**CHAPTER ONE**

**GENERAL INTRODUCTION AND SUMMARY**

1. INTRODUCTION

This chapter takes a look at the research topic which is the “Financial management practices among university students”, the field and subject of the study, the objective of the research, research questions and problem statement of the research, the background of the study and the expected possible use of the study results. It also addresses the significance of the study, with the layout of thesis not excluding the workout plan and summary.

1.1 FIELD AND SUBJECT AREA OF STUDY

Field of study is finance the Subject area financial management practices.

1.2 BACKGROUND OF THE STUDY

Financial management is that specialized activity which is responsible for obtaining and affectively utilizing the funds for the efficient functioning of the business and, therefore, it includes financial planning, financial administration and financial control. For the purpose of this study, I will focus on individual financial management practices looking at university students. Increasing number of Universities in Ghana have paved way for rise in number of students staying on their own for the first time, this exposure implies that these students have to fend for themselves by managing whatever resources which have been made available to them, management of resources by students especially the financial aspect has become a very difficult task for majority of students, students engage in bad financial behavior such as not planning or budgeting before spending their limited resources, not saving enough for future use

The purpose of this research is to examine the effectiveness of selected independent variables toward individual’s financial management practices amongst undergraduate students in Accra Institute of Technology. The selected independent variables are age, gender, attending of financial education program and family’s influence. Respondents are going to be divided into two groups which are students with business major and students without business major.

The manner in which college students manage their money is based on several factors such as age, personality traits, and knowledge (Norvilitis, et al., 2006). College students are in a unique situation because they have restricted incomes and high expenses; therefore, they manage money differently (Micomonaco, 2003).

The more knowledge students have about their financial responsibility and status the less likely they are to be in debt (Norvilitis, et al., 2006). In “Borrowing Against the Future: Practices, attitudes and knowledge of financial management among college students,” Micomonaco (2003) finds college students tend not to have a budget or calculate credit card bills based on their actual spending. For example, there was a significant amount of students that did not know their SES or how much they would owe in student loans when they graduate (Micomonaco 2003). Also, only 36% of students with credit cards reported paying off their credit cards bills monthly (Norvilitis, et al., 2006). Although, college students are concerned about their future financial status; 67% of freshmen at four-year colleges or universities have concerns about paying their tuition. This is the highest amount of concern expressed in over a decade (Gordon 2010).

1.3 RESEARCH PROBLEM

Researches of financial management practices targeting university students have shown that, students with the business major are more financially literate than other major. According to Beal and Delpachitra (2003), Chen & Volpe (1998), Volpe, Chen, &Pavlicko (1996), Peng et al. (2007), and Robb & Sharpe (2009) have indicated that business majors are more knowledge about personal finance than non-business majors. Furthermore, fewer attempts have been made to compare financial management practices of students with different characteristics like age, gender, spending habits etc from different faculties (business major and non-business major) .

Most of the related researches conducted so far have concentrated on testing student’s characteristics and variables to establish relationships while the students are in school but have failed to use the listed independent variable to predict student’s financial behavior after school, and have overlooked importance of student’s participation in study and comparisons against several disciplines and year of study. These researches include Chen & Volpe (1998), Danes &Haberman (2007), Manton et al. (2006), Micomonaco (2003), Peng et al. (2007) and Volpe et al. (1996), who found out that male scored better in the financial knowledge compared to the female. However, there is also a different finding in which Ibrahim et al. (2009) found out that there is no difference between the level of financial knowledge between males and females students.

The student’s major courses studies in university are assumed to be one of the element indicators with significant impact on their knowledge to personal financial behavior. There is a relationship between financial courses taken in college and students’ knowledge of investment (Peng, Bartholomae, Fox, &Cravener, 2007). According to Beal and Delpachitra (2003), Chen & Volpe (1998), Volpe, Chen, &Pavlicko (1996), Peng et al. (2007), and Robb & Sharpe (2009) have indicated that business majors are more knowledge about personal finance than non-business majors. Fewer attempts have been made concerning developing program which will include students with business major and students without business major to educate them on the importance of inculcating good financial management practices such as budgeting, saving and investing for a better future after school. Possession of good financial management practices by students through this program **(University Students Financial Planning Program (USFPP))** will help develop good financial attitudes such investing in stocks, budgeting, saving e.t.c

According to the Lyons (2007), demographic variables such as ethnicity and gender would affect individual financial behaviors. Lyons (2007) claimed that, female, black, and/or Hispanic were more likely to face with financial crisis. However, Erskine, Kier, Leung and Sproule (2006) sought that there is no significant relationship between gender and individual’s financial management. This research will also help to identify if there is truly a significant relationship or not.

1.4 OBJECTIVES OF THE STUDY (General& Specific)

The study objective is grouped into two as mentioned below

**1.4.1 General objectives**

This study is to determine whether financial management courses, student’s money management habit, and demographic similarities can influence financial management behavior among AIT students.

**1.4.2 Specific Objectives**

The specific objectives of this study are:

a. To determine if students who do business related courses are good at managing their finance.

b. To determine if demographic variables like gender, age can influence AIT student’s financial management behavior.

c. To find out how students spending habit affects their financial management behavior in terms of budgeting, investment while in school.

d. To determine if adoption of University Students Financial Planning Program will help students develop good financial management behavior.

1.5 RESEARCH QUESTIONS

Based on the research framework, the model illustrated Respondent Characteristics influences on their financial management practices. It comprises four Independent variables and one Dependent variable. The research questions constructed for this research are:

Does gender positively influence AIT student’s financial management practices?

Does age positively influence AIT student’s financial management?

Do Students with business major have better financial management behavior?

Do Non-business courses influence individuals’ financial management?

1.6 JUSTIFICATION/SIGNIFICANCE OF THE RESEARCH

Free from the comforts of home, many students are experiencing being on their own for the first time. The basic challenges they face is budgeting, savings and investments, with the perception that investments can only done whilst working. This becomes particularly problematic when an expected budget item changes. This study examines how students of Accra Institute of Technology meet the budgeting, savings and investments challenges as the financial management practices they are likely to embark on, and develop program for both students with Business major and non-business major. Through this sample, student behaviors and the implications for their financial management practice is assessed.

This study is to determine whether financial management courses, student’s money management habit, and demographic similarities can influence financial management behavior among AIT students. At the end of this research, the following results are expected to be reached:

a. It is expected that the demographic variables like gender, age of students in relation to how they manage their finance would be seen.

b. It is expected that by the end of this research, it is expected to see how AIT student’s money management habits like the use of ATM cards can influence their financial behavior in terms of saving, budgeting and engaging in investments.

c. Finally, the need for the adoption and implementation of Students Financial Planning Program (USFPP) will be seen, Students Financial Planning Program (USFPP) will help students develop good financial management behavior regardless of the fact that not all students are doing business related courses.

1.7 LIMITATION OF THE STUDY

1. **Admittance to fill the questionnaire**: Students having other academic activities to embark on might not have enough time to take part in the research process as respondents.
2. **Misinterpretation of the question:** Another challenge is that students with their level of exposure is likely to misinterpret the questions in the questionnaire this will lead to
3. **Limited resources:** I the researcher is deemed to use the available resources in completing this research as it is unlikely to attain expected resources to be available. It is likely I will encounter difficulty in searching for journals and articles to support my literature review. The online journal database, OPAC is insufficient for us as some good journals were restricted to specific users. Therefore, we need to access to other sources of database in order to obtain more journals.
4. **Time** delay can occur since it’s not controlled by the researcher.

1.8 EXPECTED OUTCOME OF THE RESEARCH

This study is to determine whether financial management courses, student’s money management habit, and demographic similarities can influence financial management behavior among AIT students. At the end of this research, the following results are expected to be reached:

a. It is expected that the demographic variables like gender, age of students in relation to how they manage their finance would be seen.

b. It is expected that by the end of this research, it is expected to see how AIT students money management habits like the use of ATM cards can influence their financial behavior in terms of saving, budgeting and engaging in investments.

c. Finally, the need for the adoption and implementation of Students Financial Planning Program (USFPP) will be seen, Students Financial Planning Program (USFPP) will help students develop good financial management behavior regardless of the fact that not all students are doing business related courses.

