

An analysis on parents' behaviour to the financial management skill education program for their children

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Abstract: To find out parents' behavior toward financial training course for children, the sample size of 203 parents are interviewed and analyzed. Based on factor analysis with Cronbach's Alpha test, there are eight key factors found, such as: (i)Opinion about necessary of life skills/financial management skill;(ii)Characteristics of children/Passive children; (iii)Self evaluation about family financial management; (iv)Education methods of parents about money; (v) Parents' concern about social environment; (vi) Opinion about necessary of financial education for children; (vii) Qualified facilitators and facilities; (viii) Training program. All of these factors are positively significant impacts on the buying intention of parents, who concern the education program of finance for children. The finding is a contribution to reference for researches on education programs for pupils between junior high school and high school and academic literature review.

I. Introduction

Vietnam is a developing country with many changes in society. Together with socioeconomic development, the education system is changing to adapt new requirements toward integration. However, 95% of pupils and students in Vietnam do not have life skills. As the definition of World Health Organization (WHO) in Skills for Health issue, "*life skills are abilities for adaptive and positive behavior that enable individuals to deal effectively with the demands and challenges of everyday life*". If one's life skills are not well-prepared, he or she doesn't have enough ability to adapt themselves to new circumstances. According to United Nations Children's Fund (UNICEF), life skills are divided into 3 groups:(i) Communication and Interpersonal Skills; (ii) Decision-Making and Critical Thinking Skills; (iii) Coping and Self-Management Skills.

Generally, life skills could be understood as capabilities that help people face changes in daily life. One of the most important skills in life is financial skill. Talking about finance is mentioning to money. It does not have to be as complicated as a financial expert; it is just the basic knowledge of how to use money effectively. Why money skill is crucial? Nowadays, Vietnam society is classified deeply and creates differences in lifestyle. Youth is lacking in life skills including using money skill. In fact, in Vietnam's education system, the school does not provide program of financial skill, even not concerned. While booming of media, urbanization, advertising and consuming lifestyle impact the youth beliefs and actions. In some research in Vietnam, researchers are showing that lack of life skills will lead to school violations and criminals. As a result, this study is concerned and hope that it partly brings findings that can impress an important message for the schools to change their view. However, to happen that the government must be leader to changes curriculum to adapt what the parents expect and the society's demand. As mentioned, the paper is going to find out parents' awareness on financial management skills training for their children and consideration on the buying intention based on model proposed with key factors.

II. Literature review

As we know, explaining consumer behavior is a complicated task because it is a research field regarding to psychology. There are various theoretical frameworks proposed to deal with the psychological processes inside human decision (Ajzen, 1988). Accordingly, the author proposes a model about how human action is guided. It predicts the occurrence of a specific behavior provided that the behavior is intentional, which there are three key factors concerned, such as attitude, subjective norms, and perceived behavior control. Consumer behavior can be changed due to their family member belong, which female child receives more allowance from parents than male does (Dane and Haberman, 2007). In other side male has awareness to earn money sooner than female to satisfy extra expenditure. Difference in behavior between a boy and a girl is also observed in social context of class room. Female receives more knowledge from official training about finance than male. Female students more believe in managing money affect their future after financial training course. It

could be explained that male students could earn money earlier, they are self confident in behavior and do not believe much in the training. This is also showing that female student acquire financial knowledge better in formal class room setting.

Mentioning finance and children, researchers talk about financial socialization which is “*the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and well-being of the individual*” (Danes, 1994). In this process, children develop their views about money, value and purchasing power of money. In daily life, children have three main sources of money, those are family allowance, earning from part-time employment, and gifts and others fund received from parents and relatives (Alhabeeb, 1996). They mostly use the money for entertainment, savings and clothes (Bowen, 2002). From very basic concepts and daily financial activities, attitude towards money is established and influences children's behavior in life. Joining financial socialization process of children, parents play a crucial part to reflect their behaviors to offsprings in founding basic knowledge for children.

Children are influenced mostly by father and mother, the nearest relationship. Especially in financial matter, the way youth learn about money is varies and is combination of intentional and unintentional learning from key persons in family. Because of life experience, parents are expected to have more finance knowledge and feel confident to guide their children about money. In the research “Financial knowledge of teens and their parents” of Bowen(2002), relationship between children and parents in financial problem was analyzed, the author found that parents were more knowledgeable than their teens on money matters as expected. However, there was no relationship between the knowledge scores of the teens and their parents. This is somewhat surprising since it is logical to believe that parents who are knowledgeable about money matters would have teens that are also knowledgeable about basic money matters.

