory is defined as, “a set of well-developed categories (themes, concepts) that are systematically interrelated through statements of relationship to form a theoretical framework

that explains some phenomena (Hage, 1972, p. 34). Grounded theory was appropriate for this study because there was limited theoretical knowledge about how the financially insecure make decisions in light of social support. The social support typology (House, 1981) and the notion of bounded rationality (Smith, 1972, 1976) could not fully explain the theoretical process of DM within the context of financial precarity. Grounded theories use a central concept in combination with other concepts to explain the “what, how, when, where, and why of something” (Corbin & Strauss, 2008, p. 55). The central concept for this analysis was (in)stability.

Grounded theory analysis have historically generated a range of different types of theories from the substantive to the formal (Corban & Strauss, 2008). Substantive theories are focused on a specific area or topic tied to a phenomena and explicitly connected to a group or place (Corbin & Strauss, 2008). In this case our grounded theory is specific to a group, the financially insecure. Formal theories are “usually derived from investigations of a concept under a variety of different related topics and conditions, they become much more abstract and have greater applicability than substantive theories or middle-range theories” (Corbin & Strauss, 2008, p. 56). The development of a substantive theoretical model emerged from data analysis.

First developed by Glaser and Strauss (1965), grounded theory involved conducting research and analyzing results comparatively. Creating grounded theory does not require a set of formulaic rules; rather, the researchers are inclined to follow the lead of the data (Charmaz, 2006). Data analysis provided a vehicle to construct theory and sensemaking. Further, the researchers gained insight through interpreting codes and comparing codes to one another.

### **Data Collection**

For this study, we worked in partnership with United Community Services of Johnson County (UCS), a local non-profit organization. According to their mission statement, United

Community Services of Johnson County provides data analysis, leads collaborative planning, and mobilizes resources to enhance the availability and delivery of health and human services” (United Community Services of Johnson County, 2012). The center does not offer direct support; rather, UCS amalgamates groups in the community to address specific needs such as poverty, homelessness, trauma, and mental health.

Our partnership with them enabled us to access people that fit the definition of financial instability. Financial instability, for the purposes of this study, was operationalized as a person who was 200% below the federal poverty level, per 2016 guidelines. This range included a single person earning \$23,760 or less to a family of four earning \$48,600 or less (U.S. Department of Health and Human Services, 2016). In addition, this partnership provided the possibility of seeing if our research could produce tangible results for UCS’s strategic planning process that is working to end poverty in the most affluent county in Kansas. Johnson County, KS was an analytically compelling site for research due to its affluence. Scholars have maintained that affluent communities systematically deny issues of poverty supporting a fallacy that social class issues do not exist in such communities despite the persistent prevalence of such issues (Harter, Berquist, Titsworth, Novak, & Brokaw, 2005).

The research design was a collaborative effort. The project was dually designed so that it met the needs of UCS’ strategic planning efforts for anti-poverty community collaboration and function as part of the researcher’s programmatic line of research. Once both parties were satisfied with the research protocol and procedures, these materials along with detailed rationale outlining the study were submitted and approved by the university’s Institutional Review Board (IRB). Upon receiving IRB approval, UCS recruited participants from the community. In order

to be eligible for the study participants had to be at least 18 years of age, living at or below the 200% federal poverty level, and be a resident of Johnson County, KS.

In order to understand the scope of financial instability, participants were interviewed in focus groups. In focus groups settings there is always the possibility that some members might be reticent in sharing their life experiences, but that reticence is likely tempered with additional members who have lived similar experiences. The focus groups were conducted in a semi-structured manner since it was imperative that the participants be given as much time to expand upon their answers without steering answers into preselected categories (Glaser, 1978). A semi-structured focus group also allowed the facilitator to probe responses that were compelling, incomplete, or needed further explanation. As a result, the focus group volunteers provided richer responses as each participant's story helped inform others.

Data collection took place from Monday, August 8 through Tuesday, November 29, 2016. The first author executed focus group facilitation for all focus groups in various locations around the county including a local food bank, local coffee shop, workforce training center, and at the department of corrections. We interviewed participants in Johnson County, Kansas where all participants resided. All participants received a \$25 gift card at the end of the focus group as compensation for their participation. The funds for gift cards were provided by UCS.