1.9 LAYOUT OF THE THESIS

* Chapter 1: General introduction is focused on the research which is the Project Proposal.
* Chapter 2: Literature Review which focuses on history and the outlook of the existing research. In this chapter, I will give an account of all the aspects of the subject to be investigated is considered. The historical and current issues of the research topic will be consulted by carefully describing and analyzing the previous research on the topic with the ultimate goal to determine what is known and what is not known.
* Chapter 3: Methodology. In this chapter, the procedure on how to carry out the proposed research is analyzed into details and its importance discussed expansively which will include the research design, data collection method, sampling and sampling procedure, data analysis and limitations.
* Chapter 4: This will include the analysis of the data and interpreting them to meaningful results; it will include statistics of data collected, analysis, interpretation and conclusion.
* Chapter 5: This will comprise summary of findings, conclusions and recommendations for future research.

# **CHAPTER TWO**

# **LITERATURE REVIEW**

## 2.0 Introduction

The chapter looks at the literature review on financial management practices among students in the university, including the negative and positive impact of financial management practices as well as the challenges students face in managing their finances.

This chapter also looked at what constitute financial management practices. The need for positive financial management practices whiles students are still in school, the types of financial management practices, and how student’s personal characteristics influence their financial management practices.

**2.1 MEANING AND DEFINTION OF FINANCE**

Finance may be defined as the art and science of managing money. It includes financial service and financial instruments. Finance also is referred as the provision of money at the time when it is needed. Finance function is the procurement of funds and their effective utilization in business concerns.The concept of finance includes capital, funds, money, and amount.

According to **Khan and Jain,** “Finance is the art and science of managing money”. According to **Oxford dictionary**, the word ‘finance’ connotes ‘management of money’ **Webster’s** Ninth New Collegiate Dictionary defines finance as “the Science on study of the management of funds’ and the management of fund as the system that includes the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities

**2.2 CONCEPT OF FINANCIAL MANAGEMENT**

Financial management is concerned with all areas of management which involve finance – not only the sources and uses of finance in the enterprise, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise (Meredith, 1986).

Financial management has always been mistaken for financial planning. In financial planning the key is planning and it encompasses 5 areas; initial assessment and evaluation, setting goals, creating a plan, executing the plan and monitoring as well as reassessing the financial status (Kwok et al, 1994). The definition of financial management on the other hand, is not so simple. Jodi,(1996) defined financial management as a set of behavior performed regarding the planning, implementing and evaluating involved in the areas of cash, credit, investments, insurance, and retirement and estate planning. This definition is similar to Deacon & Firebaugh (1988); Godwin, (1994) and Godwin &Koonce, 1992. Other researchers, Davis & Carr, 1992; Hira et al.,1992; Mugenda et al.,1990; Porter & Garman, 1993; Titus et al., 1993, have defined financial management as a set of behavioral indicators, such as budgeting and record keeping but Coleman &Ganong, 1989 and Morris &Ruane, 1989 had defined it as pooled income versus separate income. Other definitions such as the division of labor and role specialization with respect to decisions made regarding finances by Hiller and Philliber, 1986, is also noted.

According to AKPK (2008), the financial planning is a rationale thinking process, planning process, decision making process and knowledge about financial tools. Therefore, financial management is combination knowledge of financial and psychological factors. It is because an individual need to know the financial products or tools in order to help them to generate revenue or leverage individual’s debt. Also, it is a process of decision making which involve psychological factors. Scholars like Fisher and Montalto (2010), Tam (2008), Chang and Lyons (2008), Mandell and Klein (2007), Teichman, Bernheim, Cecconi, Novarro et al (2005), Bernheim and Garrett (1997) had examined the financial behavior through the perspective of psychological factors where they examined the motives, individual’s risk tolerance, patient decision, financial decision and saving decision. Furthermore, Webly and Nyhus (2006) and Joo, Grable and Bagwell (2006) examined the individual financial management behavior through family influence.

**2.3 THEORITICAL FRAME WORK**

Life-cycle model or ‘overlapping generation model’ and dynasty model are the most common model that economists use to describe individual personal saving behaviors, Laitner (2004). The life-cycle model emphasized on the unevenness earning in individual life stages while the dynasty model described about the wealth which may inherent over the generation after. According to McGuigan, Moyer and Haris (2005) the life-cycle model or intertemporal consumption theory was first introduced by Ivring Fisher in The Theory of Interest. The model was related to the saving and consumption, which emphasized that individual gain highest saving during his/her middle age of life. However, in the research, the life cycle model which was developed by Milton Friedman was used as the embedded theory. According to McGuigan, Moyer and Haris (2005), the Milton Friendman’s life cycle model predicts that during the schooling age and early of working life time, individual will borrow against their future earning and it might result individual’s net saving falling. Furthermore, the net saving will increase sharply in the middle age and drop sharply during the retirement life. In the dynasty model, if someone is lucky enough, he/she might inherent the mighty wealth from his/her ancestor which might be an emperor of wealth. In the life cycle model, it stated that, for an individual, his/her net wealth accumulation will rise from youth to middle age and decline during retirement. However, in true life practice, individual’s financial status might not always go smooth; therefore, the financial planning management becomes important.

Meanwhile, some other scholars like Bell, Gorin and Hogarth (2009), Agarwal, Amromin, Ben-David, Souphalo and Evanoff (2009), Scanlon, Buford and Dawn (2009), Dogany and Unal (2009) examined the effectiveness and sufficiency of the financial education and financial tools.

Fisher and Montalto (2010) claimed that savings goal has a significant relationship with the saving horizon especially saving for retirement, children’s need and emergencies. However, for short term, it is not necessary to have a specific motive to increase the savings rate. Tam (2008) has a different point of view where he claimed that, decision makers in framing the savings tasks provide their savings estimate more concretely and specifically for shorter duration when compared to longer ones. Furthermore, Tam (2008) also claimed that individuals tend to set an unrealistic difficult saving target and end up with incomplete mission. However, the real reason had to be discovered whether is due to the individuals’ characteristics or environment changes. This finding is in line with Mandell and Kleis’s (2007), a clear and reachable goal is the key to motivate students to improve their financial literacy. Meier and Sprenger (2008) sought that patient individuals are more knowledgeable about personal finance management. Therefore, they are more likely to invest for long term goals.

Some scholars like Fisher and Montalto (2010), Cesarini, Johannesson, Lichtenstein, Sandewall and Wallace (2009), Throne and Porter (2007), Webly and Nyhus (2006), Canova, Rattazzi and Webley (2005) and Bernheim, Garrett and Maki (2001) examined individual’s saving and investment behavior from the perspective of physiological factors. Individual’s health condition always come in to consideration when dealing with financial management. Fisher and Montalto (2010) claimed that, poor health will negatively influence saving and this is supported by Throne and Porter (2007) where home and health related expenses will trouble people who will file for bankruptcy. Scholars concluded that poor health will lead to poor wealth because most of the health policies in most of the countries tend to be incomplete to cover their citizens’ needs. Therefore, the needs of health insurance and emergency funds are increasing.

Scholars like Cesarini, Johannesson, Lichtenstein, Sandewall and Wallace (2009), Webly and Nyhus (2006) and Bernheim, Garrett and Maki (2001) examined the parents and genetic influences toward individuals’ financial and savings behaviors. Interestingly, Cesarini, Johannesson, Lichtenstein, Sandewall and Wallace (2009) claimed that almost 25 percent portfolio of risk taker is due to genetic variation. In other words, parents or ancestors’ genetics somehow will influence individual in making risk decision in 1 out of 4 cases. Webly and Nyhus (2006) claimed that there is a weak but clear significant relationship between parents’ influences toward children’s financial behavior from childhood to adult hood. The research further pointed out that, children have good relationship with family are more likely to be future oriented and have a good financial behavior.

A future oriented person is defined as the person who will take the distant consequences of possible behavior than immediate consequences. However, present oriented person will take immediate consequences of possible behavior. Webly and Nyhus (2006) further claimed that present oriented more likely to smoke and therefore, there is less income allocated for saving. However, Bernheim, Garrett and Maki (2001) claimed that, there is no evidence to prove the children of frugal parents will change their financial behavior after attending the mandate financial education program.

Canova, Rattazzi and Webley (2005) categorized individuals’ motivation into several hierarchies. At the bottom of the hierarchy, Canova, Rattazzi and Webley (2005) sought the more concrete motivations, including saving for better house, a new car or a vacation. The desire to obtain buffer money is also another concrete motivation in saving. This finding somehow is in line with the foundation of emergency fund. The next hierarchy of saving motivation is saving for retirement, old age and illness. Saving for retirement is guaranteeing and maintaining a good standard of living after retirement; however, saving for old age and illness is assuring for the individual independence and autonomy. At the higher level of the hierarchy level, the saving motivation and goals are in line with The Maslow’s theory where individuals save for self-gratification and self-esteem.