In order to find out the reasons of no relationship in financial literacy between parents and children, Danes (1994) also explained. There is a significant number of parents of teenagers between 12 and 17 years old believed that children should not get involved in family finance. And parents also thought their offsprings should be informed about family savings after high school age. This might be the reason that parents do care about money matter in family or parents do have financial knowledge but their children do not. And a large number of parents believed that children should never be involved in various aspects of family finances (Danes, 1994). It reflects that parents' awareness about providing financial knowledge to children is really low, and this leads to apathy behavior to financial training for children.

Huddleston-Casas et al (1999) argued that teaching personal finance for teenager can positively impact the finance knowledge, behavior, and self-efficacy levels. Educators might alert parents that they are knowledgeable about some basic money matters and can educate their teens while using events that occur in their daily living. Moreover, lack of awareness of parents on this problem could be opportunities and some deliberate efforts to teach youth about money issues. Educators should be aware of this perception and ensure their recommendations regard to finance matter convincingly to get expected results. Berry, et al. (2018) investigated impacts on financial education for youth in primary and junior high school, they found positive impacts of the program on consideration of youth to saving its money.

In summary, financial training for teenagers is a need to provide necessary skills to prepare for independent life ahead. However, parents' awareness about financial education for children is barrier to bring training program to children. This leads to apathy behavior to financial training for children consequently. So the study about parents' behavior about financial education for their children is a crucial step to figure out which factors impact on parent's intention and action.

Based on arguments previously, the model is proposed as below, which two factors concerned are external and internal. The internal factor consists of three components, e.g. background of parents, perception on life skills training, and characteristics of parent and children are engaged in money management. While the external factor includes the social influence and the training program.

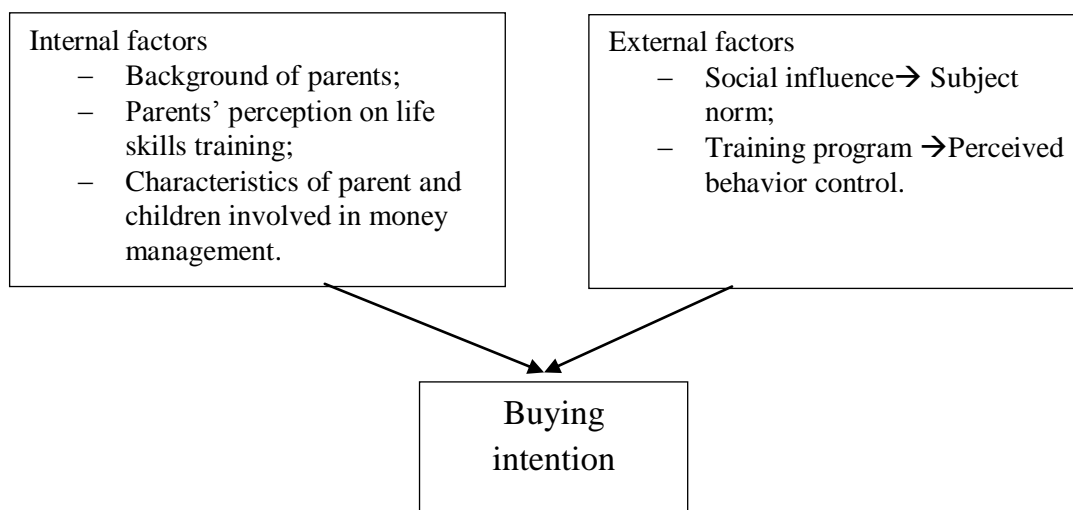


Figure 1: Proposed model

Based on arguments of Fazio et al. (1989), the consumers' characteristics could be awareness and perception on research matter, and interests could be their attention or concern. Background of parents: there are several elements could impact on the behavior, such as age, career, position of parents; age of children; and family income. Perception on life skills training is one side of consumer characteristic, and it is an important part to evaluate attitude toward behavior. The perception of parents on life skills training is considered critical to intention and buying behavior, because perception reflects how significant consumer see in a life skills training course. Parents and children characteristics in regard to money management explores deeper in behavior of parents and children toward money ideas.

