

A comparative study in Money Attitude among University Students: A Gendered View

Leila Falahati

Department of Women Studies, Faculty of Humanities and Social Sciences, Science and Research Branch, Islamic Azad University, Tehran, Iran

L.falahati@gmail.com

Laily Hj.Paim

Department of Resource Management and Consumer Studies, Faculty of Human Ecology, University Putra Malaysia

Laily@putra.upm.edu.my

Abstract: The paper aims to examine gender differences in money attitude among college students. Using the stratified sampling method, 2,340 college students from six public and five private colleges were studied. The findings indicate gender differences for different dimensions of money attitude, in which males were attached to money as a power/prestige tool while experiencing anxiety and having a retentive attitude toward money. Meanwhile female students were conservatively minded about money, as well as being attached to money for self-gratification purposes. [Leila Falahati, A Comparative Study in Money Attitude among University Students: A Gendered View. Journal of American Science 2011;6(3):1144-1148]. (ISSN: 1545-1003).

<http://www.americanscience.org>.

Keywords: Money Attitude, Gender, University Students, Financial Behavior,

1. Introduction

Money attitude and behavior have been a common cause of concern among economists, psychologists, and sociologists for over three decades. The majority of studies have recognized different aspects of money, demographic variables that are associated with money attitudes, and frameworks based on psychometric theories to explain financial behavior (Masuo, et al., 2004). Studies of financial issues revealed that attitude to money play an important role in determining a person's financial management and level of financial well-being (Joo and Grable, 2004; Porter and Garman, 1993; Shim, et al., 2009). A number of research findings emphasized that, generally, persons with stronger perceptions and positive financial attitudes tend to be more satisfied with their financial appraisals (Joo and Grable, 2004) and have more effective money management. In respect of financial matters, previous research generally proposed that past experiences formed attitudes toward money.

Evidence suggests that attitudes precede the development of money behavior (Roberts and Jones, 2001), in other words, money attitude contributes to predict financial practices (Dowling et al., 2009; Shim, et al., 2009). Attitude has been defined as "a tendency to act in a favorable or unfavorable way toward an object" (Eagly and Chaiken, 1993). Concerning money, Lown and Ju (1992), proposed that our attitudes and feelings surrounding money are integrated into our lives and, thus, motivate behavior in subtle ways.

In this respect Lim and Teo (1997) studied a sample of undergraduate university students in Singapore, and found that students who experienced financial hardship were more likely to use money as a form of evaluation, be more generous to the less fortunate, and have higher levels of financial anxiety compared to students who had not experienced financial hardship (Lim and Teo, 1997). Abelson and Prentice (1987) indicated that the ways in which individuals define their relations to material possessions reflect their general beliefs and values about money, which are typically influenced by past experiences.

The studies of money attitude among university students indicate that males and females understand money differently. Previous researchers who have examined the relationship between socio-demographic variables and money attitudes concluded that males and females have different beliefs about money (Allen et al., 2008; Hayhoe et al., 2000), which is due to the different financial socialization during childhood (Hira and Mugenda, 2000; Lim et al., 2003). The results of financial attitude studies (Dowling, et al., 2009; Hayhoe, et al., 2000; Lim, et al., 2003; Masuo et al., 2002) among college students revealed significant differences between male and female students in money attitude dominants.

Gender theories suggest that men's and women's perceptions are different, in part, due to socialization (Hira, 1997). However, it is well documented (Gutter et al., 2009; Newcomb and

Rabow, 1999; Shim et al., 2010) that families use different strategies to financially socialize boys and girls, which includes protecting girls from financial issues, and encouraging boys to participate in family financial decision making and practices (Newcomb and Rabow, 1999).

Lim and Teo (1997) conducted a study on a sample of undergraduate university students in Singapore, and found that students who experienced financial hardship were more likely to use money as a form of evaluation, be more generous to the less fortunate, and have higher levels of financial anxiety compared to students who had not experienced financial hardship (Lim and Teo, 1997). In addition, the findings of Lim and Teo (1997) showed some gender differences, with males often using money as a means of evaluation compared to females.

Later Lim et al., (2003) conducted a study among the Singaporean Chinese, which supported that men were more concerned about the power and anxiety dimensions, while women were more concerned about the budget, retention and evaluation dimensions of money attitudes. Lim et al., (2003) concluded that gender differences in money attitude might relate to the variation of socialization and traditional gender role expectations, especially in the Asian context. Men expect to be the breadwinners and the head of the family; therefore, men have a power/prestige money attitude. However, since women are expected to hold family roles they are attached to budget and retention money dominants.