**2.3.0 FACTORS THAT INFLUENCES STUDENTS FINANCIAL MANAGEMENT PRACTICES**

Scholars like Cesarini, Johanness, Lichtenstein, Sandewall and Wallace (2009), Meier and Sprenger (2008), Webly and Nyhus (2006), Lyons (2007), Rapp and Aubert (2007), Lusardi (2003), examined the influence of education level toward individual’s saving behaviors and the net wealth accumulation. According to Lusardi (2003), household with lower education holding or background possess low financial net worth while household with at least college level education background tend to have more than twice the wealth of households with high school education. Furthermore, Lusardi (2003) found those households which precede at least high school education level tend to be holding stocks and bonds. However, Meier and Sprenger (2008) argued that the higher education level of respondents, the greater chances the corresponding person will join the voluntary financial education program. Individual with higher education will take the financial management as important skills in order to accumulate enough wealth for their retirement life.

Rapp and Aubert claimed that aggressive investor tend to have better education background. Webly and Nyhus (2006) claimed that husband who has higher education level is important for his household’s bank saving. However, Webly and Nyhus (2006) also found a contrary phoneme where for those head of household with low education level tend to have. This phenomenon somehow needs to be further explored. Cesarini, Johanness, Lichtenstein, Sandewall and Wallace (2009) further found that education will influence individuals’ risk portfolio in the financial decision making. For women, every additional one year of education will increase the portfolio risk for 0.07. However, for men, the increment is about 0.11 to 0.12 depending on cognitive ability is included as control or not.

In previous study of the analysis of personal financial literacy among students, it is concluded that students are lack of knowledgeable about personal finance (Chen & Volpe, 1998). On the other hand, it shows that there is insufficient lessons provided by the institutions and implied that students are less knowledgeable in financial literacy. General studies show that people having higher education levels will have higher level of financial literacy, although many studies conducted specifically targeting for university students have actually revealed that the level of financial literacy is still low. Apart from that, Beal and Delpachitra (2003) found that freshman in Australia financial literacy was very poor. Consistently, this result is similar to Chen and Volpe (1998) who reveals that although the financial literacy is very low, for the whole population of higher education, the individual is expected to get a better financial professional knowledge and skills by education than those who were less educated.

**2.3.1 ACADEMIC COURSES**

In this study, academic courses are one of the independent variables (IV) in which business major and non-business major students, and years enrolled are used as indicator to be investigated in order to determine the relative significance of financial literacy among students in university compared with the previous researchers. Based on previous studies and the intent of the courses themselves, this study would expect to observe a positive correlation between financial education received and financial knowledge. Similarly, higher levels of financial knowledge are expected to correlate with improved financial decisions. Fox and Bartholomae (1999).

**2.3.2 BUSINESS MAJOR AND NON-BUSINESS MAJOR:**

The student’s major courses studies in university are one of the element indicators for academic courses which significant impact on their knowledge to personal financial literacy. There is a relationship between financial courses taken in college and students’ knowledge of investment (Peng, Bartholomae, Fox, &Cravener, 2007). According to Beal and Delpachitra (2003), Chen & Volpe (1998), Volpe, Chen, &Pavlicko (1996), Peng et al. (2007), and Robb & Sharpe (2009) have indicated that business majors are more knowledge about personal finance than non-business majors. The educational background made an impact on the average financial knowledge score, with business majors and students with higher class rank scoring better on the test of financial knowledge. As university students take on higher levels of personal financial responsibility, their interest in personal finances heightens and learning takes place. It is also more likely that college age students are experiencing more challenges with finances as they pay bills, use credit cards, workings, savings, budgeting monthly expenses, and manage student debt. As university students face more financial challenges in conjunction with relevant instruction, the learning process may be enhanced (Peng et al., 2007). The findings concluded that non-business majors are more likely to be less knowledgeable about personal financial than business majors particularly in finance and accounting.(Chen & Volpe, 1998; Volpe et al., 1996) and Beal and Delpachitra (2003) found out students with higher interest in financial matters, a greater level of directed reading and more attractive listening to financial reports on the media shown a better score in the test even though they were at the first year in the university who were undertaking business studies.

**2.3.3 YEAR ENROLLED**

A first-year student is typically a 19-21 year old, which this group people they are more susceptible to a lower financial literacy compared to the seniors’ students in college. In general, positive relationships have also been found between personal financial literacy and level of education, participants with a higher level of education, attending full time or graduating from a 4-year college have a higher level of personal financial literacy, although the university students have low level of financial literacy. (Chen & Volpe, 1998; Fogarty &MacCarthy, 2006; Mandell& Klein, 2009) Besides, as seniors are more likely to have more life experience with financial products and were significantly demonstrated better finance attitude, behaviors than first year students.Marsh(2006); Chen & Volpe, 1998; KeyBank & Harris Interactive, 2006; Mandell& Klein, 2009) Since the 1997-98 academic years, the JumpStart Coalition for Personal Financial Literacy has run surveys to measure financial literacy. As a result, there were never exceeded 60 % of students who have personal financial literacy and worst in the year 2008, there is a decline of 48.3 % of personal financial literacy. Other researchers have also found that college freshmen have low scores on tests of financial knowledge. Manton et al. (2005) found that college freshmen were able to answer only about 35% of financial knowledge questions correctly. Using a six-question scale of credit knowledge to evaluate financial knowledge, Jones (2005) reported that, on average, incoming freshmen gave correct answers only 56% of the time. One of the reasons is the high school seniors are reluctant to deal with finances when they graduate. The emphasis in the high school curriculum is on preparation for college or on the acquisition of skills to obtain a job and to earn an income rather than personal financial literacy. (Manton, et al., 2006) There is nearly one-third (32%) of the 1,003 college students surveyed asserted that they were “not at all” or “not very well prepared” for managing their money on campus during their freshman year

**2.4.0 INVESTMENT**

Investment is the commitment of money or capital to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income, or appreciation of the value of the instrument. An investment involves the choice by an individual or an organization such as a pension fund, after some analysis or thought, to place or lend money in a vehicle, instrument or asset, such as property, commodity, stock, bond, financial derivatives (e.g. futures or options), or the foreign asset denominated in foreign currency that has certain level of risk and provides the possibility of generating returns over a period of time ( Beal&Delpachitra (2003).

**2.4.1 FACTORS INFLUENCING INVESTMENT DECISIONS OF STUDENTS**

Recently, high school curriculum takes less consideration upon the effectiveness of using the income in dealing with financial matter such as bank accounts, investments, mutual funds, mortgages, credit cards, loans, insurance and taxes. Others have argued that young people cannot borrow and thus do not have wealth to invest in stocks. However, there are a large number of those with a university degree that does not participate in the stock market. Besides, the researcher found out that stock market participation increases with age, and normally stock’s

ownership is focused on those in 40 years old and older (Nag,2007). Prior research has shown that students are not receiving sound education on financial investments and as a result have inadequate knowledge on investing. A test score has been implemented by Manton et al. (2006) and Rooij et al. (2007), the result shown that more than 50% of the students reported not knowing the main purpose of a mutual fund and the definition of a blue chip stock, indicate there is a low level of understanding concerning financial concepts dealing with investing, saving, borrowing, inflation, and risk diversification especially the freshman students. (Chen & Volpe, 1998;Lusardi& Mitchell 2006, 2007a; Lusardi, Mitchell, &Curto, 2009; Lusardi&Tufano 2009; Rooij et al., 2007). The low correct response rates, particularly to the inflation and risk diversification questions, and the large “don’t know” response rate was particularly troubling, as previous research has found that “don’t know” answers identified respondents with lack knowledge of basic financial concepts (Lusardi& Mitchell, 2006, 2007a;; Lusardi et al., 2009;) and (Rooij et al., 2007)

**2.4.2 SAVING HABIT**

According to Comeau& Rhine (2000) who suggested that there is a critical need for children begins instilling a “culture of saving” in the early age and also exert that financial educators should conduct the reasons to save instead of the ways to save. In addition, young generation rarely practice basic financial skills, such as budgeting, frugal spending, developing a regular savings plan, or planning for long term requirements (Pillai, Carlo, &D’souza, 2010). Therefore, education institutions play vital roles in nurturing and educate students related to financial knowledge such as providing High School Financial Planning Program (HSFPP) and through HSFPP, students had changed their saving and spending habits in three month time (Danes, Huddleston, & Boyce, 1999). Nowadays, young people especially student always a high amount of student loans or credit card debt, and such early entanglements can hinder people’s ability to accumulate wealth (Lusardi, Mitchell, &Curto, 2009). Besides, students who were completely unprepared to embrace the financial stresses of high education and debt have led to the changes of attitude of Americans toward debt (Cummins et al, 2009). A survey done by Pillai et al. (2010), it shows that 40% respondents felt that being financially literate would navigate them on adopting the best investment approach (22%) and maintain healthy spending habits (17%). Plus, some of the respondent replied that financial literacy would save them from a crisis or help them in buying the right kind of insurance. Hence, it is important that youth should aware of the financial literacy.

