FINANCIAL LITERACY: ARE YOUNG ADULTS WELL EQUIPPED TO FACE THE CURRENT ECONOMIC WORLD?

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BY

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Dedication

For my daughters, Bellie, Renee, and Dana, thank you for your never-ending patience and love. To my late dad, Joseph Omondi, who from an early age taught me the value of education, my sisters Josephine and Lucy, who have all gone to be with the Lord. My beautiful resilient mother, Philister, who taught me the art of saving at a young age. Lastly, I dedicate this dissertation to the almighty God. I would not be where I am today without the grace of God who continually propelled me to the higher levels even when I did not see the way forward.

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ABSTRACT

FRANCISCA A. RAMONI

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Previous studies focused on college students and the misuse of credit cards. This study focused on the importance of financial literacy to the well-being of young adults. This study examined the overall financial literacy of young adults using quantitative data from a diverse sample.

The sample of 150 young adults was obtained from four faith-based churches in the Dallas Fort Worth Metropolitan area. The population group was limited to 18-25 years of age, who had just finished (a) high school and entering college or attending college, (b) never married, and (c) no dependents. The data were collected using a financial literacy questionnaire. Specifically, the study examined financial knowledge, financial influences, financial attitudes, and financial behaviors as compared by gender and income. Social learning theory, theory of consumer socialization and financial socialization were used to explore this study.

The study utilized two instruments a comprehensive questionnaire from the Organization for Economic Co-Operation and only one section of the College Students' Financial Literacy Survey (CSFLS). The Young Adult Financial Literacy Questionnaire is inclusive of two survey instruments organized by the researcher and included Development/International Network on Financial Education (OECD/INFE) questionnaire was designed to measure financial behavior, knowledge, and attitudes, while the College

Students’ Financial Literacy Survey (CSFLS) was designed to measure the influences that may affect young adults’ financial literacy.

The findings of this study found no significant differences between attitudes and behaviors as compared by gender and income. However, the study found micro-level influences of financial knowledge, parental influence, financial documents, and financial goals specifically with gender. Females were more likely to have a higher financial knowledge while males were more likely to have a budget. Females were more likely to have higher financial knowledge while males were more likely to have a budget. Both females and males reported that they kept receipts/copies of financial documents such as major purchases, minor purchases, bank statements, housing, rent or mortgage payments and tax records.

The results of the study provided recommendations about promoting financial literacy by parents, educators, policymakers, and financial professionals.

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CHAPTER I

INTRODUCTION

The college experience is a rite of passage for many high school students. This represents a transition when young adults find their identity and independence, a step away from parental supervision (Erikson, 1968). This transition comes with an onset of roles and responsibilities such as going to college, joining the military, or having a job (Arnett, 2000; Erikson, 1968). There are many challenges that young adults face in this quest for independence and self-responsibilities such as managing their time, financial problems, sleep deprivation, and social activities (Ansong & Gyensare, 2012). Once they leave home, are they capable of handling what comes with the responsibilities of adult life?

Once out of home, the young adult has the responsibility of following rules without supervision in college, work, or the military. These changes in tasks, roles, and rules are significant; therefore, maintaining and supporting young adults' welfare is important in order to have a vibrant generation of young adults' (Sorhaindo, Kim & Garman, 2003; Kim, Garman & Sorhaido, 2003). According to Gutter and Copur (2011), the college experience comes with its own stressors. These financial stressors faced by young adults may result in academic problems such as failing grades and in the worst case termination of their education. In addition, unnecessary spending and overdue bills have been found to substantially reduce an individual's financial well-being (Pirog & Roberts, 2007; Rutherford & Fox, 2010).

One of the major tasks that affects the college student is the ability to handle finances. The ability of students managing these responsibilities depends on the financial knowledge or experience they gained from their families (Gutter & Copur, 2011). Researchers and educators are currently creating strategies that would improve the financial literacy of American young adults who transition to adulthood without sufficient knowledge of credit, insurance and other financial products, and have very little experience handling their personal finances (Kim & Chatterjee, 2013). In addition, studies on financial practices and credit card behaviors among college students suggest that, in as much as students can manage their personal finances well, there is an increase in the number of students who find themselves in financial problems due to inadequate financial management skills (Kim & Chatterjee, 2013). In addition, positive financial behaviors such as budgeting, saving and financial management are associated with the financial well-being of young adults. Furthermore, fostering positive financial behaviors in college increases individuals' abilities to have quality life later (Gutter & Copur, 2011).

Gaining financial independence is one of the major tasks in transitioning to young adulthood, and the development of financial independence is correlated with the acquisition of financial skills and resources (Gutter & Copur, 2011; Kalahari & Pain, 2011). These may include getting a post-secondary education, employment, managing checking and savings accounts as well as securing some assets (Kim & Chatterjee, 2013). To college students, this means the ability to manage one's meal cards/plans, avoid impulsive buying, monitor their spending, and to address or handle financial stress. Therefore, the development of acquiring financial literacy is very important for young adults in achieving financial well-being not only as young adults but also throughout their lifetime (Gutter & Copur, 2011; Kim & Chatterjee, 2013; Lusardi & Mitchell, 2011). Nevertheless, a majority of young adults are not equipped with the financial knowledge necessary to help them make basic financial decisions, and this may impact their short term or long-term functioning.

In summary, financial literacy through federally mandated entrance and exit loan counseling offered through financial aid in many colleges and universities to students are not comprehensive enough. The feedback provided by the students receiving financial aid clearly indicates that most of them do not understand the information posed to them and just see it as one more requirement of the financial aid process rather than a learning opportunity (Jorgensen & Savla, 2010). Therefore, it is important that young adults acquire the necessary financial knowledge and competences to enable them make valuable personal financial decisions when applying for and accepting financial aid.

Statement of the Problem

"Financial literacy provides the foundation to build wealth and fully participate in the economy…. By understanding basic financial principles and putting them to use, you can be on the road to improving the lives of your household and your community"– NAACP Financial Empowerment Guide (Willis, 2008)

Robb and Pinto (2010) stated that some college students depend on student loans and credit cards. Some of the factors that affect their dependence on credit cards are tightening credit, sluggish economy, and the high cost of a college education. According to Baek and Devaney (2004), Roberts and Jones, (2001), many factors that affect financial well-being have an impact on financial behavior. Use of credit cards is an important aspect of financial behavior that influences college students' financial well-being and has been the number one pointer of declining financial well-being of college students (Pirog & Roberts, 2007; Rutherford & Fox, 2010; Serido, Shim, Mishra, & Tang, 2010). One of the major tasks during the transition to young adulthood is the acquisition of financial independence, which is often linked to gaining financial skills and resources (Kim & Chatterjee, 2013; Serido, Shim, Mishra, & Tang, 2013).

The trending economic environment has brought to light how important financial competence may affect family lifespan (Lusardi & Mitchell, 2011). The deregulation of the banking industry and the need to have profitable consumers have led to the easy accessibility of credit in the form of credit cards (Robb, 2011). This is more visible among the young consumers, those who are aged 18-25 (Jorgensen & Savla, 2010). Therefore, it is important that young adults have the basic knowledge and skills to make important financial decisions. Lusardi, Mitchell, and Curto (2010) argued that the concerns of increasing debt and credit card misuse among college students are the result of a lack of financial education. Furthermore, there is evidence that young adults lack the adequate knowledge to effectively traverse their financial decisions (Lusardi & Mitchell, 2008).

According to Lusardi et al. (2010), financial literacy plays a major role in financial behavior. This is depicted in individuals with low financial literacy who are at high risk of getting into debt, do not participate in the stock market, or shop for mutual funds with lower fees and do not accumulate wealth or manage their wealth successfully, and have no plans for retirement. Furthermore, Lusardi (2008) found that individuals who are financially illiterate might be more likely to innocently commit financial mistakes, less likely to take part in suggested financial practices, and less likely to handle a sudden economic shock. Mandell and Klein (2009) analyzed that there are major concerns about financial preparedness among the youth and older adults. Most of them lack basic knowledge needed to make sound financial decisions, which in the long run may damage their productivity in the workplace.

Additionally, researchers conducted studies on various faith-based groups and observed that most members struggle with personal money management, which could be attributed to lack of financial literacy and education as well as lack of knowledge of basic financial competences. This includes the misinterpretation of the biblical view about wealth, borrowing, and custodian of funds (Gates, 2017; Raduly, 2017; Suttington, 2018). Furthermore, the church member's belief of "God will provide" makes it difficult for parents in the church to discuss financial literacy with their children, unfortunately this ideology and lack of financial management is passed to children. This belief is passed on to children who then grow up into adulthood without any basic knowledge of financial literacy. Suttington, (2018) suggested that lack financial knowledge and responsibility of stewardship of resources, lack of financial knowledge among some church leaders and pastors, lack of financial literacy programs for the children and young adults may affect the general sustainability of the religious institution. Additionally, young adults being the future leaders of the church may be affected with the financial management routines in church that may lead to deceitful conducts; for instance, misappropriation of funds, corrupt activities and poor financial decision-making.

Therefore, financial literacy is the key to firm financial decision making which is vital to the financial well-being of young adults. Understanding the level of financial literacy among young adults is very important for policymakers in many areas, such as creating effective financial programs, generating financial policies that focus on young adults, and for legislatures, having the ability to create legislation that protects young consumers (Lusardi et al., 2010).

The Purpose of the Study

With the ongoing economic turmoil, there is a high-level feeling of financial anxiety among individuals to the extent that people are searching for answers to their financial predicaments (Lusardi, 2015a). Unfortunately, they are not guaranteed easy answers to financial problems. There are numerous ways to assist young adults alleviate financial anxiety; it is never too early or too late to learn and develop financial competencies. Second, the Organization for Economic Co-operation and Development (OECD, 2016) identified diverse levels of competencies under a financial literacy framework that apply to young people between the ages 15-18 years. Some of these competences are more relevant in early adulthood than teenage years. Therefore, being financially literate as young adults may help one avoid major financial mistakes, especially when they decide to acquire knowledge on how to manage their own finances (OECD, 2016).

According to research, there are three traits creating a threat to young adults' abilities to manage their money: (a) adult behaviors as role model for young adults, (b) young adults as a major consumer of market and media focus, (c) and limited education for young adults' financial literacy (Royer, Jordan, & Harrison, 2005). Financial literacy enables one to financially make sound decisions which results in improved quality of life.

In addition, financial status, financial behavior, and financial stressors play roles in individuals' finances (Gutter & Copur, 2011). Therefore, fostering positive financial behaviors throughout college boosts individuals' abilities to achieve higher qualities of life after college and into the future (Gutter & Copur, 2011). The primary concern from researchers has been on how and in what ways parents address financial issues with their children. Hancock, Jorgensen, and Swanson (2013) suggested that parents could help their children learn financial issues through direct hands-on teaching and discussions.

The current study may benefit families and college students as well as professionals who work with college students to better understand how decisions made on matters of finances may affect young adults not only in their young adulthood and throughout their lifespan. Financial research has focused on the importance of financial literacy as a cornerstone of the financial well-being of the society. Consequently, this current study examines the financial literacy, financial behavior, financial well-being and parental influence as compared by income and gender. Furthermore, the study investigated whether young adults discussed money with their parents, who influenced their spending, and who instilled values about financial matters to them.

In addition, the current research included the investigation of young adults in a faith-based organization, lack of financial literacy and the fact that financial literacy is considered unimportant topic in churches, the researcher found the need to research on this population (Raduly, 2017; Suttington, 2018). During times of economic crises people of faith turn to their church leaders/pastors for support and direction. Therefore, strengthening or implementing financial literacy programs in faith based organization will determine how young adults will be successful not only managing their personal finances but also managing church finances as leaders of the church and making sound financial decisions. This study will be beneficial to faith-based organizations as well, and will help promote financial literacy and the need to change financial behavior of the young adult (Gates, 2017)

Research Questions

(1) What do young adults report in terms of knowledge of financial literacy, as measured by the OECD/INFE Financial Literacy questionnaire (OECD, 2015a)?

Hypothesis 1: There will be no significant difference in knowledge of financial literacy, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report higher levels of knowledge of financial literacy.

(2) What do young adults report in terms of financial attitudes as measured by OECD/INFE financial Literacy questionnaire (OECD, 2015a)?

Hypothesis 1: There will be no significant difference in financial attitudes, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial attitudes.

(3) What do young adults report in terms of financial behavior as measured by the OECD/INFE Financial Literacy questionnaire (OECD, 2015a)?

Hypothesis 1: There will be no significant difference in financial behaviors, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial behaviors.

(4) What do young adults report in parental and peer influences as measured by CSFLS (Jorgensen, 2007)?

Hypothesis 1: There will be no significance difference on parental and peer influences, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial knowledge, attitude, and behavior.

Assumptions

One of the major assumptions in the study was that financial knowledge is one of the significant predictors of increasing positive financial outcomes and decreasing negative outcome.

Basic knowledge of financial literacy: The researcher assumes that the participants will have some knowledge of finances/money learned from school or home.

Honesty: It is an assumption that all participants will provide truthful, honest, and accurate answers to the surveys and questionnaires.

Completion of forms: The researcher assumes that all participants will complete the forms, answer all the questions, and return the completed forms on time.

Credit: The researcher assumes that some of the college students/young adults are familiar with credit use.

Delimitations

The scope of the study was purposively limited to young adults who have just finished high school and entering college, college students, unmarried with no dependents whose age is between 18-25 years. This is a very important stage of transition and a period of life when young adults begin to take on more responsibility for their own personal well-being, which includes financial responsibility such as income and expenses (Shim, Serido, & Xiao, 2009).

Operational Definitions

Definition of terms provides an understanding of constructs included in the study. For the purposes of the study, terms were operationally defined as following.

(1) Credit card: A credit card is a plastic card issued by a financial institution that enables the holder to borrow money from the issuer at the point of use.

(2) Gender: Participants' gender is classified by the 2015 OECD/INFE Tool Kit and College Student Financial Literacy Survey (CSFLS) as either "Male" or "Female."

(3) Financial literacy: Financial literacy has often been used as a synonym for financial education or financial knowledge. Potrich, Vieira, and Da-Silva (2016) stated that financial literacy is deeper than financial education and therefore utilizing the terms synonymously may cause a problem. Financial literacy is the knowledge and understanding of financial concepts, skills, and risks. It is the ability and confidence to apply this knowledge and understanding while making a financial decision (Mendes, 2013)

(4) Financial well-being: The Consumer Financial Protection Bureau (CFPB) 2015 defined financial well-being as a state of being, where an individual can fully meet current and ongoing financial obligations, can feel secure in their financial future and able to make choices that allow them to enjoy life.

(5) Financial socialization: This is a learned process of acquiring knowledge about money and money management, developing skills in various financial practices such as banking, budgeting, saving, insurance, and credit card use (Solheim et al., 2011). For the purposes of the study, financial socialization was defined as the procedure by which young people gain the standards, values, norms, skills, knowledge, and attitudes needed to develop into functioning consumers in the market place (Kim & Chatterjee, 2013).

(6) College students: The term “young adults” was used interchangeably with emerging adults and college students. This study focused on individuals who were high school graduates entering college, current students registered at a college or university, between the ages of 18 and 25 years, not married and no dependents.

Theoretical Framework

In this study, three theories were used to provide insight into what influences young adults’ financial behavior. The first framework explored social learning theory, which explains how young adults learn and acquire knowledge and how this affects their financial decision-making. The second framework examines the theory of consumer socialization and how that affects young adults’ attitudes and behavior. The third framework examines the theory of financial socialization and the process needed to acquire financial literacy and competency.

Social Learning Theory

Social learning theory was used to examine how past and current experiences influence what is expected in the future. Research in the financial arena has shown that financial knowledge (an indicator of past and current experiences) is a strong predictor of future behavior where people with low financial knowledge exhibit lower levels of net worth and a general lack of preparedness for retirement (Lusardi & Mitchell, 2007). Social learning theory has been applied extensively to the understanding of aggression (Bandura & Jeffrey, 1973), psychological disorders, particularly in the context of behavior modification (Bandura, 1969). For the current study, it was an appropriate approach to look at a theoretical foundation on behavior modeling. Bandura (1997) focused his work on the concept of self-efficacy in a variety of contexts. Crosbie-Burnett and Lewis (1993) utilized the social learning concept of “reciprocal determinism” with its emphasis on circular influence that occurs between an individual and his or her social context as a way of describing the learning that is gained through family member interactions. Reciprocal determinism is a theory that explores the role behavior plays in the environment.

Theory of Consumer Socialization

The theory of consumer socialization was used to understand how external influences and financial literacy affects young adults’ financial well-being (Chowa & Despard, 2014). The theory of consumer socialization states that individuals, particularly children, adolescents, and young adults, develop financial skills, knowledge, and attitudes by relating with numerous socialization agents. Shim et al. (2010) stated that several researchers found that parental socialization and formal education, especially when it relates to money, employ a positive influence on the young adults’ efforts to acquire financial knowledge, skills, and attitudes. Since knowledge is expected to influence an individual’s attitudes towards executing a behavior, financial knowledge that parents and educators share with the young adults is very important (Shim et al., 2010). According to Kim, LaTaillade, and Kim (2011), socialization is the process whereby a person learns the value system, norms, and required behavior patterns of a given society in which he or she belongs.

Financial Socialization

Financial socialization theory was used to understand the process by which young people acquire standards, values, norms, skills and knowledge needed to become financially literate and competent (Atkinson & Messy, 2012; Kim et al., 2011; Lusardi, 2015b). Individuals who facilitate financial socialization for young adults may include parents, media, culture, and peers. Among these socialization agents, parental socialization is considered the most influential one socialization agent in the lives of their young adults. Parental socioeconomic factors may be associated with financial socialization process of children, teens, and young adults. Parents with high socioeconomic status may provide more resources to their young adults, which may increase human, social, and financial capitals for young adult's development. On the other hand, parents with low socioeconomic status and who are financially strained and have financial difficulties may adversely produce an effect on their emotions, behaviors, and beliefs may negatively influence their parenting practices and socialization strategies (Solheim et al., 2011). Financial anxiety, resulting from family economic strain could be created and transferred from one generation to the next (Kim et al., 2011; Lusardi & Mitchell, 2014).

Lusardi and Mitchell (2014) stressed that the presence or absence of socioeconomic and demographic characteristics alone may not account for the process by which young adults become financially literate. In addition, Lusardi and Mitchell (2014) stated that early financial socialization models utilized a social learning perspective to explain children's socialization and further expounded that children, teens, and young adults learn financial practices through observation and modeling of their parents' behavior. When children and adolescents live with their parents, they see parents' behaviors over time that may shape and strengthen adolescents and young adults' preferences and practices. Due to these factors, young adults may imitate the behaviors they see their parents' model in their financial practices and may make similar financial decisions based on what they witnessed (Asarta, Hill, & Meszaros, 2014; Kim et al., 2011).

Danes and Heberman (2007) stated that family relationships are unique from other socialization contexts. However, family socialization theorists have focused on the parent- child relationship due to its influence. Some of the reasons why parents are influential are explained in the social relational theory; this theory put emphases on the socialization and dynamics of parent child interaction. This type of interaction should be recognized as happening within the setting of close personal relationships. Studies have supported the evidence that relationships are bidirectional, parents not only influence children's financial attitudes and behavior but children have also influenced parent's decision making and practices (Fazli, Cook, & Gudmunson, 2012; Gudmunson & Danes, 2011; Lusardi & Mitchell, 2014). These family relationships have continued to trigger a key premise of family financial socialization theory (Chowa & Despard, 2014). However, researchers have observed the lack of verbal communication about financial matters between parents and their children is associated with increased debt over time (Norvilitis & MacLean 2010). In addition, lack of parental education about good and bad use of credit cards is one of the reasons why financial literacy remains low among young adults (Hancock et al., 2013; Sabri, 2011). Lusardi (2012) observed that there is a plethora of documentation on prevalence of financial mistakes, this should not come as a surprise given the evidence of limited literacy among households. This evidence has led to many countries responding by setting up financial education programs. While the world-wide variation in the financial literacy initiatives offers opportunity to better understand effective design and implementation of financial education programs, evaluations have so far, been limited.