Furthermore, Lim et al., (2003), following a review of the literature (e.g. Prince, 1993), indicated that women are more likely to view money as a means for attaining gratification, by allowing them, among other things, to acquire treasured possessions. He mentioned that, relative to men, as women are prone to underestimate their knowledge in financial matters (Goldsmith and Goldsmith, 1997), they may be more anxious about their finances and other finance-related matters (Lim, et al., 2003).

The findings of Hayhoe et al. (2000) among college students suggest that males tend to be more obsessed with money than female students, while female perceptions were influenced by money attitude of power/spending and retention. Finally, the results of Baker and Hagedorn (2008) among students revealed that males tend to score higher on both power-prestige, and on frugality-distrust. Furthermore research findings indicated that students perceive a higher level of financial problems due to a negative attachment to money and lack of financial management skills (Hayhoe et al., 2005; Hira and Mugenda, 2000; Kidwell and Turrissi, 2004; Norvilitis et al., 2006).

However, gender differences in financial attitude may result in differences in the level of financial knowledge, which, in turn, has a significant effect on financial behavior and financial well-being accordingly. In addition, money attitude is the focus of financial planners, since understanding how money attitudes relate to investment and savings behavior provides an overview for planners to provide more practical programs to enhance students' financial management skills accordingly.

2. Materials and Methods

2.1 Instrumentation

Financial attitude was measured by adopting six dimensions of Furnham's Money Beliefs and Behaviours Scale (MBBS) and adapted to the Malaysian context. Furnham's (1984) scale comprised six dimensions obsession, power/ prestige, retention, security, inadequacy/ anxiety, and effort /ability. However, based on the Malaysian context the self-gratification dimension was replaced with the effort/ability dimensions and all the statements were developed for the Malaysian context as well. The total score money attitude and six dimensions were computed by summing the scores of 1 to 4.

2.2 Sample procedure and sample profile

Data were collected using a stratified sampling method at six public and five private universities across Malaysia. A self-administered questionnaire was used as the data collection methodology. Of the 2,500 students who responded to the survey, 40.4% were male and 59.6% were female students; 71.4% were Malay being the major ethnic group in Malaysia, 21.7 % were Chinese, 5 % were Indian and others (.8%). The mean age of the respondents was 21 years. Students from public universities were 60% while others, 40%, studied in private universities.

2.3 Data Analysis

To determine gender differences in money attitude the mean comparison t-test was conducted between male and female students.

3. Results and Discussions

The results of the t-tests were given in Table 1 indicated that there were no statistically significant differences in the money attitude score; however significant differences were observed all money attitude components between male and female students except in obsession attitude. Given results revealed that male students (M= 8.5) are used money as power/prestige power/prestige means, compare to female students (M= 7.62). Findings of t-test indicated on the statistically significant difference

$t=8.811$, $P\leq.00$, between male and female students. In addition male students have higher level of anxiety ($M= 7.35$) about money while female have a lower level of anxiety ($M=7$), and male students are more retentive ($M= 4.16$) than female students ($M= 3.93$). Findings of t-test given in Table 1, indicated on statistically significant differences in anxiety ($t= 4.4$, $P\leq.00$) and retention ($t=3.97$, $P\leq.00$) between male and female students.

Results of mean comparisons revealed that female students ($M= 7.82$) use money for self-gratification and celebrate to compare to male students ($M= 7.27$), in addition female students ($M= 9.86$) are more conservative in money issues than male students ($M= 9.52$). Results of t-test indicated on the statistically differences in self-gratification attitude ($t= -6.69$, $P\leq.00$) and conservative attitude ($t= -4.82$, $P\leq.00$), between male and female students. The findings revealed that male students are more concerned about money.

Table 1: The Result of the t-Test for Financial Attitude

Items	Male	Female	t	Sig
Financial attitude	48.26	47.82	1.42	.136
Obsession	11.45	11.58	-1.207	.227
Power/Prestige	8.5	7.62	8.811	.000
Self- gratification	7.27	7.82	-6.69	.000
Anxiety	7.35	7	4.4	.000
Conservative	9.52	9.86	-4.82	.000
Retention	4.16	3.93	3.97	.000

* $df:2145$

These results are consistent with past findings, which suggest that males are more concerned about money than females (Barber and Odean, 2001; Funfgeld and Wang, 2009; Norvilitis, et al., 2006). The findings revealed that female students are more obsessed (Hayhoe et al., 1999), and security minded about money (Masuo, et al., 2004; Wilhelm et al., 1993), however, in contrast with their conservative attitude towards money, female students use money for self-gratification. Male students are more concerned about using money for power/prestige (Lim, et al., 2003) and are retentive and have anxiety (Lim, et al., 2003) about money issues. These findings indicate that while men use money to gain prestige and spend money to have influence on others, they experienced more stress about money and were even reluctant to spend money on necessities, such as buying books.