Some studies show that many college students do not keep a written budget (Henry, Weber, & Yarborough, 2001). Meanwhile, female college students would keep a budget rather than male college students (Henry et al., 2001) as well as to use recommended financial practices such as shopping with a list, planning spending, and saving regularly. Therefore, students with higher financial literacy could able to make a wise budgeting in their daily expenditures. Consequently, a higher level of financial knowledge shows that a higher level and regular source of income as well as a higher saving rate (Danes, 1994).

**2.4.3 DEMOGRAPHICS**

In our models of personal financial literacy contain a set of demographic control variables. Since factors such as age, race, gender and family background are known to associate with financial knowledge, these items are included in this model as alternate explanations beyond formal education, experience, and financial aids factors. Few researchers found that male scored better in the financial knowledge compared to the female. In the age area, younger age respondents will have lower financial literacy because they do not have enough experiences or knowledge in such age. Family background (Lusardi et al., 2009) is also quite important and related to the personal financial knowledge. Family with higher income and better educated are tend to have better financial literacy.

**2.4.4 GENDER**

There are few researches carried out to test on the difference between the gender and their financial literacy. These include Chen & Volpe (1998), Danes &Haberman (2007), Manton et al. (2006), Micomonaco (2003), Peng et al. (2007) and Volpe et al. (1996), who found out that male scored better in the financial knowledge compared to the female. However, there is also a different finding in which Ibrahim et al. (2009) found out that there is no difference between the level of financial knowledge between males and females students. The males responded “Don’t know” more than selecting the incorrect answer on nine of the 20 questions while the females responded “Don’t know” rather than selecting an incorrect answer on thirteen of the 20 questions. The nine questions for the males were common to the thirteen questions for the females. On all of these 9 questions there was a higher percentage of “don’t know” response by the females than males (Manton et al., 2006). Examples are like investment, insurance and personal loans areas (Micomonaco, 2003), but females know more about issues covered in the section of overall financial management knowledge (Volpe et al., 1996).

**2.4.5 AGE**

Based on the previous researches, there is a positive relationship between the age and the college students’ financial literacy. From 18 to 24 years young adults usually have a higher degree of demographic diversity and instability, with many living away from home for the first time. Moreover, many of these groups gain a new independence and a greater sense of financial responsibility**.** The acquisition of knowledge seems to increase with age and experience. The results generally show that the younger the age will tend to have the lower financial literacy. Chen & Volpe (1998), Micomonaco (2003), and Chen et al. (1996) who found out lack of financial literacy between those aged 18-24 and this is not a only a result of insufficient financial-based education at the school level. The reason for the low level of knowledge can be attributed to the young ages of 18 to 22 years old of the participants or below 30 as majority of them are in a very early stage of their financial life cycle.(Chen & Volpe, 1998) At this stage of the cycle, they are exposed to a limited number of financial issues related to general knowledge, savings and borrowing, and insurance. During this period, most of their incomes are spent on consumption rather than investment.

**2.5 MONEY MANAGEMENT**

In order to achieve a quality life as a working adults, money management skill play an important role because students spending habits in campus will influence the way they manage money throughout their lives (Ibrahim et al., 2009). Students were found lacking of money management skill due to the lacking of financial knowledge especially degree student in Kedah campus (Ibrahim et al., 2009). In the freshman year, there are 32% of college students doubted about their capability of managing their money in campus. Besides, there are around 20% of college students claims that they have a better way to manage their money on campus .As a result, money management considered as one of the independent variable that could affect the financial literacy level.

**2.6 SPENDING HABIT**

In a new trend, there is an increase in the number of college students borrowing to finance high education. Plus, for future research is needed to determine the attitudes and spending habits of university students’ change during the time they spend in the university setting. The attitude of young adults toward spending plays a vital role in sustainability perspectives of their finance and is a significant variable in financial prudence (Pillai et al., 2010). If students have the idea of managing their finances, there will be less default rate on their student loan debt (Cummins et al., 2009). Besides, students with high financial literacy enable them to decreases their chances of bankruptcy, receiving government assistance (Huston et al., 2003) and making poor consumer decision (Hayhoe, Leach, Turner, Bruin, & Lawrence, 2000). According to the Roy (2003) who found out that the measures of financial literacy should reflect on individual circumstances and agreed that financial literacy was about people being informed and confident decision making in all aspects including spending habits. In addition, young people tend to spend their income immediately on consumption goods, thus neglect the long term personal finances (Greenberger & Steinberg, 1986). Among those young people, females generally tend to have a higher mean score compare with male especially in the affordability to spend, emergencies saving, ability to meet wants, current financial situation, and amount saved (Sabri et al, 2008). There are several symptoms of insufficient personal financial literacy which also include irresponsible overspending on consumption (Beal &Delpachitra, 2003). Nowadays, many students unable to manage their income in a proper manner because once they hold abundant of money, they simply spend it out and treated as necessary expense in fact it was not (Ibrahim et al., 2009). Besides, a college educated students generally spends more income on housing, reading, and education instead of spending more on food, clothing, cyber cafe etc. Hence, there is a need to improve the financial literacy among the students who have a mass spending pattern and training related to the financial literacy is highly recommended and it should be conducted from high schools, colleges and universities (Davidson, 2006). Financial decisions are highly influenced by financial knowledge (Chen & Volpe, 1998) which is parallel with the research by Peng et al. (2007), they found out that student with higher levels of financial literacy made good spending decision in a hypothetical circumstance. In order to avoid any debt and wasteful spending which lead to financial soundness, financial prudence could enlighten the future among the youth and generate wealth (Pillai et al., 2010). Plus, students with less financial knowledge most probably will make flaws on financial decision (Chen & Volpe, 1998). On the other hand, young adults nowadays are materialistic and simply buy assets rather than saving their income for the future and all the statement above are subscribe to the epicurean philosophy of “Life is to enjoy” (Pillai et al., 2010). A finding concluded that many students were lack of basic consumer financial principles of earning, saving, spending, and investing. Eventually, student’s lack of financial literacy raises concerns about their financial futures and their ability to be effective consumer.

**2.7 BENEFITS OF FINANCIAL LITERACY**

Research has shown that financial literacy is beneficial for individuals and families (Blalock et al., 2004; Danes &Hira, 1987; Grable &Joo, 1998; Hibbert&Beutler, 2001; Kerkmann, Lee, Lown, &Allgood, 2000). It increases students’ chances for saving and investing, getting out of debt, spending less than they earn, and living on a budget. It also decreases their chances for bankruptcy, receiving government assistance (Bauer et al., 2000;

Blalock et al, 2004; Huston et al., 2003), and making poor consumer decisions (Grable &Joo, 1998; Hayhoe, Leach, Turner, Bruin, & Lawrence, 2000). Students who lack financial knowledge have increased financial difficulties that continue into later years (Danes &Hira, 1987; Hibbert&Beutler, 2001; Hira, 2002). Chen and Volpe (1998) found that students with less financial knowledge had more negative opinions about finances and made more incorrect financial decisions. They point out that having a low level of financial knowledge limits students’ ability to make informed decisions. Danes and Hira related students’ financial behavior to their future earning capacity. Danes (1994) mentioned that a higher level of financial knowledge was positively correlated to a higher level and regular source of income as well as a higher savings rate. The financial habits students have while in college tend to carry on into adult life. The better their financial literacy is when they leave college, the fewer financial hardships they may have in life (Grable &Joo, 1998).

Financial education influences financial knowledge, attitudes, and behaviors (Ajzen&Fishbein, 1980; Grable &Joo, 1998; Varcoe& Wright, 1991). Financial education increases financial knowledge and affects financial attitudes (DeVaney, Gorham, Bechman, & Haldeman,1996; Grable &Joo, 1998; NEFE, 1998). For example, Fletcher et al. (1997) completed a preand post-assessment of financial knowledge, attitudes, and behaviors to evaluate the effectiveness of Iowa State’s personal finance workshops and found that participants had improved knowledge, attitudes, and behaviors. Increased financial knowledge was also found to influence students’ attitudes positively toward business in general and their ability to be wise consumers in society (Langrehr, 1979). Lyons and Hunt (2003) found that college students want to receive financial information and have a preference about how financial education is taught,who teaches it, and what the content is. Also, although perceived economic well-being maydiffer by gender (Leach, Hayhoe, & Turner, 1999), Grable and Joo found that financial education “levels the playing field” in regards to gender differences and “is effective in changing knowledge, attitudes, and behaviors” (p. 213). Increasing financial knowledge through education was found to be significantly related to risk tolerance, financial attitudes, and saving and investing behavior.