Summary

This chapter addressed the financial experiences young adults go through during the transition to adulthood, gaining independence and being able to make financial decisions. To attain economic stability and financial independence it is important that young adults are financially literate. This chapter also discussed the theories utilized to examine financial literacy among young adults through the lenses of financial knowledge, parental influence, financial behaviors, and financial attitudes. The research questions and hypotheses were clearly articulated, operational definition clearly defined and delimitation addressed.

In summary, young adults are faced with major life changing experiences that interrelate; specifically, experiences with various struggles associated with adapting to living away from home (Shim et al. 2010). One of the major difficulties is learning how to manage finances, for the first time in their lives they are compelled to manage money and pay their own bills. Despite the universal role of money, in the young adults' lives, there is a need to understand more about the transitional financial behavior of young adults. Additionally, parents are the primary socialization abettors in the process by which children learn to function in the marketplace as consumers and money managers (Shim et al. 2010).

CHAPTER II

LITERATURE REVIEW

Introduction

The result of a survey conducted in 2013 by the Junior Achievement/Allstate Foundation, entitled "Teens and Personal Finance Financial" revealed that most teens are positive about their future financial well-being. The findings indicated that, there was an increase of 20% up from 12% in 2011, among these students who felt that they were going to be more financially stable than their parents were. However, 25% of the teens in the survey felt that they only be could financially independent from their parents at the age of 25-27 years (Bell & Hollcraft, 2013).

Another study conducted by American Express in August of 2013 called "Back to School Gadget Buys Are Up, Though Kids Still Need Pencil to Chew On" found that most of the respondents stated that they acquired key financial concepts in high school. The results of the study indicate that 72.2% learned about savings, 70% learned about earning, 63.8% learned about spending. Only 49.2% of the respondents learned about borrowing and 22.8% learned about emergency funds and identity theft. In addition, the section examined student's credit card use and found that using credit card as a lifestyle includes compulsive and impulsive buying which may lead to unwarranted debt and triggers loss of mobility within the market place (Bernthal, Crockett, & Rose, 2005).

Most of the research conducted on financial socialization knowledge involves college students. Solheim et al. (2011) conducted a survey on 1,170 college students to find out students' knowledge and credit card use. One very important factor from the study was that parents who gave good information on credit card use were also the ones who had lower outstanding credit balances. First, the study found that the most prevalent money concept learned was savings, which indicated that 93% of the students learned this concept from parents. Second, 53% of the students learned from observing their parents' saving behaviors. Third, 40% learned from coaching or communication with the parents about savings as well as parents promoting saving behaviors (Chowa, Despard, & Osei-Akoto, 2012; Solheim et al., 2011).

In addition, Gudmunson and Danes (2011) ascertained that financial socialization acknowledges the relations between family members influence on financial attitude development, knowledge transfer and financial capability development even when financial socialization is implicit. Equally important was students' observations. Students learned to save by observing what their families did not do. In other words, they learned from the mistakes their families made such as having no savings or cash reserves and the consequences thereof. These situations made the students understand that decision-making was difficult which at times made the families make decisions based on the funds available at that moment (Gudmunson & Danes, 2011; Solheim et al., 2011). Another key aspect students reported was that in as much as they learned from observation and coaching, their memories of family rules or guidance about finances and savings helped them understand the positive effect savings behavior has on their financial well-being. Specifically, how some of their parents were very strict about finances, gifts and allowances helped them understand the positive effect savings (Solheim et al., 2011; Sherraden, Johnson, Guo & Elliot, 2011).

Therefore, college students' narratives about financial socialization experiences with their families indicate that parent modeling and direct teaching led both to positive and negative young adult behaviors (Solheim et al., 2011). Gudmunson and Danes (2011) in their study found that mothers' parental involvement such as spending time together and setting rules was negatively related to development of children's materialist attitudes.

While turning 18 years of age gives young adults certain legal rights, human development experts suggest that this age marker does not signify that adolescence is over and adulthood has been attained (Arnett, 2000). Instead, age 18 marks the onset of a new development phase identified by Arnett (2000) as emerging adulthood. This 18-25 years-old period is a time in which young people feel adult in some respects but not in others. Their journey from adolescence to adulthood brings life-changing experiences, one of which is the transition from financial dependence to financial independence (Xiao, Chatterjee & Kim, 2014).

Financial Literacy

Financial literacy is important for the successful functioning of American society. Current economic challenges and the 2008 financial crisis have led to the national outcry about adults' poor financial fitness. This suggests that socialization effects have not been successful in developing competent consumers and money managers (Beutler & Dickson, 2008). In addition, Beutler and Dickson (2008) stated that failure to adequately socialize young people for adult financial roles is costly at both individual and society levels. Geithner, (2008); Solheim, Zuiker and Levchenko (2011) examined one of the financial literacy and education summit, where Douglas Michelman commented that "when they turn 18, we give young adults the full right to make contracts, obtain loans, secure housing, work full time and fight for the country. Given these very adult responsibilities are financial choices, yet many of these young people have never been taught how to manage money." (p. 97).

According to Lusardi (2015b), most the young adult workers lack sufficient knowledge and skills to manage the new level of individual responsibility. This means young people need to understand financial management so that they can be able to save and have enough cover for their retirement. Financial literacy is an important element of economic and financial stability, both for the individual and the economy. Wide-ranging developments in the financial marketplace have contributed to growing concerns about the level of financial literacy of citizens (Kim, LaTaillade, & Kim, 2011; Lusardi & Mitchell, 2014). Financial literacy is very important for the young adult as they face financial decisions that can have important consequences throughout their lives.

The increased responsibilities for this young generation require them to have the knowledge to make sound financial decisions early in their lives. This means that financial literacy is paramount (Lusardi, 2015b). This is supported by a national financial literacy surveys conducted in the U.S. with teens by Jumpstart that from 2000 to 2006, where they scored an average of 50.9%, 50.2%, 50.3% and 50.4% respectively (Pang, 2010). This is an indicator of low levels of financial literacy among the students, and could be why it is not surprising that adults show low levels of financial literary and perform poorly even in the financial literacy examination (Pang, 2010; Lusardi & Mitchell, 2014). According Lusardi and Mitchell (2014), due to the need for financial literacy among the young adults, measures have been taken by the government to improve the level of financial literacy among students. This is based on the positive correlation found between financial understanding and financial outcomes (Pang, 2010; Lusardi & Mitchell, 2014).

Research shows that financial matters are a critical part of daily life for individuals and families. The latest decline in the economy has shown how the deficiency of financial knowledge and capability may affect the family (Jorgensen & Savla, 2010; Lusardi, Mitchell & Curto, 2010). There has been an increased national concern among policy makers in recent years, mainly due to the increased high credit cards debt, low and negative savings rates, and increased personal bankruptcies. Due to these concerns, many states are planning to adopt financial education policies. Most of these policies would be directed to training young adults to be more financially competent. Examining financial understanding of the young adults is not a new prodigy in the academic literature, in the recent past there has been a lot of attention in this area. The majority of the studies have concluded that young adults lack the financial knowledge to thrive in the current economic arena (Danes & Haberman, 2007).

Therefore, both researchers, policy makers and educators have come to a consensus for the need of increased financial education for the young adults (Walstad, Rebeck, & MacDonald, 2010). In addition to educating the young consumers, it is important to first establish young adults financial literacy needs and comprehend issues that influence them or hinder them from achieving financial knowledge (Lusardi, Mitchell, & Curto, 2010).

Understanding the key factors of financial literacy will help researchers, policy makers and educators create effective intervention programs focused on the young population Therefore, several states have acknowledged the importance of financial literacy in the classroom. Cude et al., (2006) reported that the National Council of Education report of 2005 indicated that there are 38 states that have personal finance standards built into their schools and colleges state education systems. Among the 38 states, 21 clearly require standards to be implemented. Seven of these states have personal finance as a mandatory requirement for high school graduation (Cude et al., 2006). College administrators should determine ways that increase the financial awareness, behavioral characteristics, and attitudes of college students, and what can be done to alleviate the financial stress college students' face due to credit cards debt.

If credit cards debt and financial stress is common in colleges, then most college students may find it hard to balance between funding for their schooling, academic requirements, and social activities. Retention being one of the major issues in colleges, the college administrators must include mentoring, training, and counseling sessions in areas of personal finances (Joo & Grable, 2004; Robb, 2011).

Furthermore, Nellie Mae (2005) reported the average amount of credit cards debt among college students was approximately $3,200. The study involved 448 participants from five universities; the researchers included both private and public universities geographically from around the United States. Over 75% of the total sample population was female ranging from ages 18 to over 26. The study found lower average of $1,136 among the sample; however, credit card balances ranged from $0-$15,000. Of the 173 participants drawn from a student population at a medium-sized, urban state university, 58 reported no credit debt. When computing the average credit, removing those participants without debt, the average credit cards debt rose to $1,800. This study had a quest to determine factors that increase college students' likelihood of assuming significant credit card debt. The study explored credit card debt from an individual level, including personality, knowledge, and attitudes. According to the study most of the sample contained upper-classmen, and over seventy percent of the sample was white. Only one-quarter of the respondents did not have credit cards debt; the remaining had at least one credit card (Norvilitis, & Mao, 2013).

In addition, Nellie Mae (2005) reported that most students who had credit cards, used them for daily expenditures, such as purchases of gas, clothing, dining out, and grocery shopping. More than 80% of the respondents did not use their credit cards for tuition, and about half did not use their credit cards to purchase text books. Of the credit cards users, one third paid off their credit cards each month. Those who carried a balance were asked when they would pay the balance, they thought they would pay the balance quickly as compared to an "average student." Almost 75% believed that they would be able to pay off more quickly than an "average student."

Poor financial choices lead to negative consequences, accumulating large credit cards debts, which makes it difficult to acquire any type of credit (Nellie Mae 2005). Individuals may pay high premiums on insurance with no adequate coverage, may not have emergency funds, and contribute minimally to the retirement funds. Some individuals may become victims of scams related to financial aid for college, home equity loans, and small business opportunities. Due to such negative outcomes which make it difficult for individuals to meet their basic needs, young adult's financial knowledge and behavior is critical (Nellie Mae, 2005). Lusardi et al. (2010) stated that youths' financial knowledge and behavior is important because it forms the foundation for future financial behaviors and may aid young adults avoid mistakes which that affect them for a lifetime.

Lusardi et al. (2010) suggested that financial illiteracy may persist for long periods and sometimes throughout lifespan. Studies have shown that American young adults lack the basic financial knowledge required to make good financial decisions, lack of basic financial literacy has been seen to bring about poor financial decision-making. Research has shown that 25% of young adults and college students have at least four or more credit cards of which about 10% have an unpaid balance of $3,000 - $7,000. Research found that individuals' attitudes towards finances are associated with their financial practices and behaviors. Many education programs focus on assisting young adults to acquire effective money management skills and knowledge, but very few focus on helping the individuals in changing their attitudes toward finances (Lusardi et al., 2010).

Bernthal, Crockett, and Rose (2005), found that materialism and failure to delay gratification are some of the reasons for accrual of debt in college. The study revealed that in as much as credit cards can contribute to certain standard of living for a time, if one is not careful this may affect the desired lifestyle. Bernthal et al (2005) called the phenomenon a "metaphorical debtors' prison" in which the very actions consumers take to free themselves to buy things end up imprisoning them. The study identified frugality and entitlement as the two opposite ideologies that frame the participants' mindset in spending. Those individuals who ascribe to a more frugal ideology tend to have lower levels of debt and increased control over spending. Conversely, individuals who believe they were entitled to a certain lifestyle lacked control over spending and thus had higher levels of debt (Lusardi et al., 2010).

Bernthal, et al., (2005) conducted a study from textual data that was generated by nondirective in-depth interviews of 28 credit card holders. Most of the students interviewed were from low to middle income households. Bernthal et al (2005) reported that the use of consumer credit to regulate and manage one's lifestyle in relation to other money issues might be common among student consumers who are not from well to do families.

Another factor that was visible in Bernthal et al (2005) study was that one could get into debtor's prison. Young adults may acquire credit card habits that help shield them from the consequences of imprisonment within the debtors' prison. Debtor's prison was defined as a lifestyle space filed with credit card practices associated with the accumulation of considerable debt in relation to the ability to pay (Bernthal et al., 2005). In as much as credit cards offer the lifestyle one desires with goods and services the indebted person must accept the fiscal and psychological costs that come with a life exemplified by debt.

The Organization for Economic Co-operation and Development defines financial literacy as a blend of consciousness, knowledge, ability, attitude, and behavior that are important in making financial decisions and consecutively help one achieve financial wealth (Potrich et al., 2016). Mendes (2013) stated that financial knowledge is the ability to participate in economic space as well has the ability to improve one's financial well-being. Mendes (2013) suggested that financial literacy has five components:

(1) a specific form of knowledge,

(2) the ability or skills to apply that knowledge,

(3) perceived knowledge,

(4) good financial behavior, and

(5) financial experience.

Financial Well-Being

Consumer Financial Protection Bureau defines well-being as the ability to have financial security and financial freedom of choice in the present and in the future. Using four elements, financial well-being may be defined as: (a) security, (b) present, (c) freedom of choice, and (d) future. Security and present mean being in control over your day-to-day, month-to-month finances as well as the capacity to absorb a financial shock. Freedom of choice and future indicates financial freedom to make choices to enjoy life and to be on track to meet your financials goals. Young adults aged 18-25 are in a distinctive lifecycle stage. This period comes with major life-changing experiences that may include going to college. During these transitional life events, young adults gain access to money and credit. These play a very critical role in molding the attitudes they form and behaviors they embrace not only regarding financial management but also towards life as whole (Gutter & Copur, 2011).

Financial management is very important for college students, being that it is their first time assuming the responsibility related to adulthood. College students deal with financial challenges which include paying bills, creating a budget, and using credit. Gutter and Copur (2011) stated that the ability of students to cope with these challenges relies significantly on the financial knowledge and behaviors they learned prior to leaving home. A lack of personal financial knowledge may lead to a financial crisis which in turn may lead to a poor credit rating, bankruptcy, and financial strain. Research has shown that students rate finances as a major source of stress (Gutter & Copur, 2011; Lusardi et al., 2010). College students who were identified as high-risk for credit behaviors were also associated with feeling depressed. Therefore, Lusardi et al. (2010) suggested that college students might be deemed a high-risk group in regards to economic stability. In addition, college students at this age are developing skills that may shape their present and future economic well-being (Gutter & Copur, 2011).

The cost of schooling has risen, young adults who go to college find themselves in debt, and with rising inflation and cost of living, it is hard for them to keep up with financial management (Lusardi et al., 2010). About two third of college students end up with a huge debt after completing their degree, with the median student loan debt of $15, 1123 (Dwyer, 2012). Shim et al. (2009) looked for indicators of financial well-being among 781 college students who participated in their study. The study used both objective measures (amount of debt) and subjective measures (financial satisfaction and coping with financial strain). The results of the study showed that financial well-being has a significant association with the overall success of the students, and subjective satisfaction with financial status was related to all aspects of life income. In addition, the study found that the level of debt, as an objective measure of financial well-being, was directly related the students' academic performance (Shim et al., 2009). Furthermore, economic pressure and financial difficulty are factors in an individual's struggle to maintain financial well-being (Solheim et al., 2011)

Financial Behaviors

To understand the function of financial management behaviors in defining financial well-being, researchers have used applied systems methods. Jorgensen and Savla (2010) conducted a study with 420 college students to examine parental influences on young adults' financial behaviors. The finding of the study indicated that as the level of financial knowledge increased young adults' financial attitudes and behavior improved. Therefore, these results suggested that as knowledge and attitudes increase so does the ability of young adults to make well informed financial decisions. Jorgensen and Savla (2010) suggested that these findings might be important to policy makers and educators who are interested in creating programs that may improve young adults' financial behaviors.

Credit Cards

Robb and Pinto (2010) described credit cards as pre-approved funds for the consumers to use at the point of purchase. Financial institutions charge an interest on credit cards and generally, credit cards are used for short-term financing. The interest charge on credit cards normally begins a month after the purchase is made. In addition, credit cards are unsecured personal loans between the credit card issuer and the credit card holder. Credit card use has become the most preferred mode of payment in the United States due to the ease of use. Financial institutions expect the consumers to pay the balance, which is on a monthly basis. If the balance is not paid in full then interest is added to the balance.

Unfortunately, there is no federal regulation on how much interest the financial institutions can charge the consumers, although some states have imposed different caps. Most of the financial institutions offer a "teaser rate" at the beginning, which is usually very low, and increases over time if the balance is not paid in full. Robb (2011) observed that credit cards come with a lot of conveniences as well as help build credit for college students. On the other hand, misuse of credit cards has many negatives such as higher cost of debt and lower credit score. According to research, there is evidence that college students have increased desires to use a credit cards (Palan, Marrow, Trapp, & Blackburn, 2011).

Therefore, to manage and regulate their lifestyles, they acquire credit through credit cards. This behavior has made educators, parents, and regulatory groups significantly worried. The misuse of credit cards is very rampant among college students and this may impact one aspect of their financial behavior, which may result into a negative outcome in the college student's financial behavior. Research showed that credit card use has been the number one pointer of declined financial well-being of college students (Pirog & Roberts, 2007; Rutherford & Fox, 2010; Serido et al., 2010). The study also found that students sometimes open new cards to pay off existing debts (Kim, Garman, & Sorhaindo, 2003; Sidoti & Asagayam, 2010).

Significant steps have been taken to guarantee financial well-being of college students. Due to college student's credit cards misuse and the inexperienced consumers, Credit Card Accountability Responsibility and Disclosure (CARD) Act 2009 legislation was created (Robb, 2011). According to Sidoti and Asagayam (2010), one of the major steps taken by the federal government to defend and protect college students from exploitation by the credit card business marketers was the credit card Act of 2009. This act is the Credit Card Accountability Responsibility and Disclosure Act of 2009 or Credit Card Act of 2009, which is a federal statue, passed by the United States Congress and signed by President Barak Obama in May 2009. One of the provisions of the Credit Card Act 2009 was the elimination of excessive marketing to young people that meant that consumers under the age of 21 must prove that they have an independent income or obtain co-signer before applying for a credit card. The Credit Card Act of 2009 also prohibited credit cards companies from mailing offers to consumers under the age of 21 unless they “opt in”, prohibiting companies from wooing students with T-shirts, free pizza, and other free gifts at any university sponsored event.

The Credit Card Act of 2009, was enforced by capping the amount of debt a student can accrue during college years. This was done to help them avoid accumulating a large amount of student debt while in college because if they leave college with a huge debt that may affect their financial well-being for a long time. Lusardi and Mitchell (2011) implied that parents have influence on young adults’ behaviors and well-being more specifically through financial education and socialization. Parents who are financially literate and have support and resources tend to be more active in promoting financial wellness to their young adults (Norvilitis, & MacLean, 2013; Pinto, Parent, & Mansfield, 2005; Hancock et al., 2013).