We conducted five focus groups with a range of four to six participants each. All participants signed a consent form and completed a demographic questionnaire. All were invited to respond to open-ended questions as prompts for discussion. Examples of these questions included: (1) what stress or struggles in general have you experienced based on your employment or unemployment? and (2) who do you go to when you need support or encouragement? All focus groups were recorded with a digital audio recorder. Focus groups

lasted an average of 97.6 minutes each. In total there was 8 hours and 8 minutes of audio, which were professionally transcribed into 217 pages of single-spaced text. The second author joined the project once the transcripts were returned and assisted in data management and analysis. The second author verified transcriptions for accuracy against the original audio.

### **Participant Demographics**

The group demographics showed a variety of demographic backgrounds. There were 25 participants total, including 18 women and seven men. The youngest participant was 18 years old while the most mature was 72 years old. The average age was 37 years. Educational backgrounds varied including seven without high school diplomas, five with high school diplomas or an equivalency, five with some college education, seven with college degrees, one person who held a master's degree.. Of the participants 16 self-identified their race as White/Caucasian, seven self-identified as Black/African-American, one as Asian, and one as Hispanic. A table overviewing the demographics can be found in Appendix A.

### **Data Analysis**

Once all transcripts were reconciled by the second author, both researchers engaged in data analysis. Data analysis included an overall process of data management, data reduction, and thematic analysis. The researchers began with an initial coding process reading the transcripts line by line and highlighting significant chunks of text and organized these texts in descriptive labels (Charmaz, 2006). Researchers engaged the initial coding process independently and then held meetings in person, by telephone, or via digital video conference to discuss the analysis process and emergent ideas. Since the goal of initial coding was to unearth hidden assumptions (Charmaz, 2006), initial codes with higher frequency were used in a focused coding process.

The focused coding hinged on more in-depth analysis of codes that appeared most frequently. Initial coding produced 40 codes that merited discussion. From this, focused coding delivered eleven categories that showed compelling insight into financial instability. However, there were other categories that demonstrated salience by appearing across all five focus groups, as opposed to categories that had high numbers but did not translate across all interviews.

The next phase was axial coding. Axial coding is the process of reuniting the dispersed data back to the whole picture (Strauss and Corbin, 1998). In this process, the researchers can frame their data in subcategories. Specifically, there are three general subcategories for classification: conditions, actions/interactions, and consequences. Conditions are the situation that provided the experience for research. Actions and interactions consist of how the participants react to their experiences. Lastly, consequences are the result of these actions and allow researchers to answer the “why” and “how” questions. For the purposes of this study, the “how” and “why” questions are important to comprehend the decisions that play into adapting to financial precarity and the associated hazards. Axial coding closes the loop between “what” happened to understanding “why” and “how” this could have been prevented.

The final phase of analysis included modeling and analytic memoing. Based on the data several models were drawn on white boards that articulated the emergent process found through data analysis. These models were revised multiple times, and then finally crafted in word processing software. This process took a series of week. Each iteration of the models were compared against the data. The data disconfirmed, confirmed, challenged, and redirected analytical thought. While constructing models that reflected our interpretation of the data we also developed analytic memos. Analytic memos supported overall interpretation of the data and the model developed. As analytic memos were written models were further revised. This constant

comparative method allowed a nomadic analytical approach that led to the following findings. We then translated analytic memos into an executive summary in a pragmatic way that could be used for UCS's strategic planning for anti-poverty programming. Our aim was to make findings easily accessible and applicable to practitioners that support financially insecure individuals.

### **Findings**

The texture of decision-making (DM) for the financially insecure meaningfully shifted when social support was present or absent. Those who were lacking social support, found themselves in “no win” situations with few viable alternatives. Those with social support were able to recount situations that infused their DM with moments of dignity. As we analyzed the core concept of (in)stability, the intersection of DM processes and social support were tightly woven and led to divergent experiences. The result of our grounded theory analysis produced two theoretical DM models that revealed the DM trajectory for those with social support compared to those without. Both models are undergirded by the presence of uncertainty, urgency, complexity, and risk. These models nuanced scholarly knowledge regarding bounded rationality by revealing the context of DM, which is not only bounded by information deficit, as articulated by Simon (1972), but also by social class via the constraints of materiality. The findings begin by addressing the context of financially insecure DM. Next two grounded theory models are presented and we close with a discussion of the research questions and contributions.