There are several specific benefits of financial literacy. Increasing financial literacy is a way to increase empowerment and improve the quality of life (Knapp, 1991; Voydanoff, 1990).

Energy, thought, and time are spent pursuing money and limiting the unnecessary waste of money. Thus, when students gain more knowledge and more positive attitudes toward money, they make a better decision, which saves resources and improves their situation (Knapp, 1991).

Financial literacy also promotes self-confidence, control, and independence (Allen et al., 2007; Conger, Jewsbury, Matthews, & Elder, 1999). This comes by feeling in control and knowing how to function in a complex marketplace. When consumers feel they are in control of their finances, they are more likely to participate in the marketplace (Knapp, 1991).

Another benefit of financial literacy is increased physical, emotional, and psychological well-being. Norvilitis et al. (2003) found that perceived financial well-being in college students appeared to be related to psychological well-being, an ability to be more in control of their lives, and having lower levels of dysfunctional attributes. Economic stress is associated with depression, anxiety, and psychological distress (Voydanoff, 1990) as well as emotional distress and internalizing problems (Conger et al., 1999). Sobolewski and Amato (2005) found that economic hardship negatively affects the parent-teen relationship, student’s educational attainment, and student’s earned income. Financial literacy goes beyond knowledge about money; it includes being a wise consumer of foods (increasing one’s health) and other purchases such as cars (affecting their safety and the environment) (Knapp, 1991). Thus, increasing financial literacy can affect students’ physical health and safety as well as their psychological well-being.

The financial literacy of students can also affect their current and future family relationships. Hibbert and Beutler (2001) confirmed previous studies that found financial issues to be a common source of conflict in personal, marital, and family relationships. These authors also found that the quality of family life was perceived to be greater where financial self-reliance was more highly valued. Families who spent less than they earned, paid bills on time, and avoided unnecessary debt had fewer family tensions and an increased sense of self-worth.

Families who were poor managers of their finances experienced more unkindness, less communication, and a lower quality of life (Hibbert&Beutler, 2001). Voydanoff (1990) noted that economic stress is associated with low levels of family satisfaction and that higher levels of income are modestly associated with greater marital and family satisfaction. Student’s sense of control and self-mastery are also lower when they experience economic distress (Conger et al.,

1999). Thus, as financial literacy is increased, quality of life should improve.

Another benefit of increased financial literacy is an increase in marital satisfaction. Kerkmann et al. (2000) found that behaviors and perceptions of finances as well as problems and their perceived magnitude were significantly related to marital satisfaction. Some have suggested that financial problems are one of the leading causes of marital conflict and divorce (Amato & Rogers, 1997; Cleek& Pearson, 1985). Oggins (2003) found that in both the first and third years of marriage the top reason for marital disagreement was finances. Conger et al.

(1990) found that economic difficulties affected family relationships through increased hostility in marital interactions while limiting warm and supportive behaviors expressed by the couple.

Financial behaviors are important in marriage because good financial behaviors such as budgeting, paying down debt, saving, and spending less than one earns increase marital satisfaction more than just what one earns (Kerkmann et al., 2000). For example, Kerkmann et al. found that when couples argue about finances, they tend to disagree more about how available finances should be managed or spent rather than about how much or how little they have.

Financial literacy is beneficial for individuals and families through making better financial decisions, increased physical and psychological well-being, and enhanced family and marital relationships, improving their overall quality of life.

**2.8 Gaps in Financial Literacy Research**

Researches of financial literacy targeting university students have shown that, students with the business major are more financially literate than other major. Furthermore, fewer attempts have been made to compare financial literacy levels of students from different faculties. Most of the related research conducted so far only use dichotomous variable to represent the major areas of courses, but it is important to acknowledge the students participation in study and comparisons against several disciplines and year of study.

Research reveals the main source of financial knowledge, although the details of obtaining such information have been overlooked. For example, a respondent may indicate that their main source of financial knowledge is from the school, but are likely to get financial knowledge from many other important sources, both direct and indirect such as family background, investment, and saving.

The student’s major courses studies in university are assumed to be one of the element indicators with significant impact on their knowledge to personal financial behavior. There is a relationship between financial courses taken in college and students’ knowledge of investment (Peng, Bartholomae, Fox, &Cravener, 2007). According to Beal and Delpachitra (2003), Chen & Volpe (1998), Volpe, Chen, &Pavlicko (1996), Peng et al. (2007), and Robb & Sharpe (2009) have indicated that business majors are more knowledge about personal finance than non-business majors. Fewer attempts have been made concerning developing program which will include students with business major and students without business major to educate them on the importance of inculcating good financial management practices such as budgeting, saving and investing for a better future after school. Possession of good financial management practices by students through this program **(University Students Financial Planning Program (USFPP))** will help develop good financial attitudes such investing in stocks, budgeting, saving e.t.c

According to the Lyons (2007), demographic variables such as ethnicity and gender would affect individual financial behaviors. Lyons (2007) claimed that, female, black, and/or Hispanic were more likely to face with financial crisis. However, Erskine, Kier, Leung and Sproule (2006) sought that there is no significant relationship between gender and individual’s financial management. This research will also help to identify if there is truly a significant relationship or not.

**CHAPTER THREE**

**METHODOLGY**

**3.0 Introduction**

This chapter deals with the methodology of the study. It provides an outline of the research approach, the associated methods and technique used for the collection of relevant data and the instruments used to analyze them.

**3.1 Conceptual Framework**

|  |
| --- |
| **INDEPENDENT VARIABLES** |

|  |
| --- |
| **DEPENDENT VARIABLE** |

|  |  |
| --- | --- |
| Students with business major | Students with non- business major |

|  |
| --- |
| **FINANCIAL BEHAVIOUR**  **Financial management practices**  Savings  Budgeting  Investments |

|  |
| --- |
| MONEY MANAGEMENT  **Variables to be tested**  Spending Habits  Use of Debit cards |

|  |
| --- |
| DEMOGRAPHICS  **Variables to be tested**  Age  Gender |

**3.1.2 Explanation to the conceptual framework.**

Based on the research framework, the respondents has been divided into two different category( main independent variable) the business major students and non-business major students, each of the main independent variable will test the sub independent variables differently, these sub independent variables include; spending habits, ATM usage, age, and gender. These sub variables will be tested with each of the main independent variable to see the effects or relationships on the dependent variable (financial management practices) which includes savings, budgeting and investments.

**3.2 Research Design**

The research plan developed for this study will adopt **exploratory research** as it has the goal of formulating problem, gaining insight and formulating hypothesis, this was chosen because of the purpose of this research which will test several independent variables to its effects on the dependent variables.Quantitative research is to be conducted through using small scale of survey research, using the questionnaire as a tool for collecting data. In this research, AIT university students are treated as target population in order to complete this research.

**3.3 The study Area**

The chosen study area for this research is Accra ( Accra Institute Of Technology) due to convenience of the researcher and location of chosen population, with limited resources as one of the factors listed as limitations to this study, choosing this particular target population in this area is assumed to be cost effective as the respondents are within the reach of the researcher, based on information gathered on previous research, it has shown that few attempts has been made to test these dependent variables amongst students in Ghana. Accra which is the capital of Ghana has a lot students including foreign and local, this will provide a platform for the researcher to get respondents with different characteristics to match up with the variables which will be tested.

* 1. **Population**

This includes the entire group of people from which information is required, for the purpose of this research, and the analysis involved, the required group of individual is university students. This population will be divided into two groups; students offering business related courses and students not offering business related courses. The number of the respondents has been chosen in order to accommodate students with various characteristics, splitting the population into students offering business courses and students without business courses will promote fairness, allowing all the researcher to see how the two major dependent variables (business major and non-business major students) will have effect on the independent variable ie the financial behavior of the students, whether they do budget, save or invest. Students offering business related courses and students who do not offer business related course will be the major independent variable to be tested with other variables as sub-characteristics for establishing relationships.