Gender

Wagland and Taylor (2009) asserted that the flourishing of the financial services industry created various new products and services to cater for consumer needs. Consumers are presented with a variety of selections and flexibility on how to manage their finances, and this has created a major complexity. Therefore, there is a mounting need for consumers to be financially literate (Chen & Volpe, 2002; Wagland & Taylor, 2009). Gender theorists pointed out that due to differences in socialization, males and females have different experiences (Falahati & Paim, 2011; Malaysia, 2011). Furthermore, research on money attitudes among university students suggest that males’ and females’ perceptions of money are different and their beliefs about money may be attributed to socialization styles in childhood (Falahati & Paim, 2011). Families have different strategies to financially socialize boys and girls, which may include protection of girls from financial matters while supporting boys to participate in family financial decision-making and practices (Shim et al., 2010).

Some researchers have suggested that gender is an important variable affecting the level of financial literacy (Lusardi et al., 2010). Women in the US historically have relied on men for financial security. In as much as the trend is changing still there are larger gender gaps in economic well-being that exist today and affect women of all ages. The findings suggest that women as compared to men are hesitant in taking risks and lack confidence during financial decision making (Falahati & Paim, 2011; Malaysia, 2011; Rob, 2011). Wagland and Taylor (2009) weighed that researchers' findings brought fears that gender variances considerably affects women's capacities to attain financial security.

In addition, Fonseca, Mullen, Zamarro and Zissimopoulos (2012) stated that women live longer than men, work shorter tenure, and have lower earnings, pensions, or survivors' benefits. These are some of the factors that put women at a higher risk of having financial problems. On the other hand, Lusardi and Mitchell (2008) acknowledged that financial literacy is more widespread amongst women than men are. Less than 20% of middle-aged educated women can answer basic compound interest question compared to 35% of college-educated males of the same age. These findings were similar with those of Chen and Volpe (2002), who found that gender differences are present even at a younger age.

One of the major contributors to gender differences in financial literacy was associated with risk taking and confidence (Chen & Volpe, 2002). In addition, women are less risk takers than men are, and do not venture into risky financial choices as men. The fact that women are less confident than men in taking risky financial choices, are explains why men may more financially knowledgeable than women (Chen & Volpe, 2002; Wagland & Taylor, 2009). The lack of financial knowledge, confidence and a reluctance of women to take financial risks remains a factor that possible have an impact on women's financial ability (Chen & Volpe, 2002).

A study conducted by Lusardi et al. (2010) using the National Longitudinal Survey of Youth 1997(NLSY97) sample of the U.S. youth population aged 12-17 and then another wave fielded in 2007-2008 with a small set of financial literacy items introduced to the participants who were then 23 to 28 years old. This study found that even after accounting for many sociodemographic, family and peer characteristics, women were still significantly less financially literate than their male colleagues. Furthermore, Lusardi et al. (2010) found that women were 6% less probable to answer the interest rate question correctly, 15% less probable to answer the inflation question accurately and 16 % less probable to answer the risk diversification question accurately. The results from a study conducted by Lusardi (2008) found that less than 47% of the participants knew about risk diversification, the variance was as high as 5% point which is statistically significant. Gender is an effective predictor of financial literacy even after considering many other characteristics (Lusardi et al., 2010). Lusardi et al. 2010 suggested that it is imperative to develop programs that have specific focus on women because not only do women exhibit lower financial knowledge but also a great difference in investment and saving behaviors.

Income

Research shows that there is a positive relationship between parents' income status and positive financial outcomes in young adults (Mandell & Klein 2009). Parents with college educations and financial resources such as wealth, savings, and income, may offer more resources that boost human, social, and financial wealth for the emerging youth (Kim & Chatterjee, 2013). Economic status such as pay or welfare income is a major factor in young adults' financial dependence, which is associated with living at home with parents. According to research, it is important for young adults to manage their finances prudently, as they secure socioeconomic stability while becoming financially independents adults. Furthermore, financial literacy is essential for the accomplishment of young adults' goals that contribute to financial independence as well as financial well-being as they transition to adulthood (Xiao, Chatterjee, & Kim, 2014).

Financial Socialization: Parental Socialization

A study conducted by Falahati and Paim (2011) of 2,340 undergraduate students found that male and female students perceived money differently, which could be due to differences in socialization practices and past experiences about money. In addition, this could be associated with the differences in financial skills and knowledge among male and female students.

Theorists have used social learning framework to describe the influence of financial practices in one's family of origin on financial attitudes and practices in young adulthood (Jorgensen & Savla, 2010). In addition, through social learning theory children gain financial experiences through observations, positive or negative reinforcement, practice and participation, and deliberate directions by parents (Jorgensen & Savla, 2010;

Kim & Chatterjee, 2013). Socialization theories can be used to examine how students gain personal finance and credit information. Socialization defines the process by which society passes on the values, attitudes, and cultural norms from one generation to the next (Jorgensen & Savla, 2010). Socialization can also be defined as how individuals acquire roles in society. Parental socialization postulates that parental behavior which includes parental monitoring of child behavior, discipline practices, and emotional reactions to financial conditions as positive or negative expressions of parental influence could predict financial effects on young adults. This comprises their financial approach such as financial anxiety, financial hopes, and future anticipations, financial habits such as fiscal obligations and obtaining assets and debts (Kim & Chatterjee, 2013)

Family connections and dynamics between parents and their children are the major processes by which children and adolescents acquire sound financial practices and other skills required to navigate a successful transition to young adulthood (Kim & Chatterjee, 2013). Kim and Chatterjee defined financial socialization as the process in which young people gain the morals, values, norms, skills, knowledge and attitude needed to become functioning consumers in the market place and parents as the most influential agents of socialization in their children's lives. Socialization is how people acquire knowledge on how to act and react in the society, and socialization may also produce negative and even detrimental effects on children (Jorgensen & Savla, 2010). Studies have shown that children gain the knowledge of finances from their parents by deliberate instruction, participation and practice and observation (Falahati & Paim, 2011; Malaysia, 2011).

Parents have been identified as the major agents of financial socialization. However, they are other agents of socialization such as peer groups and mass media, which have increasingly become significant as well. Therefore, it is important to understand that the development of the financial socialization does not emerge in a vacuum but happens in social contexts which include the family, peers, mass media and marketing institutions (Falahati & Paim, 2011; Malaysia, 2011). Studies have shown that parents are the first and direct source of financial practices, then second, peers are considered the additional sources of influence in financial socialization, and the third is mass media and advertising provide information about consumption and the value of material goods (Kim & Chatterjee, 2013; Jorgensen & Savla, 2010; Malaysia, 2011). Additionally, Shim et al. (2010) conducted a study on 2,098 first year college students and the results of the study showed that parents, work, and high school financial education during adolescence predicted young adults' current financial learning. Nonetheless, attitudes, behaviors, and the positions portrayed by parents were considerably greater than the combined role played by work experience and high school financial education. Malaysia (2011) studied financial socialization among students and the results showed that male students were more likely to communicate with their peers about spending matters than female students who were more than likely to communicate with their parents about financial behavior.

Kim and Chatterjee (2013) stated that parental (financial) socialization usually encompasses

(1) modeling consumer behaviors;

(2) making rules about children's consumer behaviors; and

(3) engaging in direct discussion about purchasing decisions, money, credit, and other money related topics.

Kim and Chatterjee (2013) stipulated that previous studies have established that parental socialization and instructions on financial matters employ a positive effect on a child's effort to obtain adaptive financial knowledge, skills, and attitudes. Shim et al., (2010) stated that a few studies have investigated the impact of parent socialization habits on the development of financial competence in young adulthood. The results from these cross-sectional studies of college students point to discussions with parents about financial matters in childhood and were positively related to confidence in one's own financial knowledge. In addition, Jorgensen and Savla (2010) found that parental influences such as discussion and direct learning were positively related with financial attitudes and behaviors.

Solheim et al., (2011) stated that the family is recognized as being the key foundation of children's socialization context so they can observe their parents and get involved with financial practices and direct instructions. In addition, researchers have questioned the mode in which parents tackle financial issues with their children. Parents need to assist their children to gain financial knowledge by means of explicitly teaching and having direct hands-on demonstration and discussions (Hancock, et al., 2013).

Norvilitis and MacLean (2010) found that students who had credit cards and had parental rebuke had high levels of credit card debt, and this may be associated with low parental warmth during the discussion. Jorgensen and Savla (2010) suggested that parents ought to know when their young adults are equipped to start participating in financial decisions for them to create purposive learning practices. Resilient parenting approaches such as explicitly teaching and exhibiting financial models can impact financial literacy from a young age to young adults (Norvilitis & MacLean, 2010). Additionally, direct guidance from parents may well expand understanding and development of attitudes, values, and behaviors concerning money (Jorgensen & Savla, 2010).

Parents teach their children values, beliefs, and knowledge that helps shape their attitudes towards finances as well as their behavior. Furthermore, research has found that financial values of teens and their parents tend to be similar (Jorgensen & Savla, 2010). Implicit, nonspecific interaction financial socialization has been found to be more common than explicit (purposive efforts) financial socialization. Studies have found that there is a correlation between young adults' perceptions of how they are prepared to handle financial matters and how often these matters were demonstrated at home (Jorgensen & Savla, 2010; Kim & Chatterjee, 2013). In addition, studies found that in homes where parents squabbled about money, the young adults perceived money as problematic and students who come from homes with financial problems tended to follow the same trends of their parents replicating their financial problems (Jorgensen & Savla, 2010; Kim & Chatterjee, 2013; Mandell & Klein, 2009).

The emotional environment where parents socialize their children on financial matters seems to be significant in fostering adaptive financial practices. Furthermore, warm parent child interactions nurture motivation to conform and collaborate with parents by way of positive influence and connecting with them (Kim & Chatterjee, 2013). Positive influence within child parent interactions can be achieved when there are high levels of parental warmth, which consecutively increases the child's concentration and openness to parental request and socialization habits, and positive achievements in financial socialization. The inability of parents to provide warmth and comfort in times of financial strain may foster the development of financial anxiety in childhood, consequently this may result in young adults being hesitant to ask for financial or emotion assistance in times of crisis (Kim` & Chatterjee, 2013). Jorgensen and Savla (2010) stated that parents are the major influences in their children's lives.

Several studies have been conducted with college students to assess financial socialization. Pinto et al. (2005) conducted a study with 1,170 college students to understand their comprehension of the use of credit cards. The results of this study showed that parents were identified as the major socialization agents of credit card use followed by media, school, and peers. Furthermore, the more information the parents gave about using credit card wisely, the lower their credit card balances. In addition, college students reported that their fathers were accountable for financial management, but it was their mother's financial knowledge that was associated with their own financial competency. The study concluded that children's involvement in diverse financial routines was associated with their confidence and preparation to manage their own finances. Parent's participation and financial education are associated with college student's positive financial accountability, attitudes, and behavior (Johnson & Sherraden, 2007; Shim et al., 2009).

Family has been acknowledged for being an important source of children's socialization; children learn through observing their parents, participating in financial practices, and receiving direct instruction (Solheim et al., 2011). According to Kim and Chatterjee (2013), parental (financial) socialization training usually contains (a) modeling consumer behaviors, (b) making rules about children's consumer behaviors, and (c) engaging in honest dialog in regards to buying decisions, money, credit, and related subjects.

Summary

The beginning of financial independence and responsibilities in young adulthood is a well-known phenomenon in scholarly literature. The narrative on young adults' financial practices, more specifically the misuse of credit cards and huge student loans/debts is worth exploring (Grable & Joo, 2006; Norvilitis et al., 2013). The recent financial changes and implementation of the new regulations on credit cards issuance to young adults, have helped young adults avoid getting involved with unnecessary debt. The implications of lack of financial knowledge and the effect this has on the young adults' financial well-being as well as academics dictates the need for continual research (Grable & Joo, 2006; Lusardi,et al., 2010).

Additionally, the literature on financial behavior, attitudes, and influence of young adults is mounting, more specifically as the hypothesis of financial knowledge growth among young adults expands and takes shape during this transition (Gudmunson & Danes, 2011; Lusardi & Michell, 2014). Literature regarding parental influences on young adults reveals the importance of parental and financial socialization, as the young adult transition they model financial behaviors and attitudes acquired or modelled at home (Jergensen & Savla, 2010; Lusard et al., 2010).

Therefore, as young adults leave home for the first time and are learning to be independent, this is a great opportunity for young adults to stand on their feet, make those critical financial decisions without parental involvement, and venture into young adult responsibilities (Solheim et al., 2011; Jorgensen & Savla, 2010, Lusardi et al., 2010).

This study explored financial knowledge, behavior, attitudes, and parental influence as compared by gender and income as an important aspect of the young adult development contained within the prototype to develop a further understanding and enlighten young adults' financial literacy growth.

CHAPTER III

METHODOLOGY

Introduction

This quantitative study examined young adults' financial knowledge, financial attitudes, financial behaviors, and parental influence as compared with gender and income. The study used two survey instruments (See Appendix A).

The first instrument was a comprehensive questionnaire from the Organization for Economic Co-Operation and development/International Network on Financial Education (OECD/INFE) (OECD, 2015a). This instrument was developed in 2009 and was used in the first international measurement exercise in 2010 within 14 countries. This survey tool has been used in 30 countries between 2011 and 2014. In 2010, the instrument was piloted at the first OECD/INFE international financial literacy and financial inclusion summit. In addition, more than 30 countries have used this toolkit to collect data on financial literacy to form financial education policies or strategies. In September 2013, G20 leaders embraced the instrument and advocated for its widespread use.

The second survey instrument was the College Students Financial Literacy Survey (CSFLS) (Jorgensen, 2007). This instrument addressed the influences that affected young adults' financial literacy. The researcher used only the influence section of the questionnaire. Due to the gaps existing in the available survey that did not have questions addressing parental or peer influence on college students' financial literacy, the instrument was created in October, 2007 to measure financial knowledge, attitudes, behaviors, and influences. The survey consists of 44 content questions and 18 personal characteristics items (Jorgensen, 2007).

Participants

The participants of this study were sample of 150 young adults from four faith-based churches in the Dallas Fort Worth Metropolitan area. The population group was limited to 18-25 years of age, who had just finished (a) high school and entering college or attending college, (b) never married, and (c) no dependents.

An a priori power analysis was conducted using G*Power 3.1.9 to determine the minimum sample size required to find statistical significance using a 2 (income) x 2 Income here is not a continuous variable, they are two categories Lower and higher group income (gender) ANOVA. With a desired level of power set at .80, an alpha (α) level at .05, and a moderate effect size of .3 (*f*), it was determined that a minimum of 140 participants were required to ensure adequate power. If a moderate to large effect size was present ($f = .35$), a sample of 105 participants would be required (Cohen, 1988). The current study had 150 participants.

Instruments

College Student's Financial Literacy Survey (CSFLS)

To measure parental/peer influence, the CSFLS survey tool was used. The survey consists of 44 content questions and 18 personal characteristics items (Jorgensen, 2007). The influence section had eight questions and the participant were required to rate the items using a scale of 1-5. These evaluated parental and peer influence on the participants financial behavior (Jorgensen, 2007).

Organization for Economic Co-Operation and development /international Network on Financial education (OECD/INFE) Toolkit

To examine how well young adults were conversant on financial matters this study evaluated financial literacy questions using the Organization for Economic Co-Operation and development /international Network on Financial education instrument for measuring financial literacy and financial inclusion. This instrument was approved by world leaders in September 2013, and is grounded on recommendations expounded in an OECD working paper (Kempson, 2009).

The OECD/INFE financial literacy and financial inclusion toolkit consists of:

(1) methodological guidance;

(2) a core questionnaire designed to capture information about financial behavior, attitudes and knowledge, to assess levels of financial literacy and financial inclusion;

(3) optional questions designed to provide more depth on topics such as financial goal setting and experiencing financial scam, which are positioned within the core questionnaire for ease of use;

(4) a small set of additional optional questions that may be used to assess communication campaigns where relevant;

(5) detailed Annexes, covering interviewer briefing and online surveys, and

(6) a checklist for submitting data.

This study used the financial literacy component of the core questionnaire that reflects the OECD/INFE definition of financial literacy as “A combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual well-being”. The questions that the researcher focused on were the ones that captured knowledge, attitudes and behaviors, levels of financial well-being, and socio-demographic information. The variables used in the study from this instrument were financial knowledge, attitudes, and behaviors. The instrument was used for international comparison, the survey involved individuals that aged between 18-79 years. This study’s age population group was limited to 18-25 years of age. The study utilized 39 questions with each question grouped into three categories (a) money management (b) savings, and (c) spending and credit. An additional section covered demographic variables and family characteristics. The last section of the survey included 8 questions measuring financial behavior.

To measure validity of the (CSFLS) instrument, remove systematic errors, and enhance the content and face validity four experts were contacted to independently evaluate the items and provide feedback (Jorgensen, 2007). The experts were to confirm whether the instrument would provide data required to respond to the questions, if the questions were a good measure of constructs and if something was needed to be included to the survey so that a desired data is collected. The four experts provided their feedback and was incorporated, and the clarity and readability of the instrument was tested and refined further, six different students took the on-line survey. The participants were to provide feedback on clarity of the instructions and survey items, time used to complete the form, and difficulties encountered completing the online survey. Their feedback was used to revise the instrument to be used in the main research (Jorgensen, 2007).

The reliability of the instrument was assessed using valued using Cronbach’s alpha. The researcher measured the overall reliability and consistency of the scale in the survey. When all the items were measured, financial knowledge, financial behavior, financial attitudes and influence the Cronbach, alpha was between 0.75-0.78, which are acceptable alpha levels, indicating the instrument's reliability is good (Jorgensen, 2007). The reliability of the instrument was assessed using valued using Cronbach's alpha. When financial manage and financial influence were measured the Cronbach Alpha was between .821 and .850.

Procedures

The study used the following methods in planning and execution of the research on young adults' financial attitudes, behaviors and financial well-being as measured by the OECD/INFE tool kit for measuring financial literacy and the CSFLS survey tool for measuring parental/peer financial influence (See Appendix B). Participants were methodologically identified as the young adults who met the demographic requirements of the study (who have just finished (a) high school and entering college, or attending college ; (b) never married ; and (c) no dependents) ; (d) 18-25 years of age. Demographic data was displayed using tables and graphs using percentages and frequencies. Data included the total number of participants, financial literacy, financial behavior, and financial attitudes Data analyses started in late June and continued until the end of August.

Data Collection

Data were collected using a questionnaire that was distributed to the young adults on four Saturdays and Sundays of the month. The questionnaire was administered during the young adults' afternoon program and was completed on the same day and returned to the researcher. The researcher combined two survey instruments to form the Young Adult

Financial Literacy Questionnaire and a three-part instrument which the researcher utilized for this study; demographics, OECD/INFE tool kit for measuring financial literacy, and the CSFLS survey tool for measuring influence.

Data Analysis

Data were analyzed after the data had been collected and processed in response to the problem posed in Chapter l. The goal of the researcher was to examine the importance of financial literacy among young adults as they transition to college. The study examined financial knowledge, parental influence, financial behaviors, and financial attitudes as compared by gender and income and how this affects the young adult's financial well-being.

RQ 1. What do young adults report in terms of knowledge of financial literacy, as measured by the OECD/INFE financial Literacy questionnaire? This was measured by using the knowledge and understanding section of the questionnaire.

Hypothesis 1: There will be no significant difference in knowledge of financial literacy, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report higher levels of knowledge of financial literacy.

RQ 2. What do young adults report in terms of financial attitudes as measured by the young adult financial literacy questionnaire? This was measured by the financial control section of the questionnaire.

Hypothesis 1: There will be no significant difference in financial attitudes, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial attitudes.

RQ 3. What do young adults report in terms of financial behavior as measured by the Young adult financial literacy questionnaire? This was measured by the financial planning section of the questionnaire.

Hypothesis 1: There will be no significant difference in financial behaviors, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial behaviors.

RQ4. What do young adults report in terms parental and/peer influence on financial knowledge, attitudes and behaviors as measured young adult financial literacy questionnaire?