**Underbelly of Financially Instable Decisions: Uncertainty, Urgency, Complexity, and Risk**

The precarity of living in continual financial instability constructed lived experiences with an interdependent sense of uncertainty, urgency, complexity, and/or risk. It was difficult for low-income individuals to envision how change in their lives, for example opportunities to go back to school or find better jobs, would be logistically possible. The coordination of their lives

was surrounded by uncertainty, urgency, complexity, and/or risk. These qualitative attributes are interdependent changing the nature of DM processes for the financially insecure. In addition, the uncertainty of their financial insecurity was often exacerbated in the absence of support.

Participants rattled off questions they considered in relation to specific decisions they faced, which revealed the uncertainty and complexity of their choices. All participants had a sense of urgency looming over decisions. Many had interdependent stakes that were contingent on decisions that could increase the level of risk and shrink the metaphorical “margin of error” (Bertrand, Mullainathan, & Shafir, 2006).

Ginger, a 30 year-old single mother of two, worked 5-8 hours weekly as a Hairstylist. She was unable to increase her clientele and was frustrated because many clients canceled without notice. Late cancellations cost money especially when childcare was already arranged. Ginger wanted to go back to school and hoped to shift her career, but was overwhelmed with the number of decisions and necessary arrangement in order to fit school into her life.

“I really have not planned to change my career until recently, and so now I'm just trying to plan everything out accordingly. Um, when am I going to be able to get the classes? Who's gonna watch my children? How am I gonna pay for it? Am I going to be able to complete this, and ... Or, am I gonna waste my money. You know.... There's just so many things that I have to have organized.... but all the anxieties of it, I'm just trying to.... you know, weigh out the pros and cons of things, and figure out, which direction to go.”

Ginger also explained that she did not receive assistance from her children's father. This lack of support increased her situations financial, physical, mental, and emotional strain. Ginger felt that going back to school was a smart decision, but thinking about all the changes this decision entailed produced “anxieties.” She spent a great deal of psychic effort trying to “weigh out the pros and cons of things, and figure out, which direction to go.” Similar aspects of DM were intimidating, overwhelming, and debilitating at times. Ginger's situation was exacerbated by the

reality that her support system was lacking. In Ginger's situation she was facing all four interdependent elements of financially insecure DM: uncertainty, urgency, complexity, and risk.

During focus groups, participants were asked about job search efforts. Decisions about finding new work opportunities were constrained by social class status. For example, Sasha, a 21 year old, Patient Care Assistant, strongly disliked her current employer. However, she had little mobility in part due to her low educational attainment. Sasha was emancipated from her family at a young age and began working full-time relatively early in life. This decision to leave her family and support herself constrained her ability to earn a college education. However, Sasha's need to be financially self-sufficient and her desire to go back to school existed in tension with one another. When asked about the types of things she considered during job seeking, Sasha disclosed the following:

“Like is it going to help me on my resume, or will it hurt me? So I look for that first, and then I say, "Well, is it something that I want to do in the future?" I look at how much I'll be getting paid, the hours that they'll need. If, when I start school, will it be able to be flexible with my schoolwork? Um, where is it? Is it feasible for me to drive there, or is it gonna cost me more? Um, will they understand what I'm trying to do, me being a young person, and trying to go back to school, and, you know, will they see that as a positive thing? Or will they see that as, "Oh, she's not gonna be here for long.”

Sasha's barrage of questions revealed uncertainty, complexity, and risk. The urgency of Sasha's situation was not as strong as the other attributes. The questions Sasha asked herself were common questions anyone might ask, but her DM was constrained by financial precarity, at-risk stability, and lack of social support. The complexity of decisions like going back to school or looking for work was exacerbated by other circumstances like having a criminal conviction.

The narratives of individuals with convictions in our study revealed DM processes that were more tightly constrained. For instance, Marisol, a 37-year old former Bilingual Translation

Specialist was living in a county-sponsored house arrest facility and had completed rehabilitation. Residents of this facility must obtain stable employment and find housing before they are permitted to leave. Marisol disclosed how finding work was increasingly challenging due to her conviction despite the reality that she was ready to be a productive citizen and worker.