* 1. **Sampling and Sampling procedure**

Because of unavailability of resources to gather information from everyone and time factor, the entire population will not partake in the research process, rather a subset of the population (representative sample) will be used, certain observations will be made on the representative sample and conclusions will be drawn about the characteristics of the whole population. The population which includes AIT students will be represented by subset of the student’s population (n=80) in attempt to include individuals with different characteristics to match up with the variables. **Probability sampling** will be used for this research, where I will make use of **simple random sampling** for selecting my sample from the defined population. This is chosen in order to achieve some degree of representativeness, and allow that representative from diverse background to be included.

**3.6 Data collection**

A questionnaire (self-administered) is to be developed for collection of data. Questionnaire which is an important tool for gathering primary data will be used in this research and it will be based on the objectives of this study testing the dependent variables on the independent variable. This is to ensure convenience and confidentiality, since majority of the respondents are assumed to be uncomfortable disclosing their personal formations such as: age to the researcher through interview. Disclosure of personal financial information like by respondents to the researcher through interview is assumed to be impossible or might include untrue response. Pilot-testing will be conducted prior to conducting the study to ensure absence of distortion. Questionnaire has been chosen as it economical, easy to analyze and has the possibility of reach large number of people.

**3.7 Data Analysis Methodology**

The gathered raw data needs to be edited, tabulated and analyzed to find results and interpret them, the data will be analyzed using **descriptive statistical method** considering the necessary steps involved. This statistical method is adopted for conducting data analysis in this study as it will help establish relationship between the dependent variables and independent variables. It is expected to show how the dependent variables are influenced by the independent variable and to what extent.

* 1. **Limitations**
* **Admittance to fill the questionnaire**: Students having other academic activities to embark on might not have enough time to take part in the research process as respondents.
* **Misinterpretation of the question:** Another challenge is that students with their level of exposure is likely to misinterpret the questions in the questionnaire this will lead to
* **Limited resources:** I the researcher is deemed to use the available resources in completing this research as it is unlikely to attain expected resources to be available. It is likely I will encounter difficulty in searching for journals and articles to support my literature review. The online journal database, OPAC is insufficient for us as some good journals were restricted to specific users. Therefore, we need to access to other sources of database in order to obtain more journals.
* **Time** delay can occur since it’s not controlled by the researcher.

**Chapter Four**

**Data Analysis and Interpretation**

**4.0 Introduction**

This chapter gives an explanation on the analysis of data, and an interpretation of data, data was collected from 200 students of Accra Institute of Technology in Accra representing both students that offer business course and those who do not. This chapter gives the reader a complete understanding of the data captured from the survey and their implications.

**Questionnaires on financial management practices among university students**

**M = MALE**

**F = FEMALE**

**BC = BUSINESS COURSES**

**NBC = NON-BUSINESS COURSES**

**AGE = A (16-21), B (22-26), C(26-above)**

**SECTION A: Demographic Variables**

**Table 4.1.1: Type of School**

|  |  |  |
| --- | --- | --- |
| **Type of School** | **Frequency** | **Percentage (%)** |
| Business School | 100 | 50 |
| Non-Business School | 100 | 50 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

**Figure 4.1.1: Type of School**

**Source: Primary Research Data, 2015.**

From the table above (Table 4.1.1), respondents representing 50percent are undertaking business program in the university whiles the remaining 50 percent are the non-business students, this will reduce biases in analysis.

**Table 4.1.2: Gender**

|  |  |  |
| --- | --- | --- |
| **Gender** | **Frequency** | **Percentage (%)** |
| Male | 100 | 50 |
| Female | 100 | 50 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.1.1), respondents representing 50 percent are male students whiles 50 percent also represented female students in the university.

**Table 4.1.3: Age category**

|  |  |  |
| --- | --- | --- |
| **Age category** | **Frequency** | **Percentage (%)** |
| 16-21 | 83 | 41.5 |
| 22-26 | 69 | 34.5 |
| 26-above | 48 | 24 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.1.1), majority of the respondents representing 41.5 percent are between the age of 16-21 , while 34.5 percent of the population represented students between the ages of 22-26 and 24 percent of the students represented students with the age of 26-above.

**SECTION B: MONEY MANAGEMENT**

**Table 4.2.1: Question 1: Do you have a bank account?**

|  |  |  |
| --- | --- | --- |
| **Question 1** | **Frequency** | **Percentage (%)** |
| Yes | 200 | 100 |
| No | 0 | 0 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.2.1), majority of the respondents representing 79.5 percent have bank accounts while 20.5 don’t have bank accounts.

**Table 4.2.2: Question 2: how often do you use the debit card (ATM) issued by your bank?**

|  |  |  |
| --- | --- | --- |
| **Question 2** | **Frequency** | **Percentage (%)** |
| Never | 33 | 16.5 |
| Once a week | 138 | 69 |
| Everyday | 22 | 11 |
| More than once a day | 7 | 3.5 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.2.2), majority of the respondents representing 69 percent of the population use debit cards once a week, while few portion of the population representing 3.5 percent use their debit cards more than once a day.

**Table 4.2.3: Question 3: How does the use of ATM card alter your monthly budget?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 3** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **31** | **12,19** | **20,11** | **3,10,18** | 15.5 |
| Sometimes | **32** | **17,15** | **14,18** | **11,17,4** | 16 |
| More often | **46** | **18,28** | **21,25** | **21,19, 6** | 23 |
| Always | **91** | **54,37** | **68, 23** | **48,24,19** | 45.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table **4.2.3**), majority of the respondents representing 45.5 percent agreed that debit card usage always affects their budget while 16 percent of the population said it affects them sometimes.

**Table 4.2.4: Question 4: I argue or complain about the cost of things that I buy**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 4** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **41** | **22,19** | **28,19** | **13,17,11** | 20.5 |
| Sometimes | **32** | **12,20** | **21,13** | **6,10,16** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **88** | **59,29** | **36,52** | **53,17,18** | 44 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.2.4), majority of the respondents representing 44 percent always argue or complain about the cost of things that they buy while 20.5 percent never argue or complain about the cost of things that they buy.

**Table 4.2.5: Question 5: When I buy something, I complain about the price I bought it**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 5** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **82** | **53,29** | **19,63** | **47,21,14** | 41 |
| Sometimes | **41** | **15,26** | **27,16** | **19,13,9** | 20.5 |
| More often | **48** | **9,39** | **32,16** | **6,19,23** | 24 |
| Always | **29** | **8,21** | **20,9** | **3,7,19** | 14.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.1.1), majority of the respondents representing 41 percent never complain about the price of things they buy while few portion representing 14.5 percent said they always complain about the price they buy things.

**Table 4.2.6: Question 6: I hesitate to spend money, even on necessities.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 6** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **91** | **52,32** | **23,68** | **48,24,19** | 45.5 |
| Sometimes | **32** | **7,15** | **14,8** | **11,7,4** | 11 |
| More often | **46** | **10,28** | **21,15** | **6,9,21** | 18 |
| Always | **31** | **8,19** | **20,7** | **3,6,18** | 13.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.7: Question 7: I show worrisome behavior when it comes to money that’s why I save more.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 7** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **82** | **53,29** | **19,63** | **47,21,14** | 41 |
| Sometimes | **41** | **15,26** | **27,16** | **19,13,9** | 20.5 |
| More often | **48** | **9,39** | **32,16** | **6,19,23** | 24 |
| Always | **29** | **8,21** | **20,9** | **3,7,19** | 14.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.8: Question 8: I automatically say, “I can’t afford it” whether I can or not just to be within my budget.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 8** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **51** | **32,19** | **22,29** | **23,17,11** | 25.5 |
| Sometimes | **32** | **12,20** | **21,13** | **6,10,16** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **78** | **49,29** | **31,48** | **43,17,18** | 39 |
| **Total** | 200 | 200 | 200 | 200 | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.9: Question 9: I show signs of nervousness when I don’t have enough money that’s why I save more.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 9** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **71** | **42,22** | **18, 53** | **38,14,19** | 35.5 |
| Sometimes | **42** | **27,15** | **24,18** | **11,17,14** | 21 |
| More often | **40** | **12,28** | **23,17** | **9,10,21** | 20 |
| Always | **47** | **28,19** | **20,27** | **3,16,28** | 23.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.10: Question 10: It’s hard for me to pass up a bargain and it makes me spend more.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 10** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | 91 | 52,32 | 23,68 | 48,24,19 | 45.5 |
| Sometimes | 32 | 7,15 | 14,8 | 11,7,4 | 11 |
| More often | 46 | 10,28 | 21,15 | 6,9,21 | 18 |
| Always | 31 | 8,19 | 20,7 | 3,6,18 | 13.5 |
| **Total** | 200 | 200 | 200 | 200 | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.11: Question 11: It’s hard for me to pass up a bargain and it makes me spend more.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 11** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **82** | **53,29** | **19,63** | **47,21,14** | 41 |
| Sometimes | **41** | **15,26** | **27,16** | **19,13,9** | 20.5 |
| More often | **48** | **9,39** | **32,16** | **6,19,23** | 24 |
| Always | **29** | **8,21** | **20,9** | **3,7,19** | 14.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.12:**