Hypothesis 1: There will be no significance difference on parental and peer influences, when compared by gender of young adults.

Hypothesis 2: Young adults in higher income groups will report more positive financial knowledge, attitude, and behavior.

Tabulation was done by looking at how many items were checked, the frequency and percentage. To compare items by gender Mann Whitney U tests were conducted. To examine income groups and compare the total mean scores by gender ANOVA tests were conducted and Chi Square was conducted for each variable concerning items learned about at home while growing up.

Site/Population Selection and Sampling Strategies

Having worked with young adults in various organizations as an employee of the bank, volunteer, financial literacy teacher for the immigrant community and church youth leader, I have come to learn how financial literacy is lacking among young adults. More specifically when personal financial literacy is not in the middle or high school curriculum and parents are not well trained to teach financial skills to their children. Therefore, the church is left to fill this gap by using the financial experts in church who can use their expertise and experiences to educate the congregation achieve grander financial literacy and financial stability (Braxton, 2011). Therefore, the current study collected data from young adults in faith-based organization to investigate this phenomenon.

Four sites in DFW area were utilized for the study, Lewisville Seventh-day Adventist Church, Alpha International Seventh-day Adventist Church, Highland Park Presbyterian Church, and Oasis Global Mission Church. Most of the members of these churches included either college-going students or students who were preparing to enter college. This was a racially diverse population with diverse socio-economic status, and a population of educated people. Permission from the church pastor and church board was granted to conduct the study (Appendix C). The researcher proceeded and flyers were distributed to the church congregation young adults and their parents. The flyers asked for volunteers to take part in a research study with no monetary compensation (See Appendix D). There were 100-150 young adults chosen from the volunteers after initial screenings to determine eligibility. The parents were ethnically diverse, single or two parent families, with a child in college or going to college.

Protection of Human Subjects

Careful considerations were taken to ensure that all protocol was followed in accordance with the Texas Woman's University Institutional Review Board (IRB) guidelines. (See Appendix E) The researcher applied for approval by the IRB and approval was granted before data collection began. The researcher attempted to ensure that confidentiality and protection of human subjects participating in this study were covered. The only person privy to the research was the researcher's advisor and the researcher. Informed consent forms were distributed to young adults during the study. (See Appendix F). Only the young adults who returned a fully completed consent form were included in the study. All efforts were taken to minimize risks to the participants, such as possible discomfort, potential loss of confidentiality, and minimal loss of time. A church counselor was in site if they needed to talk to a professional.

Ethical Considerations

In the current study, ethical issues that may arise in the study were considered; all the questions were aimed at benefitting the community. The researcher was ethically aware of the concepts or the features of the work. It was the researcher's responsibility to ensure that findings were ethically acquired and that the subjects were made aware of how the researcher would use the findings of the current study. The researcher was careful not to mislead the participants with any of the questions within the interviews. The questions were appropriate and were not worded to "trick" the subjects by insinuating false information to glean information from the subjects. There were no questions that had political or socially unacceptable content.

Summary

This quantitative study permitted the researcher to examine the undercurrents of young adults' financial knowledge, parental influences, financial behaviors, and attitudes as compared by gender and income within the background of a Dallas Fort Worth Metropolitan area. Using the Young Adult Financial Literacy questionnaire, which was a combination of two survey questionnaire designed to measure financial literacy and parental/peer influences on young adults, this research study was able to take into account multiple approaches as described by the theories used in this study.

Chapter IV

Results

Chapter IV provided a description of the quantitative analyses for the four hypotheses in this study. The chapter was divided into two sections: the first section was a description of the sample and the second provides an examination of each hypothesis and the statistical analysis used for each. Data were analyzed using the IBM SPSS 25 statistical package.

Description of Sample

The study began with data from 180 respondents. Criteria for eligibility included young adults between the ages of 18-25 who had (a) just finished high school and entering college or attending college, (b) never married, and (c) no dependents**.** This eliminated participants who were non-students or part-time students who had been or were currently married, those above or below the ages of 18-25, and those who had children or dependents. The elimination of these respondents yielded data from 150 eligible respondents.

Demographics

Table 1 provided data on respondents' genders, ethnicities, parents' income, and living arrangements. When comparing by gender, females were the larger group with 92 (61.3%) compared to 58 male respondents (38.7%) of the sample. Concerning ethnicities, the largest identified group was African American respondents at 34% of the total sample with the lowest group self-identified as "Others" at 3.3% of the total respondents. The results showed that 78% of the sample was between the ages of 18-21.

There were 18 respondents who did not report their parents' income, either they did not know or did not respond. The largest group in parents' income categories was between $50,000 and $79,999. The majority of the respondents were living with parents (78%).

Table 1

Demographic Descriptors of the Sample

Descriptors	*f*	%
Gender (*n* = 150)		
Female	92	61.3
Male	58	38.7
Ethnicity (*n* = 150)		
African American	51	34.0
Asian	16	10.7
Caucasian	27	18.0
Hispanic	29	19.3
Multiracial	16	10.7
Native American/Pacific Islander	6	4.0
Other	5	3.3
Parents' Income (*n* = 132)		
$0-$34,999	26	19.7
$35,000-$49,999	33	25.0
$50,000-$79,999	57	43.2
$80,000 or more	16	12.1
Don't know/missing (*n* = 18)	18	
Living Arrangements (*n*= 150)		
Alone	16	10.7
With Friends	2	1.3
With Parents	117	78.0
With Relatives	11	7.3
Other Type	4	2.7

Table 2 provided data on respondents' levels of education of parents. Bachelor's degrees were the categories with the highest numbers for both fathers (32%) and mothers (34.2%). Doctoral degrees were reported for 10 of the fathers and five of the mothers.

Table 2

Parents' Levels of Education

	Fathers (*n* = 150)		Mothers (*n* = 149)	
Education Level	*f*	%	*f*	%
Less than High School	12	8.2	7	4.7
High School or Equivalent	31	21.1	25	16.8
Associate's Degree	30	20.4	37	24.8
Bachelor's Degree	47	32.0	51	34.2
Master's Degree	14	9.5	24	16.1
Doctorate Degree	10	6.8	5	3.4
Other	3	2.0	0	0.0

Research Questions

The study utilized two instruments a comprehensive questionnaire from the Organization for Economic Co-Operation and only one section of the CSFLS. The Young Adult Financial Literacy Questionnaire is inclusive of two survey instruments which was organized by the researcher and included OECD/INFE questionnaire was designed to measure financial behavior, knowledge, and attitudes, while the CSFLS was designed to measure the influences that may affect young adults' financial literacy for this study, income groups were determined by the parents' levels of income, with lower income ranging from $0 to $49,999 and higher income ranging from $50,000 to $80,000, or more.

Findings

Knowledge of Financial Literacy

Research Question 1: What do young adults report in terms of knowledge of financial literacy, as measured by the OECD/INFE Financial Literacy Questionnaire (OECD, 2015 a)?

Hypothesis 1: There will be no significant difference in knowledge of financial literacy, when compared by gender of young adults.

Gender

Table 3 provided data on young adults' knowledge of financial literacy. With the question, "How would you rate your overall knowledge about financial matters compared with other young adults?" females (*n* = 39%) scored higher on "having quite high financial knowledge" while males *(n* = 37.9%) scored higher on "having quite low financial knowledge." When asked to best describe how they personally monitored their regular expenses, the most frequent response for both genders was that they "keep an eye on their expenses a bit." Only 14.1% of females and 15.8% of males were using written records to monitor their funds. When asked if they enjoyed dealing with financial matters, both genders (females 35.6%, males 54.4%) responded that they "never" enjoyed dealing with financial matters. On financial understanding females (36.9%) responded that they have a "High" level of financial understanding while males (37.9%) responded that they have "About average" of financial understanding.

To establish whether young adults kept any copies of their financial documents, the question stated, "Which of the following financial documents do you keep copies either electronically or hard copy?" This was a "yes" or "no" question. Both females and males reported that they kept receipts/copies some financial documents such as major purchases, minor purchases, bank statements, housing, rent or mortgage payments, tax records. Some financial documents that both females and males reported not keeping copies/receipts of are utility bills, receipts for food and house hold expenses, financial agreements, reports, and credits. When compared by gender, the types of total documents, were similar with no significant difference between the genders in keeping copies of their financial documents. ANOVA calculated the items and there was no significant difference. The responses of financial documents were added to create a variable.

On the question, "How do you typically check the checking and/or savings account balances (s)?" Both genders (females 28.2%, males 32.1%) checked their bank statements online. "Which of these bests describes how accurately, you know how much money you have available to spend?" females (35.6%) and males (37%) responded that they knew how much was available for them to spend within $50. Mann-Whitney U-tests compared responses for these items by gender, resulting in no significant differences.

Financial Understanding.

Table 3

Frequencies and Percentages for How People Think and Plan about Their Finances

Survey Items	Females		Male	
	f	%	*f*	%
Financial understanding (*n* =144)				
High	34	38.7	14	25.0
About Average	24	27.3	20	35.7
Low	30	34.1	22	39.3
Missing Items (*n* = 6)				

Monitor funds (*n* =147)				
Don’t keep an eye on expenses at all	16	17.8	12	21.1
Keep an eye on expenses a bit	39	43.3	20	35.1
Don’t keep written records but keep a close eye on expenses	22	24.4	16	28.1
Use written records to keep a close eye on expenses	13	14.4	9	15.8
Missing responses (*n* =3)				
Enjoy dealing with financial matters (*n* =147)				
Never	32	35.6	31	54.4
Sometimes	27	30.0	11	19.3
Usually	24	26.7	12	21.1
Always	7	5.3	3	5.3
Missing responses (*n* =3)				
How do you typically check account balance? (*n* =138)				
Don’t have a bank account	13	15.3	8	15.1
Never check	6	7.1	8	15.1
Receive a text message from bank	8	9.4	1	1.9
Ask the balance, statement or bank book at an ATM	12	14.1	7	13.2
Ask the balance, statement or bank book at a bank/branch	7	8.2	1	1.9
Call bank and ask	6	7.1	1	1.9
Check through telephone banking	3	3.5	3	5.7
Check statement online	24	28.2	17	32.1
Check the bank statement in the mail	6	7.1	7	13.2
Missing Items (*n* =12)				
Accurately, how much do you have available to spend? (*n* =144)				
I have no idea at all	26	28.9	11	20.4
Approximately but not within $ 500.00	9	10.0	2	3.7
I know within $500.00	15	16.7	15	27.8
I know within $50.00	32	35.6	20	37.0
I know within $10.00	7	7.8	2	3.7
I know within a dollar	1	1.1	4	7.4
Missing Items (*n* = 6)				
Financial understanding (*n* =144)				
High	34	38.7	14	25.0
About Average	24	27.3	20	35.7
Low	30	34.1	22	39.3
Missing Items (*n* = 6)				

Table 4 provided data on young adults' knowledge of financial literacy in reference to credit cards experiences, checking accounts, and interest rates. "How many credit cards do you have, including store and gas credit cards?" The responses from the sample as a whole showed that females had less than one (*M* = 0.94, *SD* = 1, 07) and males had less than one (*M*= 0.75, *SD* =0.84). It is important to note that 29 females (31.5%) and 25 males (43.1%) reported not having a single credit card.

Overdraft protection was reported by 96.7% of the females and 100% of the males. Both genders responded (females 49.4%, males 49.0%) that they had never overdrawn their checking account. When asked "In the last 12 months, which of the following statements describes your experiences with your credit cards?" both genders (females 80.3%, males 83.7%) responded that over the limit fees were charged some months. On the question, "What is the highest rate of interest?" female respondents (38.3%) reported the highest interest rate of 11%-15% while male respondents (37.7%) reported an interest rate of 1%-5%. No significant differences were found when compared by gender using Mann-Whitney U-tests, which is appropriate for ordinal data. The reason for using Mann-Whitney U-test is that the researcher is trying to find ordinal from Binary dichotomous, and DV on two types of variables.

Table 4

Frequencies and Percentages for Checking Account, Credit Cards and Interest Rates.

Survey Items	Females		Males	
	f	%	*f*	%
Overdrawn checking account				
Constantly	7	7.6	7	12.1
Somewhat constantly	15	16.3	5	8.6
Somewhat	12	13.0	5	8.6
Not constantly	8	8.7	8	13.8

Never	41	44.6	24	14.4
Experiences with credit cards				
Some months charged over the credit limit fee	57	62.0	36	62.1
Some months charged a late fee for late payment	1	1.1	0	0.0
Some months paid minimum payments	3	3.3	0	0.0
Some months carried over balance and was charged interest	1	1.1	0	0.0
Always paid credit bills on time	2	2.2	2	3.4
Some months used credit card to pay bills/buy items	1	1.1	2	3.4
Some months used credit card to get cash advance	2	2.2	1	1.7
Have not used credit card all in the last 12 months	4	4.3	2	3.4
Highest interest rates				
1%-5%	17	15.3	9	14.4
6%-10%	7	7.6	3	5.1
11%-15%	22	18.6	7	12.0
16%-30%	6	6.6	5	8.6

Table 5 provided data on young adults' knowledge of financial literacy in reference to use of credit cards. When asked, "Have you personally used credit for any of the following purposes in the last 12 months?" both genders responded (females 49.2%, males 56.8%) that they paid their bills regularly. Female (35.8%) respondents reported using credit just once in the last 12 months while the male respondents (33.3%) reported that they do not have a credit card. Female respondents (36.6%) said they would use credit to pay for education or training to get a better paid job, while male respondents (30.4%) would use credit to borrow money at a low interest rate to make investments. Mann-Whitney U-tests compared responses by genders resulting in no significant difference. The researcher used Mann-Whitney U-tests because the distribution is strange and not a normal distribution.

Table 5

Frequencies and Percentages for Use of Credit Cards

Survey Items	Females		Males	
	f	%	*f*	%

Personally, used credit				
To pay regular bills	31	33.7	21	36.2
To pay for food	18	19.6	12	20.7
For everyday spending	8	8.7	2	3.4
To donate to charity	2	2.2	2	3.4
To help support family or friends outside immediate family	1	1.1	0	0.0
To buy something on impulse	1	1.1	0	0.0
To buy gift from someone	2	2.2	0	0.0
How often did you use credit in the last 12 months?				
Just once	24	26.1	13	22.4
More than once but less than 5 times	21	22.8	10	17.2
More than 5 times	15	16.3	5	8.6
Don't have a credit card	7	7.6	14	24.1
Circumstances for use credit				
Borrow money at a low interest rate to make investment	13	15.9	14	30.4
If a shop was selling something that you need at a reduced price	27	32.9	13	28.3
If family/you need to pay for education	30	36.6	8	17.4
Vacation	10	12.2	11	23.9

*Hypothesis 2**:** Young adults in higher income groups will report higher levels of knowledge of financial literacy.*

Income Groups

Table 6 provided data on respondents' money decisions. Money decisions were made by both parents according to respondents in both income groups. Both respondents in lower and higher income groups reported that they had financial goals. When income groups were examined whether they keep copies of financial documents, the Cross tabs with Pearson Chi-Square test was not significant x^2 (1) = 3.47, p = .053 Total scores were calculated by adding the number of financial documents that were kept. Both income groups reported that they kept receipts/copies of some financial documents such major purchases, minor purchases, bank statements, housing, rent or mortgage payments, tax records. Some of the financial documents both income groups reported not keeping copies/receipts: utility bills, receipts for food and household expenses, financial agreements, and credit reports. Both income groups reported similar levels of knowledge of financial literacy on these categories. Mann-Whitney U-tests were calculated to examine whether young adults in higher income groups reported higher levels of knowledge of financial literacy. The variables included whether they keep receipts of their financial documents. The ANOVA tests were calculated to compare responses by income they were not significant difference.

Table 6

Frequencies and Percentages about financial knowledge on Money Decisions

Survey Items	**Lower Income Group**		**Higher Income Group**	
	f	%	*f*	%
Money Decisions				
Mother/stepmother	12	20.7	6	8.3
Father/stepfather	4	6.9	4	5.6
Both	39	67.2	60	83.3
Parents and Children	3	5.2	2	2.8

Financial Influence

Research Question 2: What do young adults report in financial parental and peer influence as measured by CSFLS (Jorgensen, 2007).

Hypothesis 1: There will be no significant difference on parental influence, when compared by gender of young adults.

Gender

With the question, "Where did you learn about to how manage finances." The researcher examined how much they had learned from various items indicated in the survey. Females (90.1%) reported they learned “some” and males (86.2%) “a lot.” There was more learning from parents, friends, school, and books, respectively. There was less learning from internet, media, life experiences, and seminars or classes. On the question, “How often they were influenced by the following items”. Females (63.8%) reported that they were influenced “Twice a month” and males (62.0%) reported “Weekly” The responses indicated that the most frequently selected categories were parents, friends, life experiences and school. The less frequently are internet, books, media, and seminars and classes.

Table 7 provided data from the respondents on influence and learning about finance. “Comparing yourself to your parents, would you say you were more likely to save?” the respondents were likely to save but varied on how they would save. Females (40.0%) were “much more likely” to save while males (44.8%) about “as likely to save.”

When asked what they would do to make ends meet, female respondents (32.6%) indicated that they would ask family members for help while males (43.1%) would use savings to make ends meet. “At what age do you think you should begin to make a financial plan for their retirement?” Females (19.6%) thought that at age 18 one should begin to start making financial plans while males (19.3%) indicated at age 25. Both genders (females 44.6%, males 44.8%) were very confident that their incomes would give them a standard of living they hope for throughout their retirement.

Table 7

Frequencies and Percentages of Learning at Home

Survey Items	Females		Males	
	f	%	*f*	%
Compared with parents				

Much likely to save	7	7.8	3	5.2
Somewhat likely to save	23	25.0	15	25.9
About as likely to save	24	25.6	26	44.8
Much more likely to save	36	40.0	14	24.1
What to do to make ends meet				
Use savings	27	30.0	25	44.6
Sell my assets	2	2.2	2	3.6
Borrow money	11	12.2	5	8.9
Depend on charity	8	8.7	4	7.1
Ask family for help	30	33.3	14	25.0
There is nothing I could do	2	2.2	1	1.8
Find a job	10	11.1	5	8.9
Confident you have enough Income for retirement				
Not at all confident	3	3.3	2	3.4
Not very confident	20	21.7	9	15.5
Confident	28	30.4	21	36.2
Very confident	41	44.6	26	44.8

Mann-Whitney U-tests were calculated to examine whether there were significant differences by gender for items related to learning at home. The results were not significant. “Indicate how much you learned about managing money?”

Respondents checked items that were learned at home while growing up. The most important items learned were budgeting, investing, taxes, wills, disability insurance, renter’s insurance, keeping record, savings and being honest in all dealings and loans debts. The items less learned from home while growing up were credit, life insurance, giving to charities, and work for what youreceive.

Mann-Whitney U-tests were calculated to examine whether there were significant differences by gender on sources of financial influence. The variables included how much the respondents learned and how often they were influenced. The only difference was found on how often informal public seminars or classes were considered influential. Males were more likely to respond that seminars or classes were "never" influential.

Hypothesis 2: Young adults in higher income groups will report more positive financial influence.

Income Groups

Financial Management

Table 8 provided data on where young adults learned about managing money. On the question "Indicate how much you learned about managing your money from the following?" respondents in the lower income group (51.7%) reported that they learned "some" from parents on how to manage their money, while the higher income group (83.3%) reported that they learned "a lot" from parents on this item. Mann-Whitney U-tests were calculated to examine whether young adults in the higher income group would report more learning about money. A MANOVA was conducted because the researcher is testing the same categorical variables which, are seven dependent variables. MANOVA test was conducted to examine whether young adults in the higher income group would report more learning about money. The results indicated that the distribution ratings for managing money were significant across patterns of responses. For the variables representing parents, friends, school, books, and media. No significant differences were found for variables representing the internet, life experiences and seminars and classes.

