

Antecedents Of Student Financial Behavior: Examining Differences Between First Generation College Students and Non-First Generation College Students

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Overview

- Research Question
- Extant literature
- Model
- Propositions
- Benefits
- Questions

Research Question

- How do parental financial knowledge, childhood consumer experience, and parental financial attitudes influence student's financial behavior?

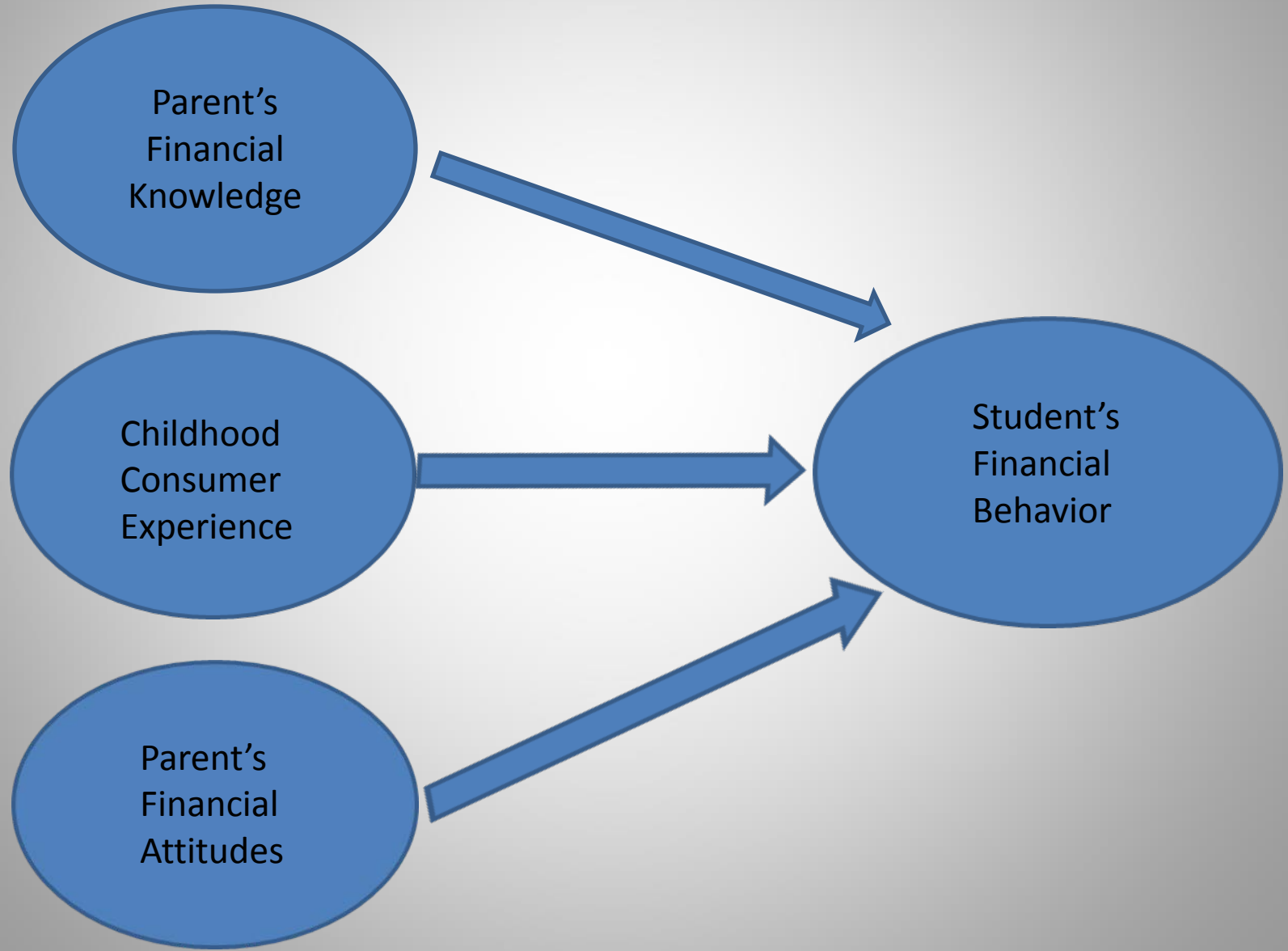
Extant Literature

- Teaching children to be financially literate has been mostly left to parents, yet studies have found that many parents do not have these skills themselves (Moschis, 1985)
- TIAA-CREF Institute's (2001) Youth and Money Survey found that 94% of young adults turned to their parents for financial education, yet parents were not the best financial educators for their children nor did parents think it was their responsibility to teach finances to their children
- Direct influences such as family discussions and keeping track of allowance or gift income could lead to an increase in knowledge and the formation of attitudes, values, and behaviors toward money (Allen et al., 2007; Moore & Stephens, 1975; Moschis, 1985; Moschis, Prahasto, & Mitchell, 1986).

Extant Literature Cont'd

- Direct influences such as family discussions and keeping track of allowance or gift income could lead to an increase in knowledge and the formation of attitudes, values, and behaviors toward money (Allen et al., 2007; Moore & Stephens, 1975; Moschis, 1985; Moschis, Prahasto, & Mitchell, 1986).
- Many students acquire basic financial knowledge through trial and error, yet this knowledge may not be sufficient for them to become informed consumers (Lachance & Choquette Berneir, 2004; Norvilitis et al., 2003).
- Lyons and Hunt (2003) found that young adults wanted to gain financial knowledge and become responsible consumers but that financial issues were not discussed much in their home.

Model



Propositions

- Parental financial knowledge has an impact on college student's financial behavior
- Childhood consumer experience has a direct effect on the college student's financial behavior
- College student's financial behaviors are (positive and negative) primarily influenced by their parents' financial attitudes

Benefits of Research

- Provides insight into the perceived influence parents have on the financial socialization of their children
- Parents can be both direct teachers and useful role models in the financial development of their children. From adolescence and through the transition to adulthood, parents' ongoing enactment of these roles lays the foundation for sound young adult financial attitudes and behavior
- The lack of financial literacy may influence young adults' ability to make important positive financial decisions throughout their lives. Parents should be included in any effort to improve the financial literacy of young adults

Questions???