“There's some housing that doesn't like you to be able to get homes if you're a felon. Or if you have prior evictions and things like that...And if you have an eviction and you're trying to change your life and attend to your own home. How are you going to do that if you don't get a chance to?”

The societal stigmas about criminal history amplify the stigmas (Dougherty, Rick, & Moore, in press) associated with low-income instability making it increasingly difficult to move toward upward mobility. Marisol disclosed her dreams of finding a new home, securing a job, and working hard so that she would earn a promotion into a leadership position. Marisol's uncertainty and urgency was complicated by her felony and doubts about navigating this stigmatized mark on her character. If the financially insecure made faulty decisions, financial precarity could be exacerbated triggering downward mobility. Low-income populations live in situations where they can be easily thrust into poverty (Newman & Chen, 2007). The uncertainty, urgency, complexity, and risk undergirded all major decisions related to upward mobility.

The financially insecure were entangled by the uncertainty, urgency, complexity, and/or risks of decisions, which metaphorically suffocated lives similar to the way insects become trapped in the strands of spiders' webs (Dougherty, 2011). Their “margin of error” (Bertrand et al., 2006) shrunk rapidly while the stakes grew higher. The presence of social support was transformative while the absence of social support suffocated DM processes.

### **Difficult ‘No Win’ Decisions, Desperation, & Downward Mobility**

The first model of DM processes depicted the lived experience for the financial instable when lacking a solid support system. This first theoretical process emerged from analysis of the data and is depicted in figure 1. Participants recalled times where they were faced with decisions that potentially worsened their already strained situations. These situations resulted in a number of outcomes, most of which had the potential to trigger downward mobility. In some cases participants were forced to decide due to urgency. In other cases a choice was made for them, which required them to accept and manage consequences. In other instances, situations worsened because DM processes remained in limbo exacerbating instability. All of this was connected to a lack of social support. The surrounding contextual factors of uncertainty, urgency, complexity and/or risk were present undergirding such decisions.

Sunshine, a 30 year-old personal banker and single mother of two, described a situation where she was forced to take a lower paying position despite her need for higher compensation.

“I actually took a huge pay cut.... I was at seventeen dollars an hour. My pay right now is eleven fifty. I took huge, huge pay cut. The hours were different, but [my previous job at] the warehouse was killing me. I had cysts in my joints, in my hands, from the boxes. I lost forty pounds, I was really unhealthy. I was doing nothing but sleeping.”

In the focus group, Sunshine explained how the negative health effects of previous her job negatively affected her ability to parent. However, making \$5.50 less per hour also negatively affected her ability to provide for her family. Decisions, such as this one, have the potential to trigger downward mobility. Choosing to take less compensation increased her and her family’s financial instability.

Some participants revealed that the desperation of potential downward mobility triggered decisions to participate in illegal activity in order to “make ends meet” as Steve-O, a 34 year-old

Former Drywall Finisher and single father, disclosed. He was not alone. Jim was one of the few participants who liked his previous work. He was 24 years old and a former metal fabricator. The only issue was his compensation. Jim explains,

Jim: I did not like what I got paid. I liked the work a lot more than the money. I only got paid \$9.40 an hour, although I got 60 hours a week, but that's still barely 400 a week that I got to bring home. So it wasn't the money that was keeping me there, it was the skills I was learning. I've worked there for a year and a half, but I don't know if that'd be long enough for me to get a job elsewhere doing the same work for a lot better pay.

Interviewer: How did you manage on 400 a week?

Jim: Selling drugs

Jim resorted to selling drugs in order to manage his living expenses. This was a risk he took in order to stay at a low wage job where he was learning a skill. This decision among other caught up with him legally. Jim was extremely concerned about his ability to find a job and maintain sustainable employment with a felony on his record. As Sparkles, a 19-year old former temporary laborer stated, "Just because I sold drugs doesn't make me any less of a worker though." The stigma connected to felonies not only limits job prospects, but also their level of social support despite the reality that all of our participants wanted to work.

There was one participant whose situation was at the tipping point. Ms. Mama, a 48-year old Former Bank Teller, was a mother, grandmother, and wife. Ms. Mama was the breadwinner in her family cared for her children, grandchildren, and disabled husband. She had recently been diagnosed with and hospitalized for type two diabetes. In addition, she was feverishly searching for work because her family's financial instability was seemingly about to implode.