Table 8

One-way MANOVA on Financial Learn

	Parents Income	*N*	Mean	*SD*	*F*	*p*
Parents learn	35,000-49,999	28	.71	.460	12.228	.001
	80,000 or more	55	.96	.189		
Friends learn	35,000 -49,999	28	.50	.509	5.193	.025
	80,000 or more	55	.75	.440		
School learn	35,000 -49,999	28	.54	.508	11.070	.001
	80,000 or more	55	.85	.356		
Book learn	35,000 -49,999	28	.46	.508	4.125	.046
	80,000 or more	55	.69	.466		
Media learn	35,000-49,999	28	.32	.476	3.453	.067
	80,000 or more	55	.38	.490		
Job learn	35,000 -49,999	28	.32	476	.287	.564
	80,000or more	55	.38	.490		
Life experience learn	35,000-49,999	28	.71	.460	.742	.391
	80,000 or more	55	.62	.490		
Financial plan learn	35,000 -49,999	28	.46	.508	.005	.943
	80,000 or more	55	.47	.502		

Note: Multivariate effect: *F* (8, 74) =2.27, *p.031*, $\eta^{2=}$197

Financial Influence

On the question, “How often were you influenced by parents on financial matters?” both income groups (lower income group 37.9%, higher income group 65.3%) were influenced “weekly” by their parents. Mann-Whitney U-tests were calculated to examine whether young adults in the higher income group would report more frequent influences by parents. The significant results indicated that the patterns of responses were not similar (p = 0.00). On the question, “How often were you influenced by friends on financial matters?” the lower income (42.1%) reported friends “never” influenced them on financial matters while the higher income groups (47.9%) were “weekly” influenced. The significant Mann-Whitney U-tests results indicated that the patterns of responses were not similar (p = 0.00). “How often were you influenced by school on financial matters? The lower income group (43.6%) reported that they were “never” influenced by school while the higher income group (29.6%) were influenced “twice a month” by school. Mann-Whitney U-tests results indicated that the patterns of responses were not similar (p = 0.00).

On the question, “How often were you influenced by media on financial matters?” the lower income group (45.5%) reported that media “never” influenced them on financial matters whereas the higher income group (37.7%) were influenced “every few months” by media. The significant Mann-Whitney U-tests results indicated that the patterns of responses were not similar. ‘How often were you influenced by life experiences on financial matters?” The lower income groups (32.7%) reported that life experiences “never” influenced them on financial matters, while the higher income group (29.0%) reported they were “weekly” influenced by life experiences. How often respondents were influenced by friends, schools, and books were not significantly different when compared by income groups. Respondents were least influenced by life experiences, seminars and classes, and financial planners these results were non-significant. Mann-Whitney U-tests were calculated to examine whether young adults in higher income group would report more positive financial influence.

Items Learned From Home While Growing Up

Table 9 provides data for respondents on question about items learned from home while growing up. On budgeting, both income groups responded that they learned about budget (lower income group 77.6%, higher income group 97%). Investing, both income groups learned investing, however higher income scored much higher than lower income (lower income 51.3%, higher income 84.4). Both genders learned about “Wills” at home (lower income 65.8%, higher income 86.2%). Higher income scored higher on this category. Both income groups responded that they learned about life insurance at home, nonetheless lower income scored higher on this category (lower income 61.7%, higher income 34.9%). On disability insurance, both income groups responded that they did not learn about it at home (lower income 56.4%, higher income 77.2%). On renter’s insurance, lower income (54.3%) responded that learned at home while higher income (68.8) did not learn at home. Both income groups learned savings at home (lower income 66%, higher income 64.1%). Both income groups learned at home on keeping records (lower income group 69.8%, higher income group 86.9%).

A Chi-Square test was calculated for each of the variables concerning items learned about at home while growing up, comparing responses in lower and higher income groups. The following items produced significant differences. Budgeting x^2 (1) = 10.58, p =.001), Investing x^2 (1) = 13.12, p = 0.00), Wills x^2 (1) = 5.60, p = .018), life insurance x^2 (1) 7.77, p = .005), Disability insurance x^2 (1) = 4.66, p = .031), Renters HOA insurance x^2 (1) = 6.00, p = .015), Savings x^2 (1) = 4.75, = p = 0.03), Keeping records x^2 (1) = 4.60, p = 0.03).

Comparing responses in lower and higher income groups. Chi square tests were calculated for each of the variables concerning items learned at home while growing up, the following items produced non-significant results. Taxes x^2 (1) = 2.30, p = .130), Credit x^2 (1) = .070, p = .792), Auto insurance x^2 (1) = 2.5, p = .115), Loans debt x^2 (1) = .036, p = .850), Credit cards x^2 (1) = .081, p = .78), Giving to charities x^2 (1) = .004, p = .951), Interest rates x^2 (1) = .110, p = .740), Being honest in all dealings x^2 (1) .256, p = .613), Work for what you receive x^2 (1) .718, p = .40).

Table 9

Frequencies and Percentages of a Plan to Spend Money

Survey Items	Higher Income Group			Lower Income Group				
	n	*f*	%	*n*	*f*	%	x^2	*p*
Budgeting	66	64	97.0	49	38	77.6	10.58	0.001***
Investing	54	64	84.4	20	39	51.3	13.12	0.000***
Wills	58	8	13.8	13	38	34.2	5.60	0.02*
Life Insurance	63	22	34.9	47	29	61.7	7.77	0.01**
Disability Insurance	57	13	22.8	39	17	43.6	4.66	0.03*
Renters HOA Insurance	64	20	44.4	46	25	55.6	6.00	0.02*
Savings	67	56	83.6	47	31	66.0	4.74	0.03*
Keeping Records	61	53	86.9	43	30	69.8	4.60	0.03*

Note: *$p \le .05$* $p \le .01$** $p \le .001$

Financial Attitudes

Research Question 3: What do young adults report in terms of financial attitudes as measured by the OECD/INFE Financial Literacy Questionnaire (OECD, 2015a)?

Hypothesis 1: There will be no significance difference in financial attitudes, when compared by gender of young adults.

Gender

Table 10 provided data for respondents on the set of questions related to how people think about and plan their finances. Both genders (females 76.9%, males 77.6%) responded that both parents made day-to-day decisions about money their families. When asked if they had a family budget both genders (females 72.8%, males 71.9%) checked "Yes." Both genders (females 55.4%, males 68.4%) reported "Yes" to the question "If your family faced a major expense today with costs equivalent to your own monthly income, would you be able to pay it without borrowing money or asking family or friends to help?

Both genders (females 79.3%, males 66.1%) reported that they had financial goals. "What is your most important financial goal?" Females (17.5%) reported "buying a car" while males (22.1%) reported "being debt free" as the most important goal. In response to "What action have you taken to meet your goal?" both genders (females 46.2% males 40.0%) reported that they prepared a plan for action. Both genders reported that they were "Not at all confident" or "Somewhat confident" that they had done a good job making financial plans for retirement (females 32.6%, males 33.3%). Mann-Whitney U-tests were calculated to examine whether there were significant differences by gender on sources of financial confidence. The variables included "How confident are that you have a financial goal for retirement and how will you fund retirement?" The non-significant results indicated that the patterns of responses were similar ($p < .05$). "How will you fund your retirement?" Females (34.1%) responded that they would use private retirement funds while males (30.8%) reported that they would fund their retirement from government pension/social security funds. Mann-Whitney U-tests were calculated to examine whether there were significant differences by gender in funding retirement. The non-significant results indicated that the patterns of responses were similar ($p < 0.05$). Important financial goals responses were combined to create similar categories, if possible.

Table 10

Frequencies and Percentages of Financial Attitudes by Gender

Survey Items	Females		Males	
	f	%	*f*	%
Money decisions (*n = 149)*				
Mother/step Mother	12	13.2	8	13.8
Father/step Father	5	5.5	3	5.2
Both	70	76.9	45	77.6
Parents and children	4	4.4	2	3.4
Missing Item (*n = 1)*				
Important Financial Goal (*n = 150)*				
Debt free	17	14.3	13	22.1
Buy a car	17	17.5	8	15.3
Buy a house	3	3.3	1	1.7
Budget	2	2.2	1	1.7
Pay for college	19	16.5	7	5.1
Financial planning/Financial classes	2	2.2	0	0.0
Emergency fund	1	1.1	0	0.0

Finish college	4	4.4	1	1.7
Get a good job and pay bills after college	3	3.3	1	1.7
Go to professional school	3	3.3	2	3.4
Have enough money	3	3.3	1	1.7
Help family	2	2.2	3	5.1
Pay off loans	1	1.1	1	1.7
Saving	1	1.1	2	3.4
Take care of myself	1	1.1	0	0.0
No goal	3	3.3	0	0.0
Action for Goal (*n=128)*				
Prepared a plan	36	46.2	20	40.0
Increased credit card/loan repayments	1	1.3	2	4.0
Saved/Invested	6	7.7	5	10.0
Look for work	7	9.0	2	4.0
Look for credit	8	10.3	6	12.0
Reduced spending	20	25.6	10	20.0
Nothing	0	0.0	5	10.0
Missing Items (*n=22)*				
Confidence (*n=143)*				
Very Confident	20	23.3	12	21.1
Confident	19	22.1	17	29.8
Somehow confident	19	22.1	9	15.8
Not at all confident	28	32.6	19	33.3
Missing items (*n= 7)*				
Fund retirement (*n=134)*				
Government/ Pension/SSI	21	25.6	16	30.8
Work/Retirement Fund	23	28.0	12	23.1
Private Retirement Fund	28	34.1	15	28.8
Selling assets	5	6.1	5	9.6
Selling Non-Financial assets	5	6.1	4	7.7
Missing Items (*n=16)*				

When examining the respondents' financial attitudes, their financial decision making was measured by a series of 12 questions. The respondents selected "Completely agree," "Somewhat agree," "Neither agree nor disagree," "Somewhat agree" or

"Completely disagree." For display purposes, the ratings were combined to represent "Agree" and "Disagree" categories. The three items that both genders rated highly were, "Before I buy something I carefully consider whether I can afford it," "I keep a close personal watch on my financial affairs" and "I live for today and let tomorrow take care of itself."

Negative items were recoded to allow more positive attitudes to produce a higher score. A total score for financial decisions was calculated by adding the ratings for each Item and dividing by the number of items. The total scores were then reported on the 1-5 range. An ANOVA test was calculated to compare the total mean scores by gender. Means score for females (M = 3.2, SD = .050) and for males (M = 3.3, SD = .50), x^2 (1) = 1.10, p = 0.30). The results were not significant.

Table 11

Frequencies and Percentages of Financial Decisions by Gender

	Females *(n= 84)*			Males *(n =52)*		
Survey Items	Disagree	Neither	Agree	Disagree	Neither	Agree
	f (%)	*f (%)*	*f (%)*	*f (%)*	*f (%)*	*f (%)*
Before I buy something, I consider if I can afford it	7 (7.7)	3 (3.3)	81 (89.0)	6 (10.3)	1 (1.7)	51 (87.9)
I live for today and let tomorrow take care of itself	24 (26.7)	9 (9.8)	57 (63.4)	13 (22.4)	9 (15.5)	36 (62.1)
I find it satisfying to spend than to save	25 (28.1)	19 (20.7)	44 (49.5)	20 (36.3)	12 (21.8)	23 (41.8)
I pay my bills on time	18 (18.5)	18 (20)	54 (60)	11 (25.9)	12 (20.7)	354 (60.4)

I am prepared to risk my own money for investment/savings	22 (24.2)	32 (35.2)	37 (40.7)	18 (31.6)	16 (28.1)	23 (40.0)
I keep a close personal watch on my financial affairs	12 (13.3)	18 (20.0)	60 (66.7)	9 (15.5)	16 (27.6)	33 (56.96)
I set long term goals and strive to achieve them	20 (22.2)	21 (23.3)	49 (54.5)	12 (21.4)	13 (23.2)	31 (55.4)
Money is there to spend	47 (51.1)	19 (21.3)	23 (25.8)	26 (457.7)	14 (24.6)	17 (29.9)
My financial situation limits my ability to spend	23 (25.3)	24 (26.1)	44 (48.4)	17 (29.9)	19 (33.3)	21 (36.9)
I worry about paying me normal expenses	18 (20)	30 (33.3)	42 (46.6)	15 (25.8)	14 (24.1)	29 (50.0)
I have too much debt right now	39 (41.9)	21 (23.1)	32 (35.2)	29 (50.9)	12 (21.1)	16 (28.1)
I am satisfied with my personal financial situation	29 (32.6)	24 (27)	36 (40.5)	20 (35.1)	18 (31.6)	19 (33.3)

Hypothesis 2: Young adults in higher income groups will report more positive financial attitudes.

Income Groups

When examining the respondent's financial attitudes by income groups, their financial decision-making was measured by series of 12 questions. The respondents answered "Completely agree," "Somewhat agree," "Neither agree nor disagree," "Somewhat agree" and "Completely disagree". The four items which both income groups rated highly were, “Before you buy something I carefully consider whether I can afford it,” “Money is there to spend,” and “I keep a close personal watch on my financial affairs,” and “I live for today and let tomorrow take care of itself”. A total score was calculated, the ANOVA test was not significant x^2 (1) = 15, p = 0.70). The mean scores for the income groups were lower income group (M= 3.20, SD = .49), the higher group income (M = 3.23, SD = .47).

Table 12

Frequencies and Percentages of Financial Decisions by Income Group

	Lower Income Group (n = 84)			Higher Income Group(n = 52)		
Survey Items	*Disagree*	Neither	Agree	Disagree	Neither	Agree
	f (%)	*f* (%)	*f* (%)	*f* (%)	*f* (%)	*f* (%)
Before I buy something, I consider if I can afford it	2 (3.4)	3 (5.2)	53 (91.3)	6 (8.4)	1 (1.4)	65 (90.2)
I live for today and let tomorrow take care of itself	11 (19.3)	7 (12.3)	39 (68.4)	20 (27.8)	5 (6.9)	47 (65.3)
I find it satisfying to spend than to save	20 (35.1)	13 (22.8)	24 (42.1)	17 (24.0)	15 (21.1)	38 (53.5)
I pay my bills on time	8 (14.0)	12 (21.1)	37 (64.9)	18 (25.0)	13 (18.1)	41 (56.9)
I am prepared to risk my own money for investment/savings	18 (31.6)	18 (31.56)	21 (36.8)	15 (20.8	24 (33.3)	33 (45.9)
I keep a close personal watch on my financial	6 (8.6)	11 (19.3)	40 (71.2)	10 (13.9)	21 (29.2)	41 (56.9)

affairs						
I set long term goals and strive to achieve them	7 (12.5)	12 (21.4)	37 (66.1)	20 (28.1)	18 (25.4)	23 (56.9)
Money is there to spend	25 (44.6)	13 (23.2)	18 (32.1)	43 (60.5)	14 (19.7)	14 (19.8)
My financial situation limits my ability to spend	10 (17.6)	12 (21.1)	35 (61.4)	22 (30.5)	27 (37.5)	23 (32.0)
I worry about paying my normal expenses	9 (15.5)	11 (19.0)	38 (65)	16 (32.5)	27 (38.0)	28 (39.4)
I have too much debt right now	18 (31.1)	16 (27.6)	24 (41.4)	36 (50.8)	13 (18.3)	22 (31.0)
I am satisfied with my personal financial situation	18 (31.6)	21 (36.8)	18 (31.65)	24 (34.3)	18 (35.7)	28 (40.0)

Financial Behaviors

Research Question 4: What do young adults report in terms of financial behavior as measured by the OECD/INFE Financial Literacy Questionnaire (OECD, 2015 a)?

Hypothesis 1: There will be no significance difference in financial behavior when compared by gender of young adults.

Gender

Table 13 provides data on the financial behaviors of young adults as compared by gender. When asked, “Sometimes individuals find their income does not quite cover their living costs, in the last month, has that happened to you personally?” Both genders answered “Yes” (females 59.8%, males 55.2%). When compared by gender, the female respondents checked “They frequently lack enough money to cover their living costs.” When asked, “What do you do to make ends meet?” both genders (females 55.4%, males 46.6%) responded that they “Withdrew money from savings into checking.” The response on “Using existing resources” indicated that females (38.0%) and males (32.8%) responded that they would reduce spending to make ends meet.

The results on “Creating resources” indicated that females (47.2%) and males (44.4%) would work part-time jobs to make end meet. The most frequent response on “Accessing credit” was “borrowed from family and friends” to make ends meet, with females (37.1%) and males (27.3%) providing this response. Both genders (females 52.3%, males 62.5%) responded that they used credit card for cash advance in responses to “Would you borrow from existing credit line to make ends meet?” Females (44.6%) and males (38.5%) would take a personal loan to make ends meet. When asked “What they would do if they are falling behind in financial responsibilities?” The most frequent response for both genders was that they would pay their bills late if they were falling behind. Mann-Whitney U-tests were calculated to examine whether there were significant differences by gender for items regarding “What would you do to make ends meet if you did not have enough income to cover your living expenses?” The non-significant results indicated that the patterns of responses were similar.

Table 13

Financial Behaviors

Survey Items	Females	Males
	f (%)	*f* (%)
Make ends meet	*(n = 71)*	*(n=39)*
Withdraw money from savings into checking	51 (71.8)	27 (69.2)
Reduced Spending	12 (16.9)	9 (23.1)
Postponed expenses	7 (9.9)	3 (23.1)
Sold something that you owed	1 (1.4)	0 (0.0)
Existing resources	*(n = 71)*	*(n = 46)*
Withdrew money	17 (23.9)	13 (28.3)
Reduce spending	35 (49.3)	19 (41.8)
Post phone expenses	15 (21.1)	9 (19.6)
Sold something that you owned	3 (4.2)	5 (10.9)
Creating resources	*(n =72)*	*(n =45)*
Worked overtime	24 (33.3)	13 (28.9)
Worked part-time	34 (47.2)	20 (44.4)
Worked seasoned job	14 (19.4)	12 (26.7)
Accessing credit	*(n=70)*	*(n=44)*
Borrowed from family and friends	26 (37.1)	12 (27.3)
Borrowed from employer/salary advance	14 (20.0)	9 (20.5)
Pawned something	10	5

	(14.3)	(11.4)
Took a loan	6	5
	(8.6)	(11.4)
Withdrew money from savings account	9	11
	(12.9)	(25.0)
Applied for loan /withdrawal from retirement	5	2
	(7.10)	(4.5)

Table 14 provided data on the financial behaviors of young adults on credit as compared by gender. “What did you do to make ends meet the last time your income could not quite cover your living costs?” The respondents (females 52.3%, males 62.5%) reported that they would borrow from existing credit by using credit cards for cash advances. Females (44.6%) reported that they would access additional credit by taking a personal loan while males (38.5%) reported that they would take out a payday loan. Both genders, (females 57.6%, males 52.6%) responded that they would pay their bills late if they were falling behind on their financial responsibilities. When compared by gender on the items above, one item which scored higher than the others were “Accessing credit”.

Table 14

Frequencies and Percentages on Use of Credit

Survey Items	Female		Male	
	f	%	*f*	%
Borrow from existing credit				
Used authorized line of credit	29	44.6	14	35.0
Used credit card for cash advance	34	52.3	25	62.5

Accessing additional credit				
Took a personal loan	29	44.6	14	35.9
Took out a pay day loan	15	23.1	15	38.5
Took out a loan from an informal provider	21	32.3	10	25.6
Falling behind on finances				
Used unauthorized overdraft	12	18.2	3	7.9
Paid my bills late	38	57.6	20	52.6
Missed payments	16	24.2	15	39.5

Hypothesis 2: Young adults in higher income groups will report more positive financial behavior.