**Question 12: After buying something, I wonder if I could have gotten the same for less elsewhere just to save more.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 12** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | 91 | 52,32 | 23,68 | 48,24,19 | 45.5 |
| Sometimes | 32 | 7,15 | 14,8 | 11,7,4 | 11 |
| More often | 46 | 10,28 | 21,15 | 6,9,21 | 18 |
| Always | 31 | 8,19 | 20,7 | 3,6,18 | 13.5 |
| **Total** | 200 | 200 | 200 | 200 | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.13: Question 13: It bothers me when I discover I could have gotten something for less elsewhere to be within budget.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 13** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **71** | **42,22** | **18, 53** | **38,14,19** | 35.5 |
| Sometimes | **42** | **27,15** | **24,18** | **11,17,14** | 21 |
| More often | **40** | **12,28** | **23,17** | **9,10,21** | 20 |
| Always | **47** | **28,19** | **20,27** | **3,16,28** | 23.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

**Table 4.2.14: Question 14: When I make a major purchase, I have a suspicion that I have been taken advantage of.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 14** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **30** | **12,18** | **23,7** | **18,4,8** | 15 |
| Sometimes | **45** | **18,27** | **24,21** | **10,17,18** | 22.5 |
| More often | **62** | **26,36** | **36,26** | **18,13,31** | 31 |
| Always | **63** | **35,28** | **31,32** | **29,24,10** | 31.5 |
| **Total** | 200 | 200 | 200 | 200 | 100% |

**Source: Primary Research Data, 2015.**

**SECTION C: FINANCIAL MANAGEMENT PRACTICES**

* **Budgeting**

**Table 4.3.1: Question 1: Do you know how much you spend each week?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 1** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **101** | **62,39** | **28,73** | **53,27,21** | 50.5 |
| Sometimes | **32** | **12,20** | **21,13** | **16,10,6** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **28** | **8,19** | **20,8** | **3,6,18** | 14 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.1), majority of the respondents representing 50.5 percent do not know how much they spend each week while 14 percent of the total respondents knows how much they spend each week.

**Table 4.3.2: Question 2: Do you put a little bit of money aside regularly in case of emergencies in the future?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 2** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **107** | **65,43** | **31,76** | **55,29,23** | 53.5 |
| Sometimes | **29** | **11,18** | **20,9** | **15,9,5** | 14.5 |
| More often | **36** | **6,30** | **21,15** | **4,9,23** | 18 |
| Always | **28** | **8,19** | **20,8** | **3,6,19** | 14 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4**.**3.2), majority of the respondents representing 53.5 percent never set money aside for the case of emergencies while 14 percent always do, 20 respondents who chose always are students that offer business courses while 8 are students that do not offer business courses.

**Table 4.3.3: Question 3: Do you compare the cost of items (groceries, supplies) at many shops before buying?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 3** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **109** | **66,43** | **32,77** | **53,29,25** | 54.5 |
| Sometimes | **32** | **12,20** | **21,13** | **16,10,6** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **20** | **6,14** | **16,4** | **4,4,12** | 10 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.3), majority of the respondents representing 54.5 percent do not compare the cost of items (groceries, supplies) at many shops before buying while respondents representing 10 percent always compare the cost of items (groceries, supplies) at many shops before buying.

**Table 4.3.4: Question 4: Do you plan inconsistent purchases (haircut, clothing) so they do not come at once?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 4** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **120** | **72,48** | **37,83** | **59,33,28** | 60 |
| Sometimes | **32** | **12,20** | **21,13** | **16,10,6** | 16 |
| More often | **20** | **7,13** | **15,5** | **4,3,13** | 10 |
| Always | **28** | **8,19** | **20,8** | **3,6,18** | 14 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.4), majority of the respondents representing 60 percent never plan inconsistent purchases like haircut, clothing so they do not come at once while respondents representing 14 percent plan inconsistent purchases like haircut, clothing so they do not come at once.

**Table 4.3.5: Question 5: When budgeting, do you overstate purchases to ensure you have enough money?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 5** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **82** | **53,29** | **19,63** | **47,21,14** | 41 |
| Sometimes | **41** | **15,26** | **27,16** | **19,13,9** | 20.5 |
| More often | **48** | **9,39** | **32,16** | **6,19,23** | 24 |
| Always | **29** | **8,21** | **20,9** | **3,7,19** | 14.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.1.1), majority of the respondents representing 41 percent do not overstate purchases to ensure they have enough money while 14.5 percent always overstate purchases to ensure you have enough money.

* **Investment**

**Table 4.3.6: Question 1: Do you engage in any form of investment?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 1** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **131** | **77,54** | **43,88** | **68,37,26** | 65.5 |
| Sometimes | **27** | **10,17** | **19,8** | **14,9,4** | 13.5 |
| More often | **29** | **4,25** | **20,9** | **4,9,16** | 14.5 |
| Always | **13** | **4,9** | **10,3** | **2,4,7** | 6.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.6), majority of the respondents representing 65.5 percent do not engage in any form of investment while respondents representing 6.5 percent engage in any form of investment while they are in school.

**Table 4.3.7: Question 2: Do you review articles, newspapers to look out for stocks to buy?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 2** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **136** | **79,57** | **45,91** | **70,38,27** | 68 |
| Sometimes | **27** | **10,17** | **19,8** | **14,9,4** | 13.5 |
| More often | **24** | **4,20** | **16,8** | **1,7,16** | 12 |
| Always | **13** | **4,9** | **10,3** | **2,4,7** | 6.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.7), majority of the respondents representing 68 percent never review articles, newspapers to look out for stocks to buy while 6.5 percent does always, 12 percent does more often and 13.5 does sometimes review articles, newspapers to look out for stocks.

**Table 4.3.8: Question 3: How do you use your lucky money?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 3** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Be in the bank | **41** | **22,19** | **28,19** | **13,17,11** | 20.5 |
| Pay tuition fee | **32** | **12,20** | **21,13** | **6,10,16** | 16 |
| Buy financial products | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Spend it at random | **88** | **59,29** | **36,52** | **53,17,18** | 44 |
| Others | **0** | **0** | **0** | **0** |  |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.8), majority of the respondents representing 44 percent spend their lucky money at random, while 19.5 use their lucky money to buy financial products, 16 percent of the population put their lucky money in the bank.

**Table 4.3.9: Question 4: What are your thoughts towards investment while in school?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 4** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Not necessary | **75** | **36,39** | **28,47** | **40,19,16** | 37.5 |
| a bit important | **52** | **32,20** | **39,13** | **11,15, 26** | 26 |
| Very important | **73** | **39,34** | **41,32** | **19,24,30** | 36.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.9), majority of the respondents representing 37.5 percent agreed that it is not necessary to invest while in school while 36.5 percent thinks it’s very important to engage in investments while in school.

**Table 4.3.10: Question 5: How would you describe your current lifestyle and investment habits?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 5** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Not necessary | **101** | **65,37** | **31,70** | **59,21,21** | 50.5 |
| a bit important | **60** | **24,36** | **37,23** | **13,31,16** | 30 |
| Very important | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table **4.3.10**), majority of the respondents representing 50.5 percent of the population thought that developing investment habits is not necessary while 19.5 believe it’s very important to their current lifestyle.

* **Savings**

**Table 4.3.11: Question 1: I feel I manage my personal finance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 1** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A, B, C** |  |
| Very well | **45** | **18,27** | **24,21** | **10,17,18** | 22.5 |
| Okay/Average | **92** | **41,51** | **56,36** | **28,33,31** | 46 |
| Poorly | **63** | **35,28** | **31,32** | **29,24,10** | 31.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.11), majority of the respondents representing 46 percent feel that the management of their finance is on the average , while 31.5 percent of the respondents believe that they manage their finance poorly and 22.5 percent believed they manage they manage their finance very well.

