

Determinants of Financial Problems Among Male Students

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ABSTRACT

This study describes the financial problems among male students in Pakistan. It inspects the effect of financial socialization, financial awareness, and financial mind-set, effect of socialization agents and financial behavior on alleged financial problems among male students. The sample of 225 male students was selected randomly from different colleges and universities in Pakistan. A self-administered questionnaire was used as the data collection tool. The results indicate that in order of priority, spendthrift attitude, secondary socialization agents, conservative attitude, financial socialization and financial behavior, directly foresee financial problems among the male students. In addition, the results of indirect effects suggest that, financial socialization, spendthrift attitude, financial awareness and secondary socialization agents indirectly effects the financial behavior and financial problems.

INTRODUCTION

Historically, financial problems have been seen as a male-dominated role. In the field of economics and finance, investigation covers the effects of gender on financial activities. Both men and women with gender lens studies have demonstrated that different socialization experiences of men and women differently understood through money. Numerous studies (Rabow & Chames, 1991; Rabow, Chames, Aguilar, and Toomajian, 1992) show that families using a number of diverse strategies for economic socialization of boys and girls, such as keeping their daughters depends on ignorant with money and vice versa giving more economic opportunities for boys. However, it is well documented that economic socialization is the main step in providing financial awareness, financial behavior and, therefore, future economic behavior. College students are receiving more consideration from teachers financially, as they are the future workforce participants. College students can be considered as a high risk cluster in terms of economic stability and, therefore, prosperity, because of their tendency to borrow, to finance their college education. Recent college graduates carry a significant burden of debt and financial problems. (Leach, Hayhoe, & Turner, 1999). "Economic Problems" The term generally refers to a mismatch between the resources and requirements (Kerkmann, Lee, Lown, and Allgood, 2000). Economic troubles, in accumulation to economic pressures, may add to other personal and family trouble. Marcolin and Abraham (2006) noted that financial tribulations are frequently the foundation for divorce; emotional stress, Mental illnesses, such as isolation, lowers self-esteem and depression. The researchers found that college students had gender differences in financial troubles, in which male students engaged in extra risky financial manners. The findings of Masud, Rahim, Paim, and Britt (2004) among

students showed that men reported more financial problems than females. Furthermore, the studies of Henry, Weber, and Yarbrough (2001) found that female students have more budget than men students. Similarly, Davies and Lea (1995) found that male students carrying more debt as compare to female students. These findings indicate that male students are considered to have a higher level of economic problems among students. Economic research (Joo, 2008? Xiao, Tang, & Shim, 2009) has long documented that economic performance is the major determinant of economic prosperity, which, in turn, is effected by four foremost factors - economic stance, economic socialization, economic factors and economic socialization skills. Students learn economic behavior like others people in early life, however, is widespread among researchers that the experience of the family, in particular, frequently give the basis for the economic behavior of the student (Danes & Hira, 1986? Hira & Mugenda, 2000? Watchravesringkan, 2008)

It is well recognized that economic socialization is influenced by the ideology of sex parents (MOSCHIS & Churchill, 1978). The findings of Rabow and Newcomb (1999) established the gender dissimilarity in financial socialization process and evidence has shown that the different economic socialization would lead to differences in economic behavior (Hayhoe, Leach, Turner, Bruin, and Lawrence, 2000). Masuo, Malroutu, Hanashiro, & Kim, 2004) and economic knowledge (Chen & Volpe, 2002? (Goldsmith & Goldsmith, 2006), which, in turn, lead to different results behavior (Dowling, Corney, Hoiles & 2009? Xiao, et al., 2009). The study examined the effect of economic socialization, financial position, financial literacy and financial behavior financial problems among Malaysian students. Understanding the factor that can affect the financial tribulations for male students will be constructive in helping to plan additional successful financial education programs to organize young students to be successful personal financial managers as they enter the work force market. Regarding the significant role of women in the economy, such as the future workforce and the users of the financial market, it is important to understand the factors that provide financial problems together. Knowledge about the economic behavior of students and economic problems is important as this economic behavior has a significant impact on the future economic prosperity and overall satisfaction with their lives.

OBJECTIVE OF THE STUDY

The main objective of this study is to examine the effect of economic socialization, economic attitude, economic knowledge, the influence of socialization representatives and financial behavior is financial problems among students. College and university students are receiving more consideration from teachers financially, as they are the future workforce participants. College students can be considered as a high risk cluster in terms of economic stability and, therefore, prosperity, because of their tendency to

borrow to finance their college education. Financial socialization in this study is defined as the process by which young people obtain knowledge, skills, and attitudes relevant to their effective functioning in financial issues.

MATERIAL AND METHODS

The sample of the study consists of five public and private universities and four colleges in Pakistan. Primary data were collected through self-administered questionnaire. For each college and university, 25 students were randomly selected. A list of students names were obtained from student affairs section. To determine the financial difficulty only male students were considered. A total of 225 questionnaires were distributed and 200 questionnaires were returned. Response rate was 89 percent which is quite satisfactory.

Dependent Variable:

In this study, financial problem is described as the inability to manage expenses and familiarity the financial burden. To determine financial troubles, ten items were utilized on a 4-point Likert scale and focused on problem such as financial planning issues and cash flow management.