Income Groups

Table 15 provided data on respondents' action goals, confidence, and how they would fund their retirement. Money decisions were made by both parents according to respondents in both income groups. Both respondents in lower and higher income groups reported that they had financial goals. When asked, "How confident are you that you have done a good job making financial plans for retirement?" The lower income group (30.4%) responded that they were "confident" while the higher income group (47.7%) was "not at all confident". In response to "How will you fund your retirement?" The lower income group (49.1%) reported that they would use government/pension/SSI, while the higher income group (51.5%) will use private retirement funding.

Mann-Whitney U-tests were calculated to examine whether young adults in higher income groups reported higher levels of financial behavior. The variables included how much the respondents think and plan about their finances. The distribution of financial behavior was similar across the income groups. Both income groups reported that they "weekly" monitored their funds.

On the question, "Sometimes individuals find that their income does not quite cover their living costs, in last 12 months has this happened to you, personally"? Both income groups (lower income 51.7%, higher income 65.8%) responded "Yes" On the question "How would you make ends meet if your income does not quite cover your living costs?" Both income groups (lower income 44.8%, higher income 61.6%) responded that they will "withdraw from their savings into checking" When asked, "Sometimes individuals find their income does not quite cover their living costs. In the last month, has then happened to you personally?" the largest category answered "Yes." Chi Square tests were calculated to compare responses by income. There were no significant differences.

Mann-Whitney U tests were calculated to examine whether there were significant differences by income on financial behaviors. The variables included how much the respondents learned and how often they were influenced. On "What did you do to makes end meet the last time you did not have enough money your cover your expenses?"

Accessing additional credit high income "took out a loan," lower income "took a personal loan."

Table 15

How People Think about and Plan Their Finances When Compared by Income Group.

Survey Items	**Lower Income Groups**		**Higher Income Groups**	
	f	%	*f*	%
Action for Goal	*(n =52)*		*(n =59)*	
Prepare a plan	26	50.0	20	33.9
Reduced spending	13	25.0	13	22.0
Look for work	5	8.6	4	6.8
Look for credit	4	7.7	10	16.9
Confidence	*(n =56)*		*(n =70)*	
Very Confident	31	55.4	25	35.7
Somehow confident	25	44.6	45	64.2
Fund retirement	*(n =53)*		*(n =66)*	
	26	49.1	10	15.2
Government/Pension/SSI				
Work/Retirement fund	14	26.4	14	21.2
Private Retirement Fund	6	11.3	34	51.5

Summary of Findings

Chapter IV provided the review of the findings of the current study obtained through quantitative analysis. The chapter included the description of sample and the analysis of the 8 hypotheses. When statistical analyses were conducted 4 hypotheses were accepted and 4 were rejected.

Table 16

Summary of Hypotheses.

Hypothesis Number	Null Hypothesis	Accept /Reject
RQ 1-$H1_o$	There will be no significant difference in knowledge of financial literary when compared by gender of young adult.	Accept
RQ1-$H2_o$	Young adults in higher income groups will report higher levels of knowledge of financial literacy.	Reject
RQ2 -$H1_O$	There will be no significant difference in financial attitudes, when compared by gender of the young adults.	Accept
RQ2-$H2_o$	Young adults in higher income groups will report more positive financial attitudes.	Reject
RQ3-$H1_o$	There will be no significant difference in financial behaviors when compared by gender of young adults.	Accept
RQ3-$H2_o$	Young adults in higher income groups will report more positive financial behaviors.	Reject
RQ4-$H1_o$	There will be no significance difference on parental and peer influences, when compared by gender of young adults.	Accept

CHAPTER V

SUMMARY, DISCUSSION, AND CONCLUSIONS

The results of the current study revealed that young adults lack the financial knowledge to function in the current economic landscape. Financial literacy is critical for financial well-being across the lifespan and consequently should be integrated in early education through post-secondary curriculum programs (Alhenawi & Elkhal, 2013). The final chapter presents a summary, description of the sample, discussion of findings, conclusion, implications, and recommendations as well as limitations.

Summary

The purpose of this study was to investigate the importance of financial literacy among young adults. The study explored (a) financial knowledge compared by gender and by parents' income, (b) the parental/peer influences compared by gender and by parents' income, (c) financial attitudes by gender and by parents' income, and (d) financial behaviors by gender and by parents' income.

This research study utilized an international and national instrument, a comprehensive questionnaire from the (OECD/INFE), and the (CSFLS). The OECD/INFE examined financial behaviors, financial knowledge, and financial attitudes while the College Students' Financial Literacy Survey (CSFLS) examined financial influences (parental and peer) that may affect young adults' financial literacy.

Discussion

Although there is a plethora of research on financial literacy however, the majority of the studies (Grable & Joo, 2006; Jorgensen, 2007; Lusardi, et al, 2010, Lusardi & Mitchell, 2014) examined financial literacy, attitudes, behavior and parental influences but rarely compared gender and income. It is for this gap in the research, this current study investigated the impact of financial literacy in terms of gender and income. This discussion gives an overview of the demographics on financial literacy, data collected for this study. The discussion will include demographics, the variable used in the study, hypotheses, data analyses and the research findings.

Demographics

The demographics section of this study included a sample size, participants, and parent's income and parents' levels of education.

Sample: Consisted of 150 young adults' ages of 18-25 with high school diploma either entering or attending college, not married and no dependents.

Participants: Females (61.3%, n = 92) and males (38.7%, n = 58). Of the sample, the majority was African American (34%, n = 51). The ethnicities included in the sample were Hispanic (19.3%, n = 29), Caucasian (18%, n = 27), Asian, (10.7%, n =16), and Multi-racial (10.7%, n = 16), Native American/Pacific Islander (4%, n = 6), and others (3.3%, n = 5). The majority of respondents in the current study were between18-21, 78% (n = 112)

Parents' Income

Among 150 respondents, 43.2% reported parents' income between \$50,000-\$79, 000, 25%, (*n* = 33) reported parents' income \$35,000-\$49,000. \$0-\$39,999 was reported by 19.7%, (*n* = 26) of the sample, and the category with the least number of respondents was \$80,000 or more at 12.1%, (*n* = 16). To be more specific, the majority of the young adults were living with parents 78%, (*n* = 177). The income groups were determined by levels of income, which exhibited lower income ranged from \$0-49,999 and higher income ranged from \$50,000 to \$80,000 or more.

Parents Levels of Education

Parents with bachelor's degree were the most frequent category, with the largest Number for both fathers (32%, *n* = 47) and mothers (34.2%, *n* = 51), and there were 6.8% (*n* = 10) of fathers and 3.4%, (*n* = 5) of mothers who held doctoral degrees.

This sample represents young adults from highly educated families. This sample further represents 82% non-Caucasians with 18% Caucasians. The majority of the population had bachelor's degrees and 6.8% with doctorate.

Knowledge of Financial Literacy

Responding to RQ1.

What do young adults report in terms of knowledge of financial literacy, as measured by the OECD/INFE Financial Literacy questionnaire (OECD, 2015a)?

Gender

Hypothesis 1: *There will be no significance difference in knowledge of financial literacy, when compared by gender of young adults.*

Compared by gender on financial knowledge, monitoring funds, financial expenses, and keeping records, findings indicated that 39% of females were more likely to have a high level of financial knowledge. Both genders monitored their expenses; however, both genders indicated that they did not keep written records on their expenses nor did they enjoy dealing with financial matters. Some examples of the financial documents both genders kept are major purchases, minor purchases, bank statements, housing, and tax records that included both incidentals and major expenses. However, when it came to documents, they were less likely to keep some of these records which could be considered major or minor expenses. This may be due to the fact that some young adults do not have the financial knowledge about keeping records and importance of these documents. Some of these young adults still live with parents, and parents are handling their financial expenses. This study also revealed that they use credit cards to pay their bills. This could be one of the reasons why they do not keep financial records, specifically on most of their expenses and bills because they just "use and swipe".

Assessing banking and credit card use, both genders checked their bank statements online and are aware of an amount to spend within $50. In addition, both genders had overdraft protection and never overdrawn their checking account. When comparing genders and credit card use, the findings indicated that females had at least one credit card, store card or gas card, had a high interest rate, and would use credit card for education and training. Male were less likely to have a credit card; however, if male acquired a credit card they would use it to borrow money at a low interest rate and invest. Both genders would use credit card to pay regular bills.

The current study found that financial knowledge was not significantly different between the genders. This discovery is not in line with the previous studies that found gender differences in financial knowledge; however, the use of credit cards was similar. Chen and Volpe (2002) found that gender differences were present even at a young age. Genders theories have pointed out that socialization as well as lived experiences bring about the gender differences (Falahati & Paim, 2011) findings found that women compared to men are decisive in taking risks and may lack the confidence required during financial decision making, these findings caused concern that gender variances greatly affects women's capabilities to realize financial security (Chen & Volpe, 2002; Malaysia 2011; Robb 2011; Wagland & Taylor, 2009). In addition, research on money attitudes among university students suggested that males' and females' perceptions and beliefs about money are different, and this may be credited to socialization styles in childhood (Falahati & Paim, 2011). The current study found similar results but were not significantly enough to make a difference. Previous studies have suggested that misuse of credit cards has an impact on the financial well-being of young adults, other factors such as financial behavior, attitudes and influence as well as financial knowledge may also have negative impacts on young adults' financial well-being (Pirog & Roberts, 2007; Rutherford & Fox, 2010; Serido et al., 2010). Having enough income to cover living expenses, having a budget, a financial goal, and paying bills on time has been correlated with the overall financial well-being.

Income Groups

Hypothesis 2: *Young adults in higher income groups will report higher levels of knowledge of financial literacy.*

When comparing income with financial knowledge, monitoring financial expenses and keeping records, the results found that both income groups were monitoring their financial expenses and keeping records and parents of both income groups made financial decisions together. However, higher income groups reported as having financial goals. The overall findings indicated that both income groups had similar levels of financial knowledge. Because financial knowledge and family income were similar among this sample, it is expected that their financial knowledge could be the same.

Income refers to parental income. It was anticipated that higher income responses would score higher than lower income, when financial knowledge is compared by income groups. This study found no significant difference on financial knowledge by income groups. Previous research indicates that there is a positive relationship between parents' income status and positive financial outcome in childhood and young adults (Norvilitis & Mao, 2013). In addition, parents with college education and financial resources such as wealth, savings, and income may offer more reserves that boost human, social, and financial wealth for the emerging youth (Kim & Chatterjee, 2013).

Income such as pay or welfare is a major factor in young adults' financial dependence, which is associated with living at home with parents. According to research, (Mandel & Klein, 2007), it is important for young adults to manage their finances prudently as they secure socioeconomic stability as they become financially independents adults (Mandell & Klein 2009). Furthermore, financial literacy is essential for accomplishment of young adults' goals that contribute to financial independence as well as financial well-being as they transition to adulthood (Xiao, Chatterjee, & Kim, 2014). Furthermore, Mandell and Klein (2007) suggested that parental income might not be a determinate of financial knowledge. While it was hypothesized that young adults in higher income groups would report higher levels of knowledge of financial literacy, the comparison between the two in this study were non-significant.

Financial Influences

Responding to RQ-2.

What do young adults report in parental and peer influence as measured by CSFLS (Jorgensen, 2007)?

Gender

Hypothesis 1: *There will be no significance difference on parental influence, when compared by gender of young adults.*

When comparing financial management by gender, findings showed that females learned less about financial management from parents as compared to males**.** This study found that the primary sources of learning come from friends, school, and books, with parents being the major source of learning. However, both genders did not consider internet, media, life experiences, and seminars or classes as a source of financial learning. Findings further indicated that females preferred asking family members for help when unable to make ends meet while males would use their savings. Both genders learned from their home experiences about budgeting, investing, taxes, wills, disability insurance, renter’s insurance, keeping records, savings, being honest in all dealings and loans debts.

When comparing financial influence by gender, findings were similar to financial management, which indicated that both genders were influenced by their parents. However, the findings also revealed that females would save more compared to males, and both genders were confident about their income giving them the standard of living they hope for in retirement.

As with financial management, it was anticipated that there would be significantly differences on financial management by gender. The findings of the current study is not consistent with previous studies, the current study found that women have quite high financial knowledge, however, Lusardi et al. (2010) observed that even after taking into consideration the many different sociodemographic, family and peer characteristics, women are still considerably less financially knowledgeable than their male counterparts.

Females and males are socialized differently, have differences in socialization practices and past experiences and for this reason they perceive money divergently. Falahati and Paim, (2011) suggested that the difference in socialization and perception about money between females and males, has a connection with the differences in financial skills and knowledge among females and males.

Female respondents were more likely to ask family members for help if they were unable to make ends meet while males were more likely to use savings. As consistent with previous findings, females fear taking risks and would rather ask for financial help and this has an impact on females' financial abilities (Chen & Volpe, 2002; Taft, Hosein, & Mehrizi, 2013). The current study indicated little differences in financial management by gender. Cude et al. (2006) found that young adults do not manage their finances well because they do not have a plan in place for best financial management practices. Cude et al. (2006) suggested that the available best practices should be tailored to meet the needs of young adults.

Financial Influences

When comparing financial influences by the gender the results of the findings were similar to financial management. It was anticipated that there would be significantly different on parental/peer influence when compared by gender. This study found that there were no significant differences, by gender. Consistent with previous studies, financial parental socialization was considered the most influential socialization agent in the lives of young adults (Atkinson & Messy, 2012; Kim et al., 2011; Lusardi, 2015b). In addition, financial influences for young adults may include parents, media, culture, and peers (Lusardi & Mitchell, 2014). This study found that both genders were more likely influenced by parents, friends, life experiences, and school and less likely influenced by internet books, media, and seminars and classes.

Income Groups

Hypothesis 2: *Young adults in higher income groups will report more positive parental/peer influence on financial knowledge, attitude, and behavior.*

Comparing financial management by income groups, results found that higher income groups learned significantly more about money management from parents. When assessing other sources of learning, the higher income group reported that they learned significantly more from friends, school, books, and media when compared with the lower income group.

It was anticipated that young adults in the higher income group would report more positive financial management. Significant differences were found when financial management was compared by income. According to Gutter and Copur (2011), young adults during the transition period gain access to money and credit, which play a critical role in molding the attitudes and behaviors they embrace. Lusardi (2015b) found that most workers lacked sufficient knowledge and skills to manage the new levels of individuals' responsibilities and concluded that young people need to understand financial management so that they are able to save and cover their retirement. Therefore, financial management is crucial not only in their current stage of life but towards life as a whole (Gutter & Copur, 2011).

Financial Influences

Comparing financial influences by income groups, the findings indicated that higher income was influenced more by parents and their sources of influence were friends, school, books, media, and the internet. However, both income groups were not influenced by life experience, seminars, classes, and financial planners. It is not surprising the sources that influenced the higher income group, since parents have enough resources, they are able to provide any source of learning and influence to the young adults. Also, high-income groups tend to want to invest and learn on better ways of making and saving money and so this could influence their young adult's financial awareness. Mandell and Klein (2010) stated that parents with high income are able to provide resources and support to their young adults; therefore, the findings of the current study is consistent with previous studies. The current study found that higher income groups had huge source of resources to influence them as compared with the lower income. It was anticipated that there would be significantly different on parental/peer influence when compared by income groups. This study found that there were no significant differences, by income groups.

When comparing items learned from home while growing up, in as much as the higher income group reported that they learned budgeting, investing and keeping records. This could be attributed to the ability to have the resources to learn about these financial items. This category is well-known for budgeting and investing and always aware of financial matters, stocks, and shares. Since they have enough income, maybe they do not do many jobs and are less stressed about money, therefore have the time to either educate their young adults on these items or model the behavior at home. On the other hand, both income groups did not learn about taxes, credit, or auto insurance.

Financial Attitudes

Responding to RQ-3.

What do young adults report in terms of financial attitudes as measured by OECD/INFE financial Literacy questionnaire (OECD, 2015a)?

Gender

Hypothesis 1: *There will be no significance difference in financial attitudes, when compared by gender of young adults.*

When comparing attitude and gender, the results found that female would use private retirement while males would use government pension/social security funds. This finding supports other studies where women were found to be less risk takers than men were, therefore, female may prefer to use a private retirement fund thinking it is safer and less bureaucracy. In addition, Fonseca, Mullen, Zamarro and Zissimopoulos, (2012) suggested that some of the factors that put women at a higher risk of having financial problems are; women live longer than men, work shorter tenure, and have lower earnings, pensions, or survivor's benefits. This stipulates why women would rather have private retirement funds. Private retirement funds may yield more money for them due to interest earned, profits on investments by the private firm and trading in the stock exchange. In as much as both genders had financial goals, the current study found that males had long-term goals while females had short team goals. A good example here is female reported that their goal was to buy a car while male to be debt free. It is interesting to note that both genders have financial goals, and confident that they have a good financial plan for retirement. These are young adults who have just finished high school, or are in college and already have a good financial goal and plan for retirement. This could be a good indicate that young adults could be gaining momentum on financial literacy and we may be headed to a well financially educated generation. When compared gender by financial decisions, both genders carefully considered if they can afford something before they buy and they keep a close watch on financial matters. Both genders stated that they "live for today and let tomorrow take care of itself". An ANOVA test was used to compare the total mean scores for financial decisions by gender. The results were not significant.

No significant difference in financial attitudes when compared by gender were discovered. Both genders were more likely to have an important financial goal and have a plan for action on their financial goal. Both genders were confident that they had a financial goal for their retirement, even though they differed on how they were going to fund their retirement, and yet research on money attitudes among college students suggests that males' and females' perceptions of money differs as well as their beliefs, which may be attributed to socialization styles in childhood (Falahati & Paim, 2011).

Income Groups

Hypothesis 2: *Young adults in higher income groups will report more positive financial attitudes.*

When comparing financial attitudes with income and money decisions, the findings indicated are very careful before they buy something and would consider if they can afford it and keep a close personal watch on their financial affairs. This is important because it shows that they do not buy items on impulse, or buy items which they do not need, and that they consider if it a need or a want. Another interesting item, both income groups reported that money is there to spend yet they keep a close watch of their finances. The non-significant results indicated that there was no significant difference between the lower and higher income groups on financial decisions. An ANOVA test produced non-significant results when mean scores were compared by income groups.

Although the current study found no significant difference between higher income and lower income groups on financial attitudes which was not consistent with previous research. Mandell and Klein (2007) indicated that there is a positive relationship between parent Income status and positive financial outcome in childhood and young adults. Parents with college education and financial resources such as wealth, savings, and income may offer more reserves that boost human, social, and financial wealth for the emerging youth (Kim & Chatterjee, 2013; Zissimopoulos, Karney, & Rauer, 2008). In addition, these findings in terms of economic status such as pay, or welfare income is a major factor in young adult financial dependence that is associated with living at home with parents.

In addition, parents who are in low socioeconomic status and who are financially strained and have financial difficulties may adversely have an effect on their emotions, behaviors and beliefs which may negatively influence their parenting practices and socialization strategies (Solheim et al., 2011). Previous studies divulged that financial anxiety resulting from family economic strain could be created and transferred from one generation to the next (Kim et al., 2011; Lusardi & Mitchell, 2014).

Financial Behavior

Responding to RQ-4.

What do young adults report in terms of financial behavior as measured by the OECD/INFE Financial Literacy questionnaire (OECD, 2015a)?