"I'm dealing with a situation right now with utilities because I'm not working....I've been in and out the hospital like two, three times since this last Thursday when they released me. Um, we had a disconnect [utility notice] 'cause like I said my husband is disabled, so I don't have an income, so his income has to take care of the rent, the lights, the water, at

the time [a] car. And my car [needs] repairs, I have to get another engine, so I don't have that money so we [are] without transportation. The money that we need to get to point A to point B we have to catch a cab or we have to walk, or catch the bus when it's convenient. So, that's a lot. And so, I called and said, "Well can I get some help on my utility bill?" [They said] "You have to call back on Thursday on the first." "I have a disconnect [due before then]." "Well you just have to tell [the utility company]" and this sucks because they don't make any more arrangements....When you call these [social welfare] agencies they're not compassionate and that really just ...You know, it's like you said, you get in a hole, it's like quicksand. You're hitting rock bottom....What [are] we going to do about lights because I can't afford to lose my housing. I have to have my insulin. It has to be refrigerated. I'm in a no win situation."

The intersecting elements of Ms. Mama's situation amplified the urgency, uncertainty, complexity, and risk woven into her lived experience and the dependents for which she cares. Later in the focus group, Ms. Mama explained that her credit score has plummeted since she could not keep up with her student loan payments and medical bills. This was complicated by the fact that she was looking for job opportunities in banking, an industry that typically runs a credit check for hiring. Note, Ms. Mama's vivid language. She used the descriptors "quicksand," "hitting rock bottom," and "no win" to convey her experience. Ms. Mama also disclosed that family members told her to no longer call when she needed help because they were "not the ATM." The lack of support system that many participants described amplifies the precarity of financial instability.

These exemplars were just a few instances that emerged in the data and were largely representative of the types of difficult decisions low-income individuals regularly faced. The theoretical model in figure 1 documents a processual pattern that emerged within and across the narratives when no social support was available. Figure 1 depicts the aftermath of DM processes for low-income individuals during the absence of social support.

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Insert Figure 1 Here  
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Individuals with lower social class status regularly faced difficult decisions. Due to their class status their ability to make rational decisions were simultaneously bounded by a lack of material resources and the absence of social support. Due to the absence of social support, the outcomes of difficult decisions had potential to trigger downward mobility in desperation that exacerbated the difficulty of the next decision to be made.

### **Difficult Decisions, Supportive Intervention & Temporary Stability**

There were a limited number of instances where participants were able to recount a situation when social support was available. The support provided transformed the outcome of a difficult decision into *temporary* stability. Support provided rarely made decisions easy, but did provide short-term relief from the instability of the immediate circumstance.

For example, Steve, a 30 year-old, Former Mechanic, disclosed a story about a time he became unexpectedly homeless and his new supervisor supportively intervened.

“I ended up homeless. Where I was kicked out, and I told my boss, you might want to replace me pretty quick. I'm gonna be really unreliable here in about—tomorrow. He was like, [Steve], you work way too hard to be hungry or homeless or anything like that, so he brought me home with him. His wife looked at me like I was a puppy. She was just like, aww, he's adorable. I tried to get another [place] as quick as possible and his wife kind of slapped me, said no, you should just stay here. If you can afford to rent the room, rent the room, but get your shit together before you leave, dumbass. She was [a] pretty cool little lady. I was pretty shocked. I never thought in a million years that a boss... I'd only been on the job for like 3 weeks, I never thought in a million years. I pretty much told him, I'm quitting. He was like, wait, let's think about this....It made me feel like a human being. The reason I lost my place to live was over some bullshit. Me and the old lady split up, so I was out in the cold....I figured, well, there goes my job, fuck, now what am I gonna do?

Need to call the drug dealer now. Then I went in the next day and I was expecting him to tell me to get out now. Instead, he was just like, go to work, we'll talk about it later. At the end of work he was like, well, are you getting in the truck or not? I was like, sweet.”

Steve was a car mechanic who was new on the job and his narrative revealed that the intervention of a supervisor, someone higher on the organizational hierarchy, shifted the trajectory of that difficult decision. Steve’s supervisor and the supervisor’s wife provided him with instrumental, informational, and emotional social support. Steve’s disclosure that he would have gone to see his “drug dealer” reveals that his difficult decision might have triggered illegal activity and potentially downward mobility. However, the opportunity to remain temporarily stable shifted the trajectory of this decision. Steve said this support made him feel “like a human being” revealing the sense of dignity that resulted from this experience. The supportive intervention Steve experienced was unexpected. Steve explains that he thought his boss would tell him to “get out now.” Fortunately, that was not the case.