Independent Variables:

To recognize factors that envisage financial tribulations numerous factors were recognized based on prior literature. Pecuniary socialization (financial experiences during childhood), financial posture with spendthrift (negative attitude) and conservative attitude (positive attitude), outcome of pecuniary socialization agents (peer, media, mobile) financial acquaintance and pecuniary activities were measured as predictors of financial tribulations among male university students. In this study, the economic process by which young people's knowledge, skills and attitudes related to the effective functioning of financial gain is defined as socialization. To determine this construct, a ten-item instrument was measured, as a result, higher scores show prior infancy financial familiarity and individuals who never had the familiarity were marked as zero.

Econometric Model:

Path analysis (PA) was used to examine which factors had major effects on the financial troubles among university level male students. PA in statistics is used to describe the directional dependencies between a set of variables. This consists of models corresponding to each form of multiple regression analysis, canonical correlation analysis, and factor analysis. In this research study to conduct PA multiple regression was used to get direct as well as indirect effects.

RESULTS AND ANALYSIS

Table1. Estimates of Coefficients for Factors Directly Predict Financial Problem among Male Students

<i>Financial Problems</i>	<i>Beta (Unstandardized co-efficient)</i>	<i>Std. Error</i>	<i>Beta (Standardized co-efficient)</i>	<i>t</i>	<i>P.Value</i>
<i>Spendthrift attitude</i>	0.015	0.002	0.201	4.012	0.000
<i>Secondary Socialization Agents</i>	0.003	0.000	0.156	6.087	0.001
<i>Conservative attitude</i>	-0.004	0.001	-0.140	8.123	0.002
<i>Financial socialization</i>	0.011	0.000	0.104	-12.590	0.000
<i>Financial behavior</i>	0.002	0.002	0.080	14.985	0.002

*Note: P value of * (p<0.05) refer to statistical significant at the 5 percent levels.

$R = 0.408; R^2 = 0.386; Adj. R^2 = 0.16$

The results presented in Table1 show estimates of coefficients for factors directly predict financial problem among male students. Results showed that taken jointly all five factors envisage 38.6 % of variance in financial problem ($R^2 = 0.386$). Spend thrift attitude ($b=0.201, P<.00$), secondary socialization agents ($b=0.156, P<.001$), financial socialization ($b= 0.104, P<.00$), and financial behavior ($b= 0.080, P<.002$) had a constructive outcome on financial problems while conservative attitude ($b= -0.140, P<.002$) had negative results on financial problems.

Table 2. Estimates of Coefficients for Factors Indirectly Predict Financial Problem through Financial Behavior among Male Students

<i>Financial Problems</i>	<i>Beta (Unstandardized co-efficient)</i>	<i>Std. Error</i>	<i>Beta (Standardized co-efficient)</i>	<i>t</i>	<i>P.Value</i>
<i>Financial socialization</i>	0.189	0.120	0.410	5.292	0.001
<i>Spendthrift attitude</i>	0-165	0.560	0.380	-9.067	0.001
<i>Financial awareness</i>	0.150	0.031	-0.201	5.185	0.000
<i>Secondary Socialization Agents</i>	0-.056	0.049	0.133	-09.590	0.000

*Note: P value of * (p<0.05) refer to statistical significant at the 5 percent levels.

$R = 0.282; R^2 = 0.080; Adj. R^2 = .074$

The results presented in Table 4.1 demonstrate estimates of coefficients for factors indirectly predict financial problem through financial behavior among male students. Financial socialization ($b=0.410, P <0.001$), spendthrift attitude ($b=0.380, P <0.001$), and secondary socialization agents ($b=0.133, P <0.000$), have strong indirect effect on financial problem through financial behavior among male students. The results is consistent with (Kim, Garman, & Sorhaindo, 2003; Lyons, 2008).

Table 3. Results of multicollinearity

	<i>Tolerance</i>	<i>VIF</i>
<i>Financial Problems</i>	.354	2.828
<i>Financial socialization</i>	.779	1.284
<i>Spendthrift attitude</i>	.421	2.375
<i>Financial awareness</i>	.522	1.91
<i>Secondary Socialization Agents</i>	.421	1.21

The above table shows the multicollinearity statistics and insight the information about the multicollinearity. The standard value for tolerance value less than 0.20 or 0.10 indicates a multicollinearity problem (O.Brien & Robert, 2007). The table shows that the tolerance values of all variables having no multicollinarity. The reciprocal of the tolerance is known as the Variance Inflation Factor (VIF). The yardstick for the accepted value of (VIF) must be 10 or less than ten and above it indicates the multicollinearity problem (O. Brien & Robert, 2007). In the above table VIF values are less than the standard value of VIF, so these values of the show no multicollinearity.

CONCLUSION

The study concluded that Financial Socialization squanderers attitude (like to spend money irresponsibly), and secondary socialization agents (peer group, relative and other media), have strong indirect effect on financial problem through financial behavior among male students. The results indicate that in order of priority, squanderer attitude, secondary socialization agents, conservative attitude, financial socialization and financial behavior, directly anticipate financial problems among male students. In addition, the results of indirect effects suggest that, financial socialization, squanders attitude, financial awareness and secondary socialization agents indirectly effects the financial problems.

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