Gender

Hypothesis 1: *There will be no significance difference in financial behavior, when compared by gender of young adults.*

When comparing financial behavior and gender, the results found no significant difference by gender on who makes day-to-day money decisions in the family. Both genders money decisions are made by both parents, have a family budget, and would pay for a major expense without borrowing money. This is a very positive finding considering some families do not have a family budget and do not make financial decisions as a family. This indicates that the families value their financial status and are ready to work together to keep away from any financial mishap. Both genders at times cannot cover their living expenses. This is the more reason why the family budget and family financial discussion is important for the financial stability of the family. It is surprising that the genders reported that they have a family budget yet sometimes their income does not make ends meet. There were no significant differences in the results when compared using Mann Whitney U tests.

In addition, the findings indicated that both genders lacked enough money to cover their living costs in the last 12 months; however, they have an action plan to make ends meet which includes accessing existing resources, creating resources, accessing credit from contacts or resources, borrowing from a credit line, accessing additional credit, and falling behind in financial responsibilities. Falling behind in financial responsibility is not a good action plan to make ends meet, the more you fall behind in your financial, responsibilities the more you get into debt. Researchers (Bernthal, et al, 2005) called it debtors' prison, whereby individuals live a lifestyle filled with credit card use linked to accumulation of substantial debt in relation to ability to pay. When compared by gender using Mann-Whitney U- tests, the groups did not differ significantly in the patterns of responses.

This study examined financial behavior across genders. There were non-significant differences in financial behavior compared by gender of the young adults.

Other studies conducted on this same topic discovered that due to the reluctance of women to take financial risks, this remains a factor affecting their financial abilities that may affect their financial behaviors (Chen & Volpe, 2002). Danes & Haberman (2007) found that there were significant differences between the genders, on the amount of debt owed to (Chen & Volpe, 2002; Wagland & Taylor, 2009).

Hypothesis 2: *Young adults in higher income groups will report more positive financial behavior.*

Income Groups

Comparing income groups and financial behavior on money decisions, confidence and family budget, the results were similar to the findings gender when compared with the same items. However, the higher income group scored higher on having a family budget and the ability to pay a major expense without borrowing more, on the other hand higher income reported as not having enough income to cover living costs in the last 12 months. Chi square results for these items were significant. These results are consistent with previous research (Mandell & Klein, 2009; Kim & Chatterjee, 2013) that found parents who are highly educated and have financial capability are more likely to offer more resources, which may enhance social and financial affluence to the young adult. Respondents in both income groups reported that they had financial goals and this finding did not indicate significant differences by income groups.

When considering actions taken to make ends meet, the income groups differed significantly in responses to the item related to accessing additional credit. Higher income group scored higher and stated that they would withdraw from their savings into checking. The income groups did not differ significantly in responses to the following items: existing resources, creating resources, accessing credit by using existing contacts or resources, borrowing from existing credit line, or falling behind in financial responsibilities.

Bernthal et al., (2005) conducted a study with students interviewed from low to middle-income households. The results of the study found that the use of consumer credit to regulate and manage one’s lifestyle in relation to other money might be common among student consumers who are not from well to do families.

Conclusions

While financial literacy has been linked to other concepts of financial well-being of young adults, comprising behaviors, attitudes and influences, it rarely includes gender and income. Collecting data from participants in the four churches in Dallas Forth worth metropolitan area who are highly educated produced a diverse population.

The main purpose of this study was to explore financial literacy and the effect it has on the young adult financial well-being is extended from certainty financial literacy has on the overall well-being on young adults not only on their financial well-being but also gaining the financial independence, skills and resources (Kim & Chatterjee, 2013).

Therefore, this study did not find a significant difference between financial knowledge, influence, behavior, and attitude by gender and income.

RQ1-Hypotheses I was accepted, there were no significant difference in knowledge of financial literacy compared by gender. In terms of income groups, the study did not find significant difference in knowledge of financial literacy when compared by income groups. RQ1-Hypotheses II was rejected, young adults in higher income groups reported higher levels of knowledge. RQ2-Hypotheses I was accepted. In terms of financial attitudes when compared by gender of the young adult, this study did not find a significant difference. RQ2-Hypothese II was rejected. Young adults in higher income groups reported more positive financial attitudes. RQ3 –Hypotheses I was accepted. There were no significant difference financial behavior compared by gender. RQ3-Hypotheses II was rejected, young adults in higher income groups reported more positive financial behavior. RQ4-Hypotheses I was accepted, there were no significant difference in parental/peer influences compared by gender of young adult. Young adults in higher income groups will report more positive parental and peer influences on financial knowledge, attitude, and behavior.

The study addressed the importance of financial literacy to the well-being of young adults, and to the degree at which they understood the critical financial concepts and confidence to manage personal finances through decision-making and financial planning, bearing in mind life events and the trending economic environment (Alhenawi & Elkhal, 2013). Financial literacy is the ability to apply the knowledge and skills to handle financial resources effectively throughout a lifetime (Schuchardt, Hanna, Hira, Lyons Palmer and Xiao, 2009).

Although no significant differences were found regarding financial knowledge, behaviors, influence, and attitudes when compared by gender (females/males), some previous studies have found that male students were more financial knowledgeable than female students (Volpe, Chen, Pavlicko, 1996), other researchers have found mixed findings, Lusardi et al., (2010) found that males knew more about personal loans while women knew more about financial management. Therefore, the non-significant findings of this current study between females and males should be considered as a difference in content area.

This study found numerous implications regarding financial knowledge, behaviors, influence, and attitudes when compared by gender and income. In regards to financial knowledge as compared by gender, this study found that female respondents were more likely to have quite high financial knowledge. The study also explored the influences of parents and peers on financial literacy of the young adults. In addition, on influences under financial management, males were more likely to report that they learned "a lot" from parents and were less likely to be influenced by seminars or classes. On items learned from home, higher income group were more likely to learn budgeting from home. On financial attitudes, female respondents were more likely to have a financial goal, on the other hard the most important goal for the male respondent was reported as "being debt free". In terms of financial behavior, higher income groups were more likely to withdraw money from savings into checking to make ends meet.

The current study found that in as much as the participants were from a highly educated background with the majority having income between $50,000 to $79,999. There was no significant difference between financial knowledge, behavior, knowledge, attitude, or parental influence compared to gender and income of the young adults.

This study provided an insight into perceived influence financial literacy have on young adults and the influence parents have on financial socialization of the young adults. The current study underpins the findings of previous studies that young adults may lack the financial knowledge, attitudes, and behaviors necessary to navigate the current economic environment. Therefore, this inadequate financial knowledge could affect young adults' ability to make crucial financial decisions as young adults and through their lifespan. Parental involvement is important in financial literacy; therefore, parents should be included in this effort. Additionally, financial literacy programs, workshops, seminars, and conference for young adults should include parents' education on financial literacy.

Implications and Future Research

Parental Influence

Even though the study did not find any statistically difference in the overall financial knowledge of the young adults, however, the salient results indicated that parents need to get involved with educating their young adults' financial knowledge. Analyses revealed no significant differences between gender and income groups on financial literacy rather the high-income group scored high on financial knowledge. Based on this study, 78% of the young adults live with parents. Therefore, parents have opportunities to continue the communication on financial knowledge, behavior and attitude instead of just letting the young adults learn by way of modelling and observation. Thus, future research should find ways of encouraging and educating parents on ways to financial socialize their children; communities could have seminars or conferences where parents themselves are taught about the financial literacy concepts. Studies have shown that some young adults lack financial literacy due to parent's lack of financial knowledge; they cannot teach their children what they do not know (Lusardi et al., 2010). Future research focus on the parent's financial literacy as a way of them impacting the financial knowledge to their children. Additionally, future research should find ways of incorporating families into the pursuit of improving students' financial literacy (Jorgensen & Savla, 2010).

Policy

In addition, to better understand the function of financial management behaviors in defining financial well-being, Jorgensen and Savla (2010) conducted a study on 420 college students to investigate parental influences on young adults' financial behaviors. The results of the study revealed that as the level of financial knowledge increased young adults' financial attitudes and behavior improved. Therefore, these results suggested that as knowledge and attitudes increase so does the ability of young adults to make well-informed financial decisions. Jorgensen and Savla (2010) suggested that these findings might be important to policy makers and educators who are interested in creating programs that may improve young adults' financial behaviors.

Parents' Schools and Community

Parents, schools, and community need a comprehensive plan to teach young adults' financial issues, which should be integrated from early education to post-secondary education. Programs such as Jump$tart has consistently shown high school students who go through financial curriculums such as stock market financial games gain more financial knowledge than those who do not. Therefore, students should be motivated to appreciate the importance of financial literacy and management to their future (Mandell & Klein, 2009). Future research should pay attention to such classes and essentially improve the curriculum through more collaboration and motivation. Additionally, churches may deliver sermons, provide seminars and classes that focus on financial literacy and stewardship, provide pastoral care to help parents and young adults' discus behaviors or influences that exhaust their financial resources and hinder their productivity (Gates, 2017).

Summary

This study carefully found no significant differences when compared by gender and income. Given the current economic landscape and the rising number of young adults being in debt, it is important that financial literacy and financial well-being be integrated with income and gender. There is a need to understand that it is not only parents who influence their young adults' financial knowledge but the whole environment plays a key role in influencing the financial decisions young adults make. In addition, financial knowledge, attitude, and behavior go hand in hand with financial wellbeing of a family. Gudmunson and Danes (2011) found that financial difficulties are connected to poor family functioning. Therefore, the quality of family social background plays a major role not only on articulating financial knowledge, but also the regularity on which financial discussion takes place and this may lead to better financial management ways.

Recommendations

Researchers

Researchers should assess the needs of young adults and develop financial curriculum that is tailored to fit the financial management needs. Cude et al., (2006) suggested that researchers should develop a "financial fitness quiz" and this may assist in financial needs assessment for the young adults. Future researchers are recommended to explore developing an instrument that will measure both young adults' financial knowledge, behavior, influence and attitudes as they relate to income and gender. The instrument used for this study was a combination of 2 survey tools to incorporate parental influence but none of them measured financial knowledge, behavior, influence and attitudes as compared by income and gender. Future research needs to refine this questionnaire. Most of the research on financial literacy and financial well-being is on young adults who are either in college or going to college, it is important that financial literacy and financial well-being is compared with young adults in the workforce. Future research should compare the financial influences and behaviors with the young adults who are not in college or never attended college (Gutter & Copur, 2011; Lusardi et al., 2010).

Educators

Educators should find ways of creating information sheets for parents to use with their students about influence parents have on financial socialization of their children, where and how to access financial knowledge for both parents and young adults. In addition, educators may offer financial seminars, conferences and workshops to educate parents on financial literacy as well as how parents can teach, discuss, and model financial values to their children more specifically to low income families (Jorgensen & Savla, 2010). In addition, parents who are financially literate and have support and resources tend to be more active in promoting financial wellness to their young adults (Norvilitis, & MacLean, 2010; Pinto, Parent, & Mansfield, 2005; Hancock, et al., 2013).

Universities

Financial literacy should be part of the core university curriculum or integrated into other programs. This study does not suggest that this will be the solution to the lack of financial literacy but this could lessen some strain and offer some insight background for the future (Lusardi, 2008). While a clear difference between financial knowledge, behavior, influence, and attitude was not found through the study, this study does support the previous research by exhibiting the importance placed on financial literacy among the young adults.

Previous research has indicated that young adult's poor financial management either through students' loans/debts or credit cards debts may affect not only their finances but also academic performance, mental and physical welfare and to an extent the capability of finding a job upon graduation (Cude et al, 2006). Therefore universities/colleges need to make holistic approach when tackling financial requests of their college students. Financial aid office needs to be more involved.

Research found that individuals' attitudes towards finances are associated with their financial practices and behaviors. Many education programs focus on assisting young adults to acquire effective money management skills and knowledge, but few focus on helping them in changing their attitudes and behaviors toward finances (Lusardi et al., 2010). Therefore, it is imperative that colleges and universities may consider providing personal financial classes that will incorporate attitude and behavior modification in financial knowledge.

Policies

Due to college students' credit card misuse and inexperienced consumers, Credit Card Accountability Responsibility and Disclosure (CARD) Act 2009 legislation was created (Robb, 2011). This act provided an important defense and protection for college students from exploitation by the credit card business, eliminated the excessive marketing and prohibited credit card companies mailing offers to consumers under the age of 21 (Sidoti & Asagayam, 2010). One of the provisions of Credit Card Act 2009 was the elimination of excessive marketing to young people that meant that consumers under the age of 21.

This Act was enforced by capping the amount of debt a student can accumulate during college years. This was designed to help them avoid accumulating a lot of student debt while in college because if they leave college with a huge debt it that may affect their financial well-being for a long time (Robb, 2011). This is very critical to the financial well-being of the young adult considering financial literacy has a relationship with financial well-being and the overall well-being of the young adult. Additional policies should put in place to safe guard exploitation of young adult's naivety to financial exposure.

College administrators could explore ways that increase the financial awareness, behavioral characteristics, and attitudes of the college students, and what they can do to alleviate the financial stress college students' face due to credit card debt. The administrators should also be aware that credit card debt could be a contributing factor in college students' failure on campus.

There is no federal regulation on how much interest the financial institutions can charge the consumers, even though some states have imposed different caps (Robb, 2011). Policy makers should focus on having a mandated cap for interest rates and regulate financial institutions policies on setting and charging interest rates.

Limitations

The results of this study clearly indicated the findings of financial knowledge, behaviors, attitudes and parental/peer influences as compared by gender and income among young adults. However, some limitations to the current study are included in this section.

(1) The sample was limited to a faith-based population, therefore generalizability of this study to organizations or the general population may not be appropriate.

(2) The study relied on self-reported data of the respondents, and therefore, data may be impacted by the variable reports by the respondents.

(3) In this study, the researcher used a questionnaire combining two previous studies questions to capture the scope of my study. Future researcher may need to refine this questionnaire.

(4) Geographical area, the data for this study was collected in the Dallas Fort Worth area and therefore may be difficult to use in a population in a difference geographical area. Also, the environment could have influenced the respondents on how they respond to the questions. Being that this was being done in a church environment.

Even though the study had some limitations faced in the process of conducting the study, it does not lessen the significance of the findings as this may provide data for future research

Chapter Summary

The chapter addressed the findings of the current research study in relation to previous studies. The demographics section included sample, participants, parents' income, and parents' level of education. The chapter discussed in depth the variables utilized in this study to address the financial literacy gap among young adults through the lenses of financial knowledge, behaviors, attitudes and parental peer influence when compared by gender and income. The conclusions, implications and future research were clearly articulated, recommendations and limitations addressed.

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Appendix A

Permission to use Instruments.

Approval letters to use Research Instrument.

1) **From:** Adele.ATKINSON@oecd.org [mailto:Adele.ATKINSON@oecd.org]
Sent: Tuesday, April 25, 2017 11:32 AM
To: Ramoni, Francisca <faramoni@capitalone.com>
Cc: Chiara.MONTICONE@oecd.org
Subject: RE: OECD/INFE toolkit for Measuring Financial Literacy and Financial inclusion.

Dear Francisca,

Thanks for your email. You are welcome to use the questionnaire; please cite the OECD if you intend to publish your results. The 2015 version developed for the last report, is the most recent we have in the public domain. We are currently updating it, but will not make major changes.

It went through a robust development stage, based on definitions and a framework for financial literacy. See http://www.oecd.org/daf/fin/financial-education/measuringfinancialliteracy.htm for background and related publications.

Most of the questions have been drawn from national surveys, and all have been approved by our very large network of experts (representing over 110 countries). The questionnaire has also been used in a large number of countries (in our last report we have 30 countries and economies).

The toolkit has also been used for repeat surveys in some countries; and shorter versions of it have also been used in cross-sectional studies over time in the UK and South Africa.

However: please note that the survey is intended (and was validated) for a population survey and you may not get much variation across young adults. Furthermore, some of the household questions and those asking about income may need editing, given the life stage you are focusing on. Please read them carefully before applying them, to make sure that they make sense to the respondents. For example QF11 may work better if your ask about having money for basic needs, rather than having income to cover living expenses.

Good luck with your research. Feel free to share your results with us in due course – we are always interested in new findings!

Best regards

Adele

2) From: Bryce Jorgensen <brycej@ad.nmsu.edu<mailto:brycej@ad.nmsu.edu>>
> Date: Fri, Jan 26, 2018 at 10:28 AM

to me

Subject: RE: Instrument Use Request

Survey Instrument-College Students Financial Literacy Survey

Hello Francisca,

The survey is attached along with some other helpful attachments. You are welcome to use part or all of the survey. I would appreciate an update on how it is going once you decide what to use. An explanation of my survey and research is included below in an email I sent to another who requested use of the survey. Please let me know if you have any questions.

Warm regards,

Bryce Jorgensen

Appendix B

Young Adults Financial Literacy Questionnaire

Young Adults Financial Literacy Questionnaire

2015 OECD/INFE toolkit for measuring financial literacy and financial inclusion (OECD/INFE 2015).

Section 1: Demographic information:

Q1) Please record your gender

- ☐ Male
- ☐ Female

Q2) What is your age?

- ☐ 18-20
- ☐ 21-22
- ☐ 23-25

Q3) What is your race/ethnicity?

- ☐ African American
- ☐ Asian
- ☐ Caucasian not Hispanic
- ☐ Hispanic
- ☐ Multiracial
- ☐ Native American/Islander
- ☐ Other

Q4) Which best describes your parents' income last year?

- ☐ 0-$34,999
- ☐ $35,000-$49,999
- ☐ $50,000-$79,999
- ☐ $80,000 or more
- ☐ Don't know

Q5) What is your primary occupation of your father/stepfather or guardian?

Q6) What is your primary occupation of your mother/stepmother or guardian?

Q7) What is the highest level of schooling your father has completed

- ☐ Less than High school
- ☐ High school or equivalent
- ☐ Associates/community college degree
- ☐ Bachelor’s degree
- ☐ Master’s degree
- ☐ Doctorate or professional degree like medical doctor, veterinarian, or lawyer
- ☐ Other

Q8) What is the highest level of schooling your mother has completed

- ☐ Less than High school
- ☐ High school or equivalent
- ☐ Associates/community college degree
- ☐ Bachelor’s degree
- ☐ Master’s degree
- ☐ Doctorate or professional degree like medical doctor, veterinarian, or lawyer
- ☐ Other

Q9) Who do you usually live with in your home? (Check one that applies.)

- ☐ Alone
- ☐ With friends
- ☐ With Parents
- ☐ With other relatives
- ☐ In some other type of household

Section II-Financial Behavior:

This set of questions will help us understand how people think about, and plan their finances

Q10) Who is responsible for making day-to-day decisions about money in your family? (Check one that applies).

- ☐ Mother/stepmother
- ☐ Father/stepfather
- ☐ Both
- ☐ Parents and children

Q11) Do you have a family budget? A family budget is used to decide what share of your family income will be used for spending, saving or paying bills (Check one that applies)

- ☐ Yes
- ☐ No

Q12) If you personally faced a major expense today with costs equivalent to your own monthly income, would you be able to pay it without borrowing money or asking family or friends to help?

- ☐ Yes
- ☐ No

Q13) Some people set financial goals for themselves, such as paying university fees, buying a car, or becoming debt free. Do you personally have one or more financial goals?

- ☐ Yes
- ☐ No

Q14) If you have financial goals, what is your most important financial goal?

- ☐ Name the important goal ____

Q15) What actions have you taken to meet this goal? (Check all that apply)

- ☐ Prepared a plan for action
- ☐ Increased your credit card or loan repayments
- ☐ Saved or invested money
- ☐ Looked for a new/different/additional work
- ☐ Identified a source of credit
- ☐ Reduced spending
- ☐ Something else ________________________________
- ☐ Nothing

Q14) Overall, how confident are you that you have done a good job making financial plans for your retirement?

- ☐ Very confident
- ☐ Confident
- ☐ Somehow confident
- ☐ Not at all

Q13) How will you fund your retirement?