4. Conclusion and Implications

The main aim of the present study was to determine gender differences in money attitude

dimensions among students. The findings reveal that in a comparison of money attitude components, male students show more likelihood of demonstrating power/prestige, higher anxiety and retention attitude toward money than females. In contrast, females have a self-gratification and more conservative attitude toward money. There are no differences in the money attitude score and obsession attitude, between male and female students. The attachment of male students to money as power/prestige indicates that male students use money as a tool to influence others, which may increase the likelihood of experiencing a higher level of debt to achieve more power in financial matters. In addition, male students are retentive and more anxious about money, which indicates that they are also worried about their financial situation. Together these factors indicate that male students are attached to negative aspects of money and although they use money as a source of influence on others, they experience anxiety and have a retentive attitude toward money. Female students use money for self-celebration and spend money in order to reduce stress. Females have a conservative attitude toward money and are secure minded about money issues. It can be concluded that female students have a more positive attitude toward money than male students.

The findings of the present study indicate that both male and female students perceive money differently, which may be due to differences in the socialization process and past experiences about money or may even be related to the differences in financial skills and knowledge between male and female students. However, it is acceptable among researchers that differences in money attitude may result in different financial management, which should receive more attention by scholars and financial practitioners. Therefore, to enhance students' attitude toward money, policymakers should understand that providing educational programs to enhance the students' attitude toward money is more important than providing financial support and educational loans.

Policymakers should consider enhancing students' attitude toward financial aids among college students. Based on the findings of the present study it is recommended that further research be conducted to understand attitude formation and the factors that predict money attitude among male and female students. In addition, since the main part of attitude is formed during socialization, financial education programs may be provided for families as well. Students may not be the only target group in educational programs, as all attitudes, skills, and habits are formed during early childhood by families and reinforced by other socialization agents in later

life. Therefore, the improvement of family financial knowledge, attitude and skills is important to students. These findings should motivate all financial

professionals to encourage schools to include personal finance in the school curriculum.

Acknowledgements

Sincere appreciation is extended to the IRPA Foundation for their support of this research

Corresponding Author:

Prof. Dr. Laily Hj.Paim
Department of Resource Management and Consumer Studies,
Faculty of Human Ecology,
University Putra Malaysia
E-mail: Laily@Putra.upm.edu.my