According to Opletalová (2015), financial instruction and and literacy would be effective for schools. This is confirmed by the author's survey conducted on secondary schools. Armitage and Corner (2001) found out that subjective norm showed a reasonably strong relationship with intention. This part will examine how social factors impact on parents behavior. This study assumes to have two components which work in interaction. The first one is beliefs about how other people, who may be in some way important to the person, would like them to behave.

Perceived behavioral control is the extent to which a person feels able to enact the behavior. It consists of two aspects. Firstly, it is how much control a person has over the behavior. Ssecondly, it is how confident a person feels about being able to perform or not perform the behavior. It is determined by control beliefs about the power of both situational and internal factors to inhibit or facilitate the performing of the behavior. And PBC was found to contribute uniquely to prediction of behavior, demonstrating the efficacy of the PBC construct (Armitage and Corner, 2001)

III. Data collection

As reported by Vietnam General Statistics Office, there are 16,5 million pupils in the academic year 2018-2019, in which the amount of high schools accounts for 15.6% (from level 10-12), and junior high school (middle school) (from level 6-9) and primary school (from level 1-5) occupy 33.9% and 50.5% respectively. "Finance for children" is a name of a training program that is developed by a company (asked to hid the name), its curriculum consists of five sessions: Earning, Saving, Spending, Investment and Charity. Each session is going to focus as follows:

- Earning: to teach children how to earn money, understand income source and labor values
- Saving: to teach children reasons of saving and the benefits of that.
- After earning and saving, spending money reasonably is an essential skill in modern life.
- Investment is a very new term not only for personal finance but also for children. "Finance for children" provides children with basic knowledge about investment, let them know the similarities and differences between investment and saving.
- And charity is the final section taken into account of this training program. This content teaches children the purposes and meanings of charity and how to plan a charity.

Because the content of training is in need of children who have a good awareness and knowledge once she or he is trained, the children of age range between 9-15 years old are targeted. The training program about the skill of children's money management.

Respondents concerned in the study are parents who have children with the age range between 9 and 16 years old and their children has ever jointed the training program of financial management skills. Because the financial management skills training is organized in Ho Chi Minh City (Vietnam), respondents are located in Ho Chi Minh City, where is the business center of nationwide. The final sample size is 203 respondents and the survey conducted is via online.

The questionnaire designed bases on the model proposed as well as previous studies. It includes two parts. The first one is basic information with respect to respondent's profile (gender, job, position, life skills training attention, income). The second one is information with respect to the program of financial education.

IV. Empirical analysis

Based on descriptive analysis, in total sample, the gender of female accounts for 56.7%, the rest is of male. A majority of respondents are in the age range of 31 to 50 years old (74%) (in which 31-40 years olds occupying 36% and 41-50 years old accounting for 38%). All respondents in the sample are got married, have children and sent their children to the education program of "financial for children"

As resulted in table 2, mostly respondents are high positions, such manager and senior manager account for 44%, while the staff is 49%.

Table 1: Position of respondents by age

Age Position	Subtotal	<= 30	31 – 40	41 - 50	> 50	Count
Staff	49%	80%	53%	48%	38%	100
Manager	34%	20%	32%	32%	45%	70
Senior manager	10%	0%	11%	14%	5%	21
Others	6%	0%	4%	5%	12%	12
Subtotal	100%	100%	100%	100%	100%	
	203	10	74	77	42	203

Source: Own survey

When asked about relevant job related to finance, there are 57% of respondents who are working in the financial field (table 2). This question want to track how parents are specialize the financial job they pay attention to the program of finance for children. As resulted in table 2, even parents without knowledge of finance or financial job, they consider on financial knowledge for their children. However, parents who have high positions (manager and seniormanager) have more attention to the financial skill program education for the children more that of the lower position (staff) (table 2). The higher income the higher attention the parents send their children for financial skills management (table 3).