Steve was not alone in receiving instrumental support. There were other instances participants recalled where support provided temporary stability from family. Ms. K, a 58-year old widow, worked as a part-time hostess at a local restaurant chain. She explained that she did not know what to do if she had not received help, “This is the thing. My car is broke. Got glass all over me, shattered. If it had not been for my 82-year old father helping me what would happen?” Ms. K intentionally found a job she could walk to in case she lost transportation again. Similarly, Ginger disclosed that she received help from a parent as well. “I barely make my ends meet, pretty much. I'm struggling to pay my bills, usually...I do get a little bit of help from my mom, from time to time, but she's kind of, you know, in the same boat, really.”

Friends also provided a source of support to our participants, yet support was not always enough to transform a situation. For example, Sunshine explained,

“I just got out of a big hole. I moved out of state and came back, and I was supposed to be all set when I came back and my place fell through. I was staying with a friend with my kids. I couldn't save money because I didn't have anywhere to put any food. I was always constantly spending all my extra money, couldn't save anything. Still haven't paid my regular car payment. My credit is crap so it's not like I can just walk up somewhere and be like, "Hey give me an apartment." They agree. I have to work for it. Just came out of that in January, then stuff happened to my car. Come July I was pretty much in the same vicious cycle that I was in. About to lose my place, didn't have any money. It's just this battle and if you don't ... have a consistent job, or one of those pieces, transportation, or job, or whatever [could go] at any moment [then] it could be a very different story.”

Sunshine's example nods to the various interdependent and precarious aspects of a financially instable lived experience. The difficulty finding housing, inability to store food at her friend's home, and car repairs/maintenance entangled her lived experience. Sunshine also described the cyclical nature of financial instability when she said, “I was pretty much in the same vicious cycle.” Sunshine made the decision to move out of state because she thought she'd be able to escape this cycle by receiving more government assistance in a new city. However, the increased assistance did not make up for the cost of living increases. According to Sunshine, “It was still paycheck to paycheck, broke to broke.” Sunshine admitted later her situation was, “actually overdraft to overdraft.” While the instrumental support of living with a friend provided temporary stability alleviating an issue with shelter, it did not create a sizeable enough intervention where Sunshine was able to make progress financially. In essence, instrumental support in one area (i.e. housing) helped, but was not sufficient to create stability.

The second process that emerged from data analysis is depicted in figure 2. The theoretical model outlined in figure 2 depicts DM processes for low-income individuals when there was a source of social support. These instances led to temporarily stability.

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Insert Figure 2 Here  
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Note that the provision of support never trigger meaningful upward mobility the way that the absence of support triggered downward mobility. However, receiving social support created circumstances of temporary stability that provided short-term relief until the next difficult decision.

### **Discussion**

The research question for this study asked how social support functioned in the decision-making (DM) processes of the financially instable. A qualitative grounded theory approach was taken to answer this question and better understand DM processes in light of social support resources for this population. All difficult decisions were contextually undergirded by uncertainty, urgency, complexity, and/or risk. The absence of social support required the financial instable to make difficult ‘no win’ decisions that often led to triggers of downward mobility. The presence of social support (whether it be instrumental, informational, appraisal or emotional) (House, 1981) shifted the trajectory of DM by opening up alternative options that would not have otherwise existed and led to of temporary stability and momentary dignity.

This study contributes to literature on bounded rationality, decision making, social class, and social support communication. Scholars have recognized the “instrumentality of communication” within the realm of group and organizational DM processes (Poole & Hirokawa, 1996); our study expands the applicability of knowledge regarding DM processes to domains that span outside the domain of work. The theory of bounded rationality was drawn

from as a way to better understand the how the constraints of rational decision making have been theoretically addressed. In addition, the literature on bounded rationality advanced understandings of DM processes by exploring the limitations of pure rational choices (Simon, 1972, 1976). However, the limitations presented in the theory of bounded rationality privilege information as a constraint arguing that uncertainty, incomplete information, and complexity are the primary inhibitors of rationale DM. Expanding this theory to look at the context of individual DM in the midst of financial precarity revealed the way material constraints in tandem with urgency and risk have bound decisions in addition to the uncertainty and complexity Simon (1972, 1976) identified. The findings of this study have classed DM processes by more fully considering the way materiality and social support systems constrain and liberate DM for the financially insecure. Once materiality is foregrounded, bounded rationality can be more fully explored in relation to classed phenomena such as social mobility, economic precarity, and support networks. We coin the term *materially bounded rationality* to extend this theoretical concept to account for the classed constraints put on DM processes that limit alternatives.

