

Financial usage and money management: Study based on undergraduates in social sciences stream

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Introduction

It is identified that financial literacy (FL) is one of the important factors to the consumer security by developed economies. Foundation of that view is individuals are decided about the financial decisions under their FL level. When consider this situation it is very important around the studies which are financial usage of undergraduate community to accelerate the economic development process a country.

According to literature, FL is knowledge of individuals around the financial products, institutions, and concepts. Also, FL is a skill which engages with the interest rate counting, financial management, financial planning. Globally, by developed countries, FL is pointed as strategy to face financial crises. But developing countries view about FL differs from that view. According to them, FL results in access and develops financial services. However, when above definitions are examined, FL is not only a component of financial stability but also it is a strategy to economic development process.

Nevertheless, FL is not a single symbol; it is a pool component of people financial behavior. Financial usage and money management are most important concepts among the sub-themes of FL. This study focused about the financial usage of undergraduate; formulated to identify the major objectives such as to identify the knowledge about the financial instruments and to identify the trends of money management of undergraduates. Simply, financial usage is knowledge about the financial instruments and institutions and its usage of individuals. Skill about maintain of monetary resources is known as money management. Sebstad and Cohen (2003) have pointed-out that improving money management skills has been a focus of microenterprise training programs for many years. In this context, it can be conclude that money management is resulted in to develop entrepreneurship environment of the economy. Also, good money management is critical to the process of accumulating all kinds of assets and preserving to person. According to that, if individual can access to appropriate financial products and services, along with the financial skills to manage these resources well, are key to the process of asset accumulation. So that, financial usage also money management are dynamic components of individual financial literacy.

Especially, when consider the target group; undergraduates are a most influence factor of decision making process of country. Also they are dynamic group of the economy. According to financial literacy, they are group which will be play effective financial decisions in future. In

this situation, this study contributes to develop to appropriate policy makers for dynamic financial decisions process in the economy based on undergraduates.

Problem and Objectives

According to view of Gillen and Loeffler (2012) based on Jump\$tart (2008) and Cude, et. al. (2006), generally college students are not financially literate. But, those studies have not been touched specific study field and students financial behavior. Therefore, this study was addressed that research gap; this study was identify situation of financial usage and money management of social sciences undergraduates in Sri Lanka. The main objective of this study identifies the most influence factors of financial usage and money management of social undergraduates. While the other objectives identify the differences of that study fields and suggest the policy implications regarding the undergraduates' financial usage and money management had touched under this study.

Methodology

The sample was selected from Faculty of Humanities and Social Sciences of University of Sri Jayewardenepura. Under the 06 social sciences fields approximately 150 students were randomly selected. There is no standard set of components of financial knowledge, skills and tests to determine the levels of financial knowledge and skills of people in the context of the developing country (Heenkenda, 2014). Also most assessments of financial knowledge and skills undertaken in surveys, (Xu, & Zia 2012). Thus, this survey focused mainly on determining how influential were the socioeconomic and household characteristics in determining students' financial usage and money management skills. The study, being solely quantitative, used descriptive statistics and regression analysis as tools of the analysis. Statistical tests were conducted using the statistical software packages SPSS, Excel, Minitab and STATA.

Result and Discussion

Students were 19-23 years in age, Characteristics of the respondents are presented in Table 01.

Table 01: Characteristics of the respondents

Characteristics	%
Gender (n = 150)	
Male	23.2
Female	76.8
Academic year (n = 150)	
Second year	32.1
Third year	29.8
Fourth year	38.1

Ten questions related to personal money management and behavior was used. Respondents were asked to rate their ability to manage their personal finances using a five point scale wherein higher scores were indicative of higher confidence or ability. The mean score was 3.68 (n = 150,

SD = .97, min = 1, max = 5). Whether or not respondents knew they could access their credit report for free (yes = 71.4% and no = 28.7%) and whether or not respondents had accessed their free credit report (yes = 58.4%, no = 41%, don't know = .6%) were answered by 150 respondents. Four questions sought to better understand student debit card usage. The number of debit cards held ranged from one to four cards. Of those who had at least one debit card (n = 114), the average number of active debit cards was 2.6 (SD = 1.67). When asked to rate what they learned in class, 14.3% learned a great deal, 33.3% learned a fair amount, 14.3% learned just enough, 28.6% learned not too much, and 9.5% learned nothing at all. Undergraduate Students had significantly higher mean score (M = 8.68) on the knowledge index. A positive correlation was found between students' confidence in their own financial management and their financial knowledge ($r = .245$, $p = .003$, $n = 143$). Students were "somewhat comfortable" with their own personal money management. This suggests that students are not gaining the skills they need to successfully navigate the complexities of the personal finance landscape. Further, it suggests that they will not be well-equipped to help clients in this area. When compared to their scores on the financial knowledge index, students who were more comfortable with their own money management had significantly higher scores on the financial knowledge index.

Conclusions

Financial literacy is knowledge of individuals around the financial products, institutions, and concepts. Further, FL is a skill which engage to the interest rate counting, financial management, financial planning. For face the economic recession, reductions in social programming, and an increased emphasis on individual accountability, there is an expanded need for academic institutions to prepare students in human services and financial professions to be competent financial practitioners by the economy. Specifically, academic social work programs should consider adding financial social work curriculum to their course offerings. Financial social work is a relatively new content area that creates opportunities for students to develop knowledge and skills related to personal financial behaviors as well as the skills and knowledge needed to assist clients and client groups in resolving financial problems and equipping them with the skills needed to make sound decisions.

References

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