**Table 4.3.12: Question 2: How often do you buy things which are outside your basic needs?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 2** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **28** | **8,19** | **20,8** | **3,6,18** | 14 |
| Sometimes | **32** | **12,20** | **21,13** | **16,10,6** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **101** | **62,39** | **28,73** | **53,27,21** | 50.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.12), the result shows that most of the students representing about 50.5 percent of the population buys things outside their budgets more often, while students representing 19.5 percent agreed that they buy outside their budget more often, 16 percent of them believe that they do so sometimes and 14 percent respondents believe they never buy outside their budget.

**Table 4.3.13: Question 3: Even on a low income one should save a little regularly**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 3** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **41** | **22,19** | **28,19** | **13,17,11** | 20.5 |
| Sometimes | **32** | **12,20** | **21,13** | **6,10,16** | 16 |
| More often | **39** | **8,31** | **24,15** | **5,11,23** | 19.5 |
| Always | **88** | **59,29** | **36,52** | **53,17,18** | 44 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.13), the result shows that most of the students representing about 44 percent of the population agreed that even on a low income, one should save regularly, while students representing 16 percent believe saving on a low income should be done sometimes.

**Table 4.3.14: Question 4: Do you avoid carrying a balance on a credits or students loan to avoid paying interest?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 4** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A, B, C** |  |
| Never | **71** | **47,24** | **18,53** | **43,17,11** | 35.5 |
| Sometimes | **47** | **19,28** | **26,21** | **23,14,10** | 23.5 |
| More often | **54** | **16,38** | **29,25** | **15,16,23** | 27 |
| Always | **28** | **8,19** | **20,8** | **3,6,18** | 14 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.14), the result shows that most of the students representing 35.5 percent of the population never avoid carrying a balance on students loans, 18 of those respondents are students that offer business courses and 53 of them doesn’t offer business courses, while few of the respondents representing 14 percent of the entire population chose always.

**Table 4.3.15: Question 5: Do you look for offers and deals prior to purchasing items?**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Question 5** | **Frequency** | **M,F** | **BC,NBC** | **AGE** | **Percentage (%)** |
|  |  |  |  | **A,B,C** |  |
| Never | **116** | **72,44** | **38,78** | **58,32,26** | 58 |
| Sometimes | **27** | **12,15** | **17,10** | **6,10, 11** | 13.5 |
| More often | **34** | **8,26** | **24,10** | **5,9,20** | 17 |
| Always | **23** | **9,14** | **15,8** | **3,6,14** | 11.5 |
| **Total** | **200** | **200** | **200** | **200** | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.3.15), the result shows that majority of the students representing 58 percent of the population never look for offers and deals prior to purchasing items while very few of the respondents representing 11.5 percent agree that they do look for offers and deals prior to purchasing items of which 15 of them are business students and 8 are not business students.

**SECTION D: University Students Financial planning program (USFPP)**

**Table 4.4.1:**

**Question 1**: Do you think implementation of **University Students’ Financial Planning Program (USFPP)** will improve your personal financial management behavior?

|  |  |  |
| --- | --- | --- |
| **Question 1** | **Frequency** | **Percentage (%)** |
| Yes | 159 | 79.5 |
| No | 41 | 20.5 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.4.1), majority of the respondents representing 79.5 percent thought that implementation of the University Students’ Financial Planning Program (USFPP) will improve their personal financial management behavior the remaining 20.5 percent thought otherwise toward the implementation of the program.

**Table 4.4.2: Question 2: Why yes or no**

|  |  |  |
| --- | --- | --- |
| **Question 2** | **Frequency** | **Percentage (%)** |
| Improve my financial management | 159 | 79.5 |
| Not relevant | 41 | 20.5 |
| **Total** | 200 | 100% |

**Source: Primary Research Data, 2015.**

From the table above (Table 4.4.2), the result showed that majority of the respondents representing 79.5 percent agreed that the implementation of the University Students’ Financial Planning Program (USFPP) will help them manage their finances better while the remaining 20.5 percent thought it to be irrelevant to their studies.

**Chapter five**

**Summary, Conclusion and Recommendations**

**5.0 Introduction**

This chapter deals with summary of study, conclusion and recommendations. The conclusions would be made from the analysis and the literature review.

**5.1 Summary of Findings**

This study sought to look at the financial management practices among university students. 200 questionnaires were completed and valid for this research. Data were categorized into 2 groups as stated in the conceptual framework, the first group consists of those respondents who offer business courses and the second group consisted of those respondents who do not offer business courses. Descriptive analysis was used to interpret the gathered information.

**5.1.1To determine if students who do business related courses are good at managing their finance.**

In this study, academic courses are one of the independent variables (IV) in which business major and non-business major students are tested to see which one performs better in financial management practice. There is a relationship between financial courses taken in college and students’ knowledge of investment (Peng, Bartholomae, Fox, &Cravener, 2007). According to Beal and Delpachitra (2003), Chen & Volpe (1998), Volpe, Chen, &Pavlicko (1996), Peng et al. (2007), and Robb & Sharpe (2009) have indicated that business majors are more knowledge about personal finance than non-business majors. The findings from the research has contributed to this literature that student’s that do business related courses performed better when managing their finance as compared to students who do not do business related courses.

**5.1.2 To determine if demographic variables like gender, age can influence AIT student’s financial management behavior.**

Findings from this research also contributed to this literature that Young generation rarely practice basic financial skills, such as budgeting, frugal spending, developing a regular savings plan, or planning for long term requirements (Pillai, Carlo, &D’souza, 2010).

The results generally show that the younger the age will tend to have the lower financial literacy. Chen & Volpe (1998), Micomonaco (2003), and Chen et al. (1996) who found out lack of financial literacy between those aged 18-24 and this is not a only a result of insufficient financial-based education at the school level, analysis from the tables contributed to this literature that students in age category ‘A’ performed poorly in managing finance in terms of saving, investments and budgeting. Findings also showed that the female students performed better in their spending habits compared to the performance of the male students in the school.

**5.1.3 To find out how students spending habit affects their financial management behavior in terms of budgeting, savings and investment while in school.**

The attitude of young adults toward spending plays a vital role in sustainability perspectives of their finance and is a significant variable in financial prudence (Pillai et al., 2010). The researcher found out that student spending habits strongly affect their financial management behavior as majority of them answered never to most of the questions asked in the money management section.

**5.1.4 To determine if adoption of University Students Financial Planning Program will help students develop good financial management behavior.**

The finding from the research revealed that adoption of University Students Financial Planning Program will help students develop good financial management behavior as majority of student answered yes to the question of implementing university students financial planning program claiming that it will help them manage their finance better, contributing to the literature that states that education institutions play vital roles in nurturing and educate students related to financial knowledge such as providing High School Financial Planning Program (HSFPP) and through HSFPP, students had changed their saving and spending habits in three month time (Danes, Huddleston, & Boyce, 1999).

**5.2 Conclusion**

Overall, this research achieved its objective which is to examine the financial management practices among university students in Accra Institute of Technology. In summary, the overall results show that the financial management practices among university students of AIT students is on low level and the students with business major performed better than students without business, furthermore the research revealed that factors including age, spending habit, and gender significantly affect the financial management practices of AIT students. Apart from that, this research study also includes the limitation in conducting the research. Finally, this research study has provided recommendations for this study for future improvement.

**5.3 Recommendations for Future Research**

**5.3.1 Larger sample size**

In future research, researchers can enlarge the sample size in order to reduce the potential bias and increase its accuracy. Besides that, researchers are recommended to distribute the questionnaires to a larger and diversify population in order to enhance the accuracy and reliability of the research. This include distribute the questionnaires equally among races and among the country’s region where more comprehensive results could be obtained.

**5.3.2 Enhance the design of questionnaires**

More specific questions should be set as it reduce biasness and serve as a better indicator for examining the financial literacy level of the university students. In order to solve the issue of doubts and queries of respondents towards the questionnaires, future researchers are recommended to design a more comprehensive questionnaire with more variety of questions. For example, by including open-ended questions in the questionnaires, the respondents are able to reveal their opinions and perceptions. Besides, simplicity of questions is highly recommended as this will reduce the confusions occurred. In addition to that, simple English can be used in the questionnaires since some respondents might face some problems in understanding the questionnaires. Future researchers can also assist and guide the respondents in answering the questionnaires as to increase the preciseness of the research.

**5.3.3 Including more variables**

In addition, future researchers could include the variable such as the level of education to determine a more realistic benchmarks for the ongoing measurement of financial literacy as well as the attachment of the information about the type of educational attainment or level of performance in order to determine the effectiveness of the implementation of education strategy and make improvement in various places such as financial in schools, universities, colleges and workplace.

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