Materially bounded rationality and our theoretical models carry heuristic value for future organizational studies. Since information deficit and processing (Simon, 1972) are not the only reasons for bounded rationality, the exploration of materiality and support in DM could be analyzed at multiple levels of organizational life. For example, future research could examine material constraints and support in DM for bankrupt or non-profit organizations.

There are a number of practical implications that emerge from our analysis, which we shared with our non-profit partner, UCS. First, it is important for social service organizations and practitioners to remember that the difficult decisions faced by low-income populations are continually undergirded by a sense of uncertainty, urgency, complexity, and/or risk. Focus group

participants expressed frustration with the seemingly desensitized attitude public service practitioners had toward difficult decisions. Secondly, given the sense of urgency experienced, processes to obtain aid should be streamlined so that temporary stability can be fostered and risk minimized. Organizational resources can go beyond the creation of temporary stability and identify opportunities to create sustainable and meaningful change that results in long-term stability and upward mobility. Helping one financially precarious individual in one decision, does little to transform trajectory, especially if they are caught in a “vicious cycle” of downward mobility and exhibiting materially bounded rationality. Social service organizations have an opportunity to develop programming that avoids traditional assumptions and classed stereotypes by instead re-envisioning holistic, long-term support promoting sustainable upward mobility.

Finally, effective social networks are powerful. Employing organizations can better facilitating networking vertically across social class hierarchy that is infused with mentorship. Several participants recounted times a supervisor supported in ways that created temporary stability. If relationships were formally cultivated then the supportive interventions could become more commonplace in the lives of the financially insecure fostering opportunities for stability. Future research could examine mentoring program implementation that lead to pathways for sustainability.