Table 2: Life skills training attended by financial job

Financial Job	Life skills attended		Subtotal
	Yes	No	
Yes	12%	44%	57% (n=115)
No	10%	33%	43% (n=88)
Subtotal	23% (n=47)	77% (n=156)	100% (N=203)

Source: Own survey

Table 3: Life skills training attended by Position

Position	Life skills attended		Subtotal
	Yes	No	
Staff	43%	51%	49%
Manager	37%	34%	34%
Senior manager	15%	9%	10%
Others	4%	6%	6%
Subtotal	100%	100%	100%
	46	157	203

Source: Own survey

Table 4: Consideration on financial skills education of parents by income

Family Income	Life skills attended		Subtotal
	Yes	No	
< 10 mil	17%	26%	24%
10 - 15 mil	13%	31%	27%
15 - 20 mil	28%	14%	17%
> 20 mil	41%	29%	32%
Subtotal	100%	100%	100%
	46	157	203

Source: Own survey

To test the model proposed, multivariate analysis is used, which exploratory factor analysis (Hair, et al. (2010) is employed. To get results with high reliability, the method is tested. At first, Cronbach's Alpha is used to test reliability. As depicted in table 5, eight components meet reliability through Cronbach's Alpha test. Eight factors were found and they are sufficient to apply factor analysis and regression as follows.

Table 5: Final result of testing Cronbach's Alpha

Factors	Cronbach's Alpha value
1. Opinion about necessary of life skills/financial management skillOpinion (F1)	0.928
2. Characteristics of children/Passive children (F2)	0.868
3. Self evaluation about family financial management (F3)	0.794
4. Education methods of parents about money (F4)	0.795
5. Parents' concern about social environment (F5)	0.860
6. Opinion about necessary of financial education for children (F6)	0.864
7. Qualified facilitators and facilities (F7)	0.713
8. Training program (F8)	0.910

Based factor analysis with eight factors extracted, the result of regression estimated is shown as below
The general function:

$$Intention = \beta_0 + \beta_1.F1 + \beta_2.F2 + \beta_3.F3 + \beta_4.F4 + \beta_5.F5 + \beta_6.F6 + \beta_7.F7 + \beta_8.F8$$

The function estimated:

$$Buying\ intention = 0.008 + 0.222*F1 + 0.270*F2 + 0.059*F3 + 0.036*F4 + 0.186*F5 + 0.206*F6 + 0.054*F7 + 0.022*F8$$

Because all coefficients of eight independent variable are significant at 1% (F1, F2, F5) and 5% (F3, F4, F6, F7, F8) significant level and positive, an increase in any independent variable make a rise in buying intention of parents.

V. Conclusion

This research is to explore key factors related to parents' behavior toward financial training course for children. To do this, the sample size of 203 parents are interviewed and analyzed. As a result, 57% of

respondents are mothers, others 43% of male. Majority of parents are in the age from 31 to 50 years old, and 44% of them hold position of manager and higher. Over half of parents are working in financial field. However, the results show that parents who work in financial job or occupied high position did not send their children to life skills training course. This might come from the reason of the lack of time for caring their offsprings. Besides, planning for children to study abroad does not regard to job position of parents. However, parents sending their children to life skills training and having plan for children to study overseas affirm their family income higher than the others.

With the sample size as mentioned previously, the finding explores 8 key factors, such as: Opinion about necessary of life skills/financial management skill (F1); Characteristics of children/Passive children (F2); Self evaluation about family financial management (F3); Education methods of parents about money (F4); Parents' concern about social environment (F5); Opinion about necessary of financial education for children (F6); Qualified facilitators and facilities (F7); Training program (F8). All of these factors are significant impacts on the buying intention of parents, who concern the education program of finance for children.

Based on findings, some recommendation can be reference for relevant companies to meet customers. Firstly, because parents with good job have more consideration on the program of financial skill education for children. So it is more effective if we approach financiers who already know basic about finance and do not have prejudice about money. The problem is that they might not know there is a financial education program for children. Therefore, the program of finance for children could spread out the program through this group to get positive results. Secondly, some of parents are not aware of financial training and necessity of financial knowledge for the children. Enhancing awareness for non-financiers is a key to make them open mind to realize the importance of financial skills. Actually, the program of finance for children already launched some company, talking to parents who care about their children is quite necessary. The talk shows bring basic financial knowledge to parents and then let them know the importance to equip this skill to their children. In order to increase effectiveness of this activity, talk shows could come up to high schools to be closer to target customers and target learners. Cooperation with schools management teams to bring out the ideas of training..

In summary, communicating with people who are involved financial jobs, cooperation with education organizations and schools to bring the program of finance for children to community, and to enhance image of training program is a must to build awareness and intention to buy this special product. Doing these things, the program of finance for children will get closer to target customers who have real requirements.

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