- ☐ From a government pension/social security account
- ☐ From an occupational or workplace retirement fund
- ☐ From a private retirement fund
- ☐ From selling your financial assets (such as stocks, bonds or mutual funds).
- ☐ From selling your non-financial assets (such as a car, property, art, jewelry, antiques, etc.)
- ☐ Something else ____

Q14) How much do you agree or disagree that each of the statements applies to you personally. Please put a check mark where the statement applies to you. (✓)

	Completely agree that the statement describes you	Somewhat agree that the statement describes you	Neither agree nor disagree that the statement describes you	Somewhat disagree that the statement describes you	Completely disagree
Before I buy something I carefully consider whether I can afford it.					
I tend to live for today and let tomorrow take care of itself.					
I find it more satisfying to spend money than I save it for the long term.					
I pay my bills on time.					
I am prepared to risk some of my own money when saving or making an investment.					
I keep a close personal watch on my financial affairs.					
I set long term goals and strive to achieve them					
Money is there to be spent					
My financial situation limits my ability to do the things that are important to me					
I tend to worry about paying my normal living expenses					
I have too much debt right now.					
I am satisfied with my personal financial situation.					

Financial Knowledge and Understanding

Knowledge is an essential element of financial literacy. These questions offer a range of possibilities for capturing financial knowledge and understanding.

Q15) how you would rate your overall knowledge about financial matters compared with other young adults.

- ☐ Quite high
- ☐ Very high
- ☐ About average
- ☐ Quite low
- ☐ Very low

Financial decision

Q16) Sometimes individuals find that their income does not quite cover their living costs. In the last 12 months, has this happened to you, personally?

- ☐ Yes
- ☐ No
- ☐ Not applicable (I don't have any personal income)

Q17) If yes, what did you do to make ends meet the last time this happened? Check all that apply

1) Existing resources

- ☐ Withdrew money from savings or transferred savings into checking account
- ☐ Reduced spending
- ☐ Postponed expenses
- ☐ Sold something that you owned

2) Creating resources

- ☐ Worked overtime
- ☐ Worked part-time
- ☐ Worked seasonal job

3) Accessing credit by using existing contacts or resources

- ☐ Borrowed from family or friends
- ☐ Borrowed from employer/salary advance
- ☐ Pawned something that you owned
- ☐ Took a loan from a loan clubs
- ☐ Withdrew money from a savings account
- ☐ Applied for a loan or withdrawal from a retirement fund

4) Borrowing from existing credit line

- ☐ Used authorized line of credit
- ☐ Used credit card for a cash advance

5) Accessing additional credit

- ☐ Took out a personal loan from a financial service provider (bank, credit union or microfinance institution)
- ☐ Took out a pay day loan
- ☐ Took out a loan from an informal provider/moneylender

4) Falling behind in financial responsibilities

- ☐ Used unauthorized overdraft
- ☐ Paid my bills late
- ☐ Missed payments

5) Other responses, please explain

- ☐ Other____

Financial Attitudes

Q18) Which one of the following best describes the extent to which you personally monitor your regular expenses. Check all that apply.

- ☐ I don't keep an eye on expenses at all
- ☐ I keep my eye on expenses a bit
- ☐ Without keeping written records, I keep a close eye on expenses
- ☐ I use written records to keep a close eye on expenses

Q19) Do you enjoy dealing with financial matters? Check one that applies.

- ☐ Always
- ☐ Usually
- ☐ Sometimes
- ☐ Never
- ☐ Don't know

Q20) which of these financial documents do you keep copies of (either electronically or hard copy)? Please check where applicable (✓)

	Yes	No
Receipts for major purchases		
Receipts for minor purchases		
Bank Statements		
Housing (rent or mortgage payments)		
Tax records		
Education tuition and fees		

Medical bills		
Transportation expenses		
Utility bills		
Food and household expenses		
Personal expenses (clothing, grooming, etc.)		
Entertainment (meals, tickets, etc.)		
Vacations		
Financial service agreements and contracts, such as loan agreements.		
Other___________________________________		

Q21) In the past 12 months, have you obtained a copy of your credit report? (This is a credit report not a credit score).

- ☐ Yes
- ☐ No

Q22) How do you typically check the checking and/or savings account balance(s).

- ☐ Check the bank statement sent in the mail
- ☐ Check the statement online (internet banking)
- ☐ Check through telephone banking
- ☐ Call bank and ask for your balance
- ☐ Ask for your balance, statement or bankbook update at a bank branch
- ☐ Ask for balance, statement or bankbook update at an ATM/cash machine
- ☐ Receive a text message from the bank
- ☐ Never check
- ☐ Don’t have a checking or savings account

Q23) Which of these bests describes how accurately you know how much money you have available to spend.

- ☐ I have no idea at all
- ☐ Approximately, but not within $500.00
- ☐ I know within $500
- ☐ I know within $50
- ☐ I know within $10
- ☐ I know within a dollar or two

Credit card

Q24) Is there an agreed overdraft protection on your checking account?

☐ Yes
☐ No
☐ Don't have a bank account

Q25) How often have you been overdrawn on your checking account in the last 12 months?

a) constantly
b) somewhat constantly
c) 3 neither constantly or somewhat constantly
d) 4 not constantly
e) 5 Never

Q26) How many credit cards do you have, including store and gas credit cards?

☐ _______
☐ I don't have a credit card

Q27) In the last 12 months, which of the following statements describes your experiences with your credit cards (check all that apply).

☐ Have not used a credit card at all in the last 12 months
☐ In some months, used a credit card to withdrawn cash from an ATM
☐ In some months, used a credit card to get a cash advance
☐ In some months, used a credit card check to pay bills or to purchase items
☐ Always paid credit card bills in full
☐ In some months, carried over a balance and was charged interest
☐ In some months, paid the minimum payment only
☐ In some months, charged a late fee for late payment
☐ In some months, charged over the limit fee for exceeding your credit line

Q28) What is the highest rate of interest charged on any of the credit cards that you have?

a) _________
b) Do not have a credit card

Q29) Have you personally used credit for any of the following purposes in the past 12 months and paid interest on the balance? Check all that apply.

☐ To pay regular bills
☐ To pay for food
☐ For everyday spending
☐ To donate to charity
☐ To help support family or friends outside your immediate household
☐ To buy something on impulse

- ☐ To buy a gift for someone

Q30) How often have you used credit for that purpose/those purposes in the last 12 months?

- ☐ Just once
- ☐ More than once but less than 5 times
- ☐ More than 5 times
- ☐ Don't have a credit card

Q31) In which of the following circumstances would you personally use credit?

- ☐ If you could borrow money at a low interest rate to make an investment
- ☐ If a shop was selling something that you needed at a reduced price
- ☐ If you or your family member needed to pay for education or training to get a better paid job
- ☐ If you wanted a vacation but did not have the money available

Section III: Financial Influence:

Q32) Rate the following influences on a scale of 1-5

How much did you learn about managing your money from the following?

Scale	1(None)	2(Not So much)	3 (Not so much)	4 (Some)	5 (A lot)
Parents					
Friends					
School					
Books					
Media					
Life Experience					
Internet					
Informal public seminar or class					
Financial planner or counselor (professional)					

Q33) Rate the following on a scale of 1-5. How often were you influenced by or did you discuss finances with the following

Scale	1 (Never)	2 Once per year	3(Every few Months)	4(Twice Per Month)	5(Weekly)
Parents					
Friends					
School					
Books					

Media					
Life Experience					
Internet					
Informal public seminar or class					
Financial planner or counselor (professional)					

Q34) Which of the following items did you learn at your home while growing up? **(**Check all that apply)

- ☐ Budgeting
- ☐ Investing
- ☐ Taxes
- ☐ Credit
- ☐ Wills
- ☐ Life Insurance
- ☐ Disability Insurance
- ☐ Auto Insurance
- ☐ Renter's /Homeowner's Insurance
- ☐ Loans/debt
- ☐ Credit cards
- ☐ Saving
- ☐ Giving to charities
- ☐ Interest rates
- ☐ Keeping records
- ☐ Being honest in all dealings
- ☐ Work for what you receive
- ☐ Other

Q35) Which of the following classes have you had? (Check all that apply)

- ☐ An entire course in money management or personal finance
- ☐ A portion of a course where at least a week was focused on money management or personal finance.
- ☐ An entire course in economics
- ☐ A portion of a course where at least a week was focused on economics
- ☐ Other

Q36) Where do you expect to learn/increase your financial knowledge? (Check all that apply)

- ☐ Parents
- ☐ Friends

- ☐ School
- ☐ Books
- ☐ Media
- ☐ Job
- ☐ Life Experience
- ☐ Financial Planner or counselor professional)
- ☐ Other-Explain
- ☐

Q37) How would you describe how finances were handled in your family? (Check that apply)

- ☐ My parents usually argue about the finances
- ☐ Within the family we openly discussed our finances
- ☐ My parents explicitly taught me about finances (e.g., credit cards, debt, budgeting, savings)
- ☐ We didn't talk too much about finances but I learned from their examples
- ☐ My parents included me in various financial decisions
- ☐ Others

Q38) Comparing yourself to your parents, would you say that you are:

- ☐ Much more likely to save
- ☐ Somewhat more likely to save
- ☐ About as likely to save/spend
- ☐ Much more likely to spend

Q39) What would you have to do to make ends meet if something happened that meant you needed to find money equivalent to one month's income?

- ☐ Use my savings
- ☐ Sell my assets (e.g. car, business, household goods, livestock)
- ☐ Borrower money (including salary advance, pawning, check cashing)
- ☐ Depend on charity (e.g. from church, mosque, Red Cross)
- ☐ Ask family members to help
- ☐ There's nothing I could do
- ☐ Find a job/additional jobs/better paying job
- ☐ Other (Please specify) ______________________________

Q40) At what age do you think people should begin to make a financial plan for their retirement?

- ☐ Age in Years

Q41) Taking all the various sources of retirement income into account (including government sources as well as personal and occupational retirement plans), how confident are you that your income will give you a standard of living you hope for throughout retirement?

- ☐ Very confident
- ☐ Confident
- ☐ Not very confident
- ☐ Not at all confident

Provide an overall evaluation of your financial knowledge and practices.

Q42) How strongly do you agree or disagree with the following statements?

	Strongly disagree	Somewhat disagree	disagree	Agree	Somewhat agree	Strongly Agree
I am good at dealing with day to day financial matters, such as checking accounts, credit and debit cards, and tracking expenses						
I regularly keep up with the economic and financial news						

Appendix C

Permission Letters to Collect Data

Lewisville
Seventh-day
Adventist Church
GET GROW GO GLORIFY
TOGETHER

February 4, 2018

To Whom it may Concern,

The Lewisville SDA Church has been approached by Francisca Ramoni on conducting a research regarding Young Adults on their financial literacy.

As a member, her request has been approved and we will support and assist her wherever possible.

Please do not hesitate to contact us, should there be any further need for assistance.

Sincerely,

Authia Orridge

Elder Authia Orridge

1471 Corporate Drive, Lewisville, TX

Highland Park

PRESBYTERIAN CHURCH

To whom it may concern,

My name is Mathew Ngao. I am the All Nations director of youth, college and young adults at Highland Park Presbyterian Church in Dallas. I am writing this letter to confirm that we have been approached by Francisca Ramoni, a doctoral student at Texas Women's University, for an opportunity to conduct her research on financial literacy amongst young adults. Francisca will be attending a young adult gathering where she will administer questionnaires to the attendees in order to collect information on their financial literacy as part of her research process.

We are happy to assist her in her academic research and we wish her the best in her conquest. Please free to reach me via email at Mathew.Ngao@hppres.org should you have any questions or if you need any further clarification.

Sincerely,

Mathew Ngao

All Nations Director of Youth, College and Young Adult Ministry at HP Pres

Mathew.Ngao@hppres.org

o: 214-525-4283

c: 469-682-4302

SEVENTH-DAY ADVENTIST CHURCH

Alpha International Seventh-day Adventist Church

Mailing and Physical Address:
6000 South Collins Street
Arlington, TX 76018

Tel: 817-466-7284
Fax: 817-466-7298

April 29, 2018

To Whom It May Concern:

Alpha International Seventh-day Adventist Church is pleased to welcome Francisca Ramoni and grant her unreserved permission to conduct research with our Young Adult population and their financial literacy.

We look forward to learning about her findings as they will likely assist us in better understanding how we can further educate our young people.

Please do not hesitate to contact me should any questions arise.

Sincerely,

Vez Nkomo
Admin Director
817-937-0150
veznkomo@gmail.com

OASIS GLOBAL MISSION CHURCH

April 30th 2018

Texas Woman's University
Institutional Review Board (TWU IRB)
Ms. Sandy Owens, IRB Coordinator
Denton and Dallas
940-898-3378
irb@twu.edu

Ref: Approval and permission letter to conduct a research study (Oasis Global Mission Church)

Dear Mrs. Francisca Ramoni,

This letter is to inform you that Oasis Global Mission Church received your letter seeking permission and approval to conduct a research study titled, "*financial literacy among young adult*s." while adhering to TWU IRB procedures and guidelines. The church board, leaders and the pastor read the content and details of your research study. After carefully reading your letter; the church made positive and favorable recommendations on your request. Therefore, this letter serves a permission and approval letter allowing you to survey our young adults. Indeed, the church is excited and is interested in your efforts that may help improve young adults understanding and skills in financial literacy.

If you have any questions, or need further assistance, please contact me directly through my office or my cell numbers as they appear on my signature below.

Sincerely,

Rev. Mary Miriti-Jackson
Pastor of Oasis Global Mission Church,

Appendix D

Recruitment Materials and Flyers

PARTICIPATE IN THIS RESAERCH

Let's talk about financial literacy

WHAT- *Financial Literacy: Are young adults financially literate to face the current economic world?*

WHO-*Young adults, (18-25 years old) not married, no dependents, high school graduates or attending college.*

WHERE- *At your local church*

WHEN: *Every Sunday of the month of May/June -2pm -5pm.*

THANK YOU!

Contact Information

Francisca Ramoni.MS
Principal Investigator
972-374-8383
Framoni@twu.edu

Dr. Joyce Armstrong
Faculty Advisor
940-898-2690
jarmstrong@twu.edu

Participation in this research study is voluntary and participation may be discontinued at any time.

"There is a potential risk of loss of confidentiality in all emails, downloading electronics meetings and internet transactions"

Appendix E

IRB Approval

TWU TEXAS WOMAN'S UNIVERSITY
DENTON DALLAS HOUSTON

Institutional Review Board
Office of Research and Sponsored Programs
P.O. Box 425619, Denton, TX 76204-5619
940-898-3378
email: IRB@twu.edu
https://www.twu.edu/institutional-review-board-irb/

DATE: June 6, 2018

TO: Ms. Francisca Ramoni
Family Sciences

FROM: Institutional Review Board (IRB) - Denton

Re: Approval for Financial Literacy: Are the Young Adults Financially Literate to Face the Current Economic World? (Protocol #: 20126)

The above referenced study has been reviewed and approved by the Denton IRB (operating under FWA00000178) on 6/6/2018 using an expedited review procedure. This approval is valid for one year and expires on 6/6/2019. The IRB will send an email notification 45 days prior to the expiration date with instructions to extend or close the study. It is your responsibility to request an extension for the study if it is not yet complete, to close the protocol file when the study is complete, and to make certain that the study is not conducted beyond the expiration date.

If applicable, agency approval letters must be submitted to the IRB upon receipt prior to any data collection at that agency. A request to close this study must be filed with the Institutional Review Board at the completion of the study. Because you do not utilize a signed consent form for your study, the filing of signatures of subjects with the IRB is not required.

Any modifications to this study must be submitted for review to the IRB using the Modification Request Form. Additionally, the IRB must be notified immediately of any adverse events or unanticipated problems. All forms are located on the IRB website. If you have any questions, please contact the TWU IRB.

cc. Dr. Jerry Whitworth, Family Sciences
Dr. Joyce Armstrong, Family Sciences
Graduate School

Appendix F

Consent Form

TEXAS WOMAN'S UNIVRSITY
CONSENT TO PARTICIPATE IN RESEARCH

Title: Are Young Adults Financially Literate to face the current Economic World?

Investigator: Francisca A Ramoni M.com.,M.S……………………………Framoni@twu.edu
(972)-374-8383
Advisor: Joyce Armstrong, Ph.D…………………………………………..Jarmstrong@twu.edu
(940)-898-2690

Explanation and Purpose of the Research

You are being asked to grant permission to participate in the dissertation research study conducted by: Francisca A Ramoni M.com., M.S., at Texas Woman's University in Denton, Texas. The purpose of this study will be to examine the impact of financial literacy on financial behavior, attitude and well-being of the young adult, and the effect of parental influences.

Research Procedures

The Participants will receive envelopes containing the consent forms which will need to be signed and returned to the Principal Investigator before the data collection begins. The signed consent forms will be stored in a secure location (storage cabinet) in the pastor's office.

Data collection may take place on multiple dates in a fellowship hall at the church. The process of completing the questionnaire will take approximately 45-90 minutes with a 15 minutes break if needed.

This process will occur on different Sundays in a designated fellowship hall based on when the participants meet for their Sunday church program.

The research study will use the following tools in data collection. The organization for Economic Cooperation and Development/International Network of Financial Education (OECD/INFE) tool kit will be used to measure financial behavior, attitude and well-being. The College Student Financial Literacy Survey (CSFLS) will be used to measure parental influence. Data will include the total number of participants, financial literacy, financial behavior and financial attitude as well, as parental influence.

The questionnaires will be included in a sealed envelope and will require about 90 minutes to complete, with a 15 minutes break if needed. Participants will submit the completed questionnaire in a sealed packet, and will be stored in a safe location in a filing cabinet at the principal investigators home office.

Potential Risks

Potential risks related to your participation in the study include fatigue while responding to the questionnaires. To avoid fatigue, you may take 15 minutes break during the session as needed.

Breaks will be given for the loss of time to a minimal and clear expectations of the exercise will be explained prior to the start of completing the questionnaire.

Another possible risk is Potential loss of confidentiality. Confidentiality will be protected to the extent that is allowable by law. The completion of the questionnaires will take place in a designated place in the fellowship hall of the church. Collected data will be stored in a locked filing cabinet in the PI secure office at home. The PI will ensure that all personal and identifiable information of participants (names of the participants on the consent form and identification number) will be coded early in the data collection and stored securely so that only the PI can access it. All codes will be stored in a locked filing cabinet in the Principal Investigator's home office away from all other identifiable data.

"There is a potential risk of loss of confidentiality in all email, downloading, electronic meetings, and internet transactions."

There is a potential risk of loss of anonymity. Anonymity cannot be guaranteed.

There is a potential risk of emotional discomfort. To avoid discomfort, the participants may stop and withdraw from the study at any time.

The PI will try to prevent any problem that could happen because of this research. You should let the PI know at once if there is a problem and they will help you. However, Texas Woman's University does not provide medical services or financial assistance for injuries that might happen because you are taking part in this research.

Participation and Benefit
Your participation is completely voluntary and you may discontinue participation in the study at any time without penalty. Participation or lack of participation will not in any way affect you in any way. There will be no direct benefit of this study to you as a participant.

Questions Regarding the Study
You will be given a copy of this signed and dated consent form to keep. If you have questions about the research study you may contact the PI or advisor. Their contact information is provided at the top of this form. If you have questions about your rights as a participant in this research or in the way this study has been conducted, you may contact the Texas Woman's University Office of Institutional Research and Sponsored Programs at (940)-898-3378 or via email at IRB@twu.edu

____

Name of Participant (please print)

____

Signature of Participants

Date ______________________________________

The package will be sealed and inside will be another small envelope with the consent form to be completed and put back in the small envelop and should be sealed. Participants will be informed “There is potential risk of loss of confidentiality” in the package provided to them.