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## Appendix A

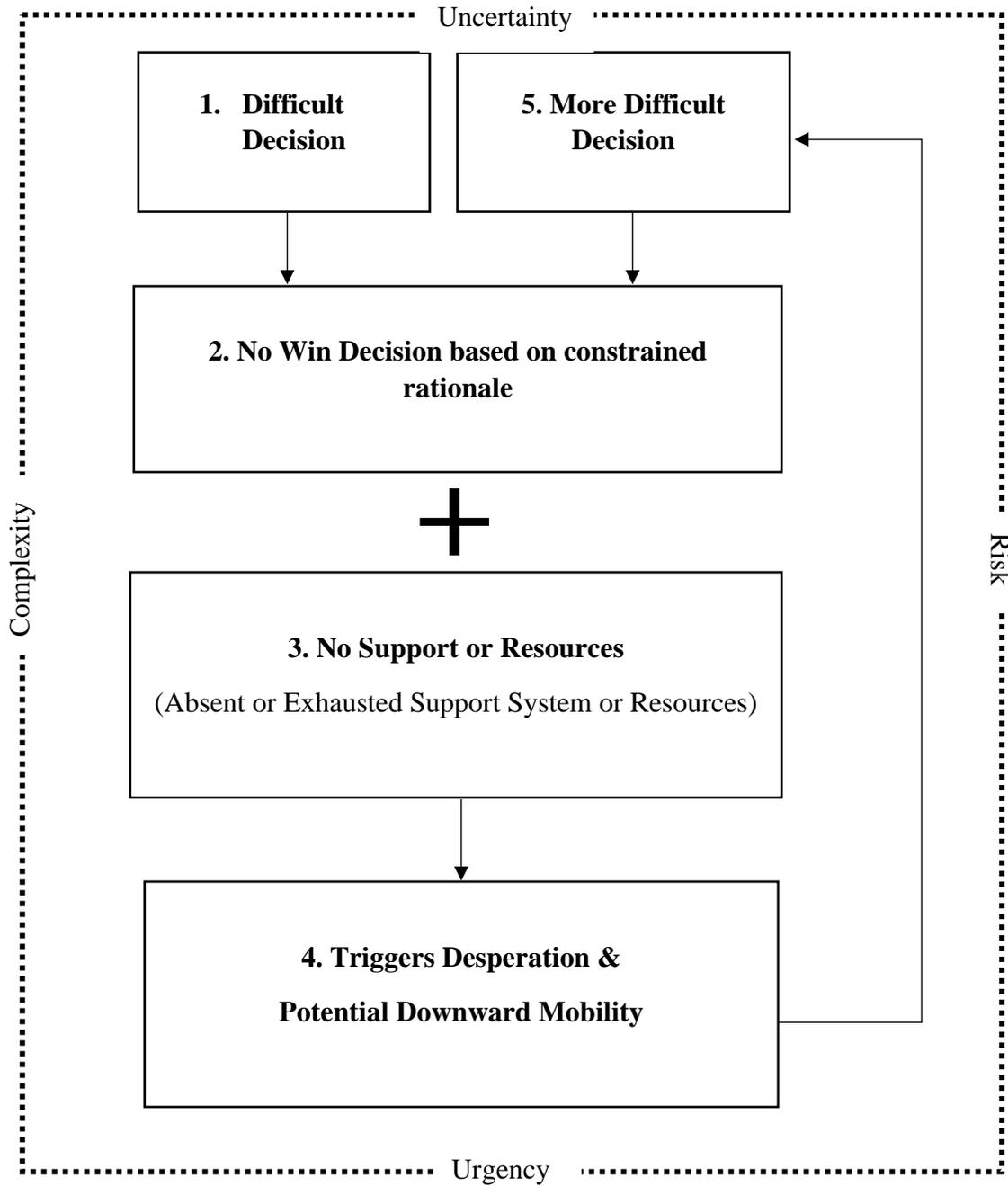
Table 1

<b>Pseudonym</b>	<b>Age</b>	<b>Race</b>	<b>Education</b>	<b>Employment (Previous or Current)</b>
<b>Darlene</b>	66	White	Associate	Administrative Assistant
<b>Manzar</b>	55	White	Master	Lab Support
<b>Lovely</b>	38	Black	Associate	Transcriptionist
<b>Hard 2 Be Me</b>	44	White	Some College	Part-Time Clerk
<b>Maddie</b>	18	Asian	High School Diploma	Turnstiles Clerk
<b>Marco</b>	46	Black	High School Diploma	Customer Service
<b>Steve-O</b>	34	White	GED	Drywall Finisher
<b>Tom</b>	23	White	High School Diploma	Never Employed
<b>Richard</b>	59	White	Bachelor	Garbage Truck Driver
<b>Jim</b>	24	White	11 <sup>th</sup> Grade	Fabricator
<b>Steve</b>	30	White	12 <sup>th</sup> Grade	Mechanic
<b>Sparkles</b>	19	Black	11 <sup>th</sup> Grade	Temporary Worker
<b>Charisse</b>	21	White	Some College	Audio Producer
<b>Niki</b>	41	White	10 <sup>th</sup> Grade	Jersey Catcher
<b>Princess</b>	25	White	8 <sup>th</sup> Grade	Housekeeper
<b>Sunny</b>	25	Hispanic	10 <sup>th</sup> Grade	Entertainer
<b>Marisol</b>	37	Black	Some College	Bilingual Clerk
<b>Ms. Mama</b>	48	White	Associate	Sales, Banking
<b>Sunshine</b>	30	White	Some College	Banker
<b>Mrs. K</b>	58	White	12 <sup>th</sup> Grade	Hostess
<b>Stephanie</b>	72	White	Bachelor	Library Circulation Clerk
<b>Ginger</b>	30	White	Some College	Hairstylist
<b>Toni</b>	25	Black	Bachelor	Server/Caterer
<b>Joey</b>	28	Black	Bachelor	Marketing
<b>Sasha</b>	21	Black	High School Diploma	Patient Care Assistant

*Demographics of the study participants.*

**Figure 1.**

*Decision Making Model #1: Absent Support System Triggering Potential Downward Mobility*



**Figure 2.**

*Decision Making Model #2: Supportive Intervention Facilitating Temporary Stability*