References

- [1] Abelson, R.P., and Prentice D.A., 1989. Beliefs as possessions. *Attitude structure and function*, 3, 361.
- [2] Allen, M.W., Edwards R., Hayhoe C.R., and Leach L., 2008. Imagined interactions, family money management patterns and coalitions, and attitudes towards money and credit. *Journal of Family and Economic Issues*, 28, 3-22.
- [3] Baker, P., and Hagedorn R., 2008. Attitudes to money in a random sample of adults: Factor analysis of the MAS and MBBS scales, and correlations with demographic variables. *Journal of Socio-Economics*, 37(5), 1803-1814.
- [4] Barber B., and Odean T., 2001. Boys Will Be Boys, Gender, Overconfidence, and Common Stock Investment. *Quarterly Journal of Economics*, 116, 261-292.
- [5] Dowling, N.A., Corney T., and Hoiles L., 2009. Financial Management Practices and Money Attitudes as Determinants of Financial Problems and Dissatisfaction in Young Male Australian Workers *Journal of Financial Counseling and Planning*, 20(2), 5-13.
- [6] Eagly, A.H., and Chaiken S., 1993. *The psychology of attitudes*. Orlando, FL, US: Harcourt Brace Jovanovich College Publishers.
- [7] Funfgeld, B., and Wang M., 2009. Attitudes and behaviour in everyday finance: evidence from Switzerland. *International Journal of Bank Marketing*, 27(2), 108-128.
- [8] Furnham, A., 1984. Many sides of the coin: The psychology of money usage. *Personality and Individual Differences*, 5(5), 501-509.
- [9] Goldsmith, R.E., and Goldsmith E.B., 1997. Gender differences in perceived and real knowledge of financial investments. *Journal of Psychological Reports*, 80, 236-238.
- [10] Gutter, M.S., Copur Z., and Garrison S., 2009. Which Students Are More Likely to Experience Financial Socialization Opportunities? Exploring the Relationship between Financial Behaviors and Financial Well-Being of College Students Indiana: Networks Financial Institute, Indiana University.
- [11] Hayhoe, C.R., Leach L., Allen M.W., and Edwards R., 2005. Credit Cards Held by College Students. *Financial Counseling and Planning* 16(1), 1-10.
- [12] Hayhoe, C.R., Leach L., and Turner P.R., 1999. Discriminating the number of credit cards held by college students using credit and money attitudes. *Journal of Economic Psychology*, 20, 643-656.
- [13] Hayhoe, C.R., Leach L.J., Turner, P.R., Bruin, M.J., and Lawrence F.C., 2000. Differences in spending habits and credit card use of college students. *The Journal of Consumer Affairs*, 34(1), 113-133.
- [14] Hira, T.K., 1997. Financial attitudes, beliefs and behaviors: Differences by age. *Journal of Consumer Studies and Home Economics*, 21, 271-290.
- [15] Hira, T.K. and Mugenda O.M., 2000. Gender Differences in Financial Perceptions, Behaviors and Satisfaction. *Journal of Financial Counseling and Planning*, 13(2), 86-92.
- [16] Joo, S.H. and Grable J.E., 2004. An Exploratory Framework of the Determinants of Financial Satisfaction. *Journal of Family and Economic Issues*, 25(1), 25-50.
- [17] Kidwell, B. and Turrisi R., 2004. An examination of college student money management tendencies. *Journal of Economic Psychology* 25, 601-616.
- [18] Lim, V.K.G., and Teo T.S.H., 1997. Sex, money and financial hardship: an

- empirical study of attitudes towards money among undergraduates in Singapore. *Journal of Economic Psychology*, 18(4), 369-386.
- [19] Lim, V.K.G., Teo T.S.H., and Loo G., 2003. Sex, financial hardship and locus of control: an empirical study of attitudes towards money among Singaporean Chinese. *Personality and Individual Differences* 34, 411-429.
- [20] Lown, J.M. and Ju I.S., 1992. A Model of Credit Use and Financial Satisfaction. *Journal of Financial Counseling and Planning*, 3, 105-125.
- [21] Masuo, D.M. Kim J.H. Malroux, Y.L. and Hanashiro R., 2002. Money beliefs and behaviors: A comparison of Asian and Asian American female college students. *Journal of Asian Regional Association of Home Economics*, 9, 223-227.
- [22] Masuo, D.M., Malroux, Y.L., Hanashiro, R., and Kim, J.H., 2004. Do Men and Women Perceive Money Differently? A Study of Asian and Asian American College Students. *Papers of the Western Family Economics Association*, 19, 12-23.
- [23] Newcomb, M.D., and Rabow, J., 1999. Gender, Socialization, and Money. *Journal of Applied Social Psychology*, 29(4), 852-869.
- [24] Norvilitis, J.M., Merwin, M.M., Osberg, T.M., Roehling, P.V., Young, P., and Kamas, M. M. 2006. Personality Factors, Money Attitudes, Financial Knowledge, and Credit-Card Debt in College Students. *Journal of Applied Social Psychology*, 36(6), 1395-1413.
- [25] Porter, N. M., and Garman, E.T., 1993. Testing a Conceptual Model of Financial Well-Being. *Financial Counseling and Planning*, 4, 135-164.
- [26] Roberts, J. A., and Jones, E., 2001. Money attitudes, credit card use, and compulsive buying among American college students. *Journal of Consumer Affairs*, 35, 213-240.
- [27] Shim, S., Barber, B.L., Card, N.A., Xiao, J.J., and Serido, J., 2010. Financial Socialization of First-year College Students: The Roles of Parents, Work, and Education. *Journal of Youth Adolescence* 39(12), 1457-1470.
- [28] Shim, S., Xiao, J.J., Barber, B.L., and Lyons, A., 2009. Pathways to life success: A conceptual model of financial well-being for young adults. *Journal of Applied Developmental Psychology*, 30(6), 708-723.
- [29] Wilhelm, M. S., Varcoe, K., and Fridrich, A.H., 1993. Financial Satisfaction and Assessment of Financial Progress: Importance of Money Attitudes. *Journal of Financial Counseling and Planning*, 4, 181-199.

06/03/2011