Completion of a Personal Financial Management Course in Relation to Financial Satisfaction, Confidence and Practices

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COMPLETION OF A PERSONAL FINANCIAL MANAGEMENT COURSE IN RELATION TO FINANCIAL SATISFACTION, CONFIDENCE AND PRACTICES

by

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ABSTRACT

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by

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This study was conducted to examine the relationship between completion of a personal financial management course and financial satisfaction, confidence, and practices. The relationship between the use of recommended financial management practices and financial satisfaction and confidence was also examined.

Data for this study were collected through a questionnaire mailed to a sample of Utah State University graduates who had taken a personal financial management course at the university and those who had not. The survey investigated financial satisfaction, confidence in financial management skills, and use of recommended financial management techniques.

Mean financial satisfaction scores were computed by averaging responses to the multi-question six-point Likert scale. Confidence was measured by computing the mean score on a single-question six-point Likért scale. The measurement of use of recommended financial management practices was computed by summing the points assigned for use of recommended practices and the extent to which each was implemented. The recommended financial management practices scores were then divided into three groups: poor, average, and good.

One-way analysis of variance and the Scheffe multiple range test were used to determine if differences existed in the mean scores on financial satisfaction, confidence, and practices between respondents who had completed a college level personal financial management course and those who had not. These tests revealed that there is no significant difference in financial satisfaction, confidence, and practices between subjects who had completed a financial management course and those who had not. There was a significant difference between the groups in the mean number of recommended financial practices used and financial satisfaction and confidence, although mean scores were only separated by one point.

(73 pages)

CHAPTER I

INTRODUCTION

Family economics researchers, educators, and financial counselors seek ways to help people frustrated with money management. Recent research has found that the money management practices of subjects affect their ability to handle financial stress (Marlowe, 1981; Mueller & Hira, 1984). Therefore, many financial counselors help clients learn basic money management skills, often by enrolling them in money management courses offered by financial counseling agencies. Since basic money management skills are assumed to help clients avoid or recover from financial problems, public education of students in basic money management skills may also help them avoid or minimize financial problems.

Lown (1985) assessed attitudes regarding the importance of money management skills and found that over 80% of her statewide sample felt that money management should be a required subject in public schools. Thus, a logical next step in research would be to examine whether public education in personal financial management could reduce the frequency of financial problems among students receiving such education.

Statement of the Problem

Because research indicates that money management skills are important to rectifying and avoiding financial problems, this study examined whether college-level education in personal financial management results in adoption of recommended basic money management practices, increases confidence in money management skills, and leads to financial satisfaction.

Purpose of the Study

The purpose of this study was to examine the relationship between completion of a college-level course in personal financial management and financial satisfaction. Specifically, the objectives of this study were to examine the relationship between

1. completion of a college course in personal financial management and reported confidence in financial management skills,

2. completion of a college-level course in personal financial management and reported financial satisfaction,

3. the number of recommended financial management techniques practiced and completion of a college course in personal financial management,

4. the number of recommended financial management techniques practiced and financial satisfaction, and

5. the number of recommended financial management

techniques practiced and confidence in financial management skills.

Hypotheses

1. There will be no difference in mean financial satisfaction scores between subjects who completed a personal financial management course and those who did not.
2. There will be no difference in mean financial management skill confidence between subjects who completed a personal financial management course and those who did not.
3. There will be no difference in the mean number of recommended financial management techniques used between subjects who completed a personal financial management course and those who did not.
4. There will be no difference in the mean number of recommended financial management techniques used and mean financial satisfaction scores.
5. There will be no difference in the mean number of recommended financial management techniques used and mean financial management skill confidence.

Theoretical Framework

Deacon and Firebaugh's (1988) General Resource Management Model is the most commonly used model in studies dealing with financial management because of its emphasis on the managerial subsystem (Figure 1).

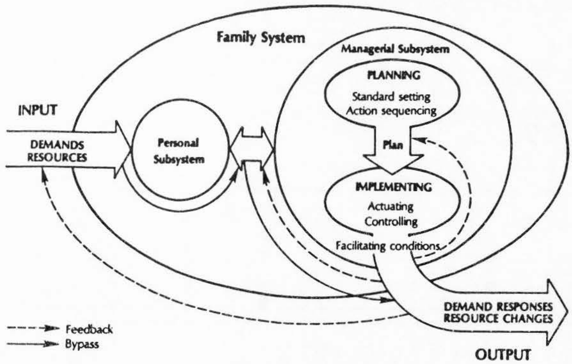

Figure 1. Family system with managerial subsystem emphasis (Source: Deacon & Firebaugh, 1988, p. 8)

The model illustrates the three stages of management: Input, Throughput, and Output. Inputs to the managerial process consist of demands (e.g., goals and events) and resources (human and material). These inputs are combined and manipulated during throughput. Throughput consists of planning and implementation. Planning allocates the resources to demands in the most beneficial manner. Implementation actuates the plan and adjusts it as necessary during operation. Throughput generates output in the form of met demands and used resources. Thus, each stage has an effect on the other stages.

Deacon and Firebaugh's (1988) General Resource Management Model is the framework upon which this research study is built. Each participant in this study has resources such as income, number of earners in the household, education, age (as a reflection of work experience), and completion of a personal financial management course. In addition, demands such as household size, debts, and monthly bills draw upon these resources. The combination of resources and demands is the input to the managerial system.

Given these resource and demand inputs, the throughput in the managerial subsystem is the allocation of resources to meet demands. For this study, throughput is recommended financial management practices such as use of a budget, records of expenses, periodic assessment of net worth, adequate insurance coverage, savings, and monitoring and controlling activities. These practices are taught in personal financial management courses. As explained above, the purpose of throughput is to successfully allocate resources to demands in order to meet demands without exhausting resources.

The output of this management should ideally be met demands and used resources. In this study the combination of met demands and used resources produces these outputs: financial satisfaction and confidence in financial management skills.

It is expected that participants who possess the resource of knowledge gained in a personal financial management course will build a managerial system that produces more confidence in their financial management skills and more financial satisfaction than those who did not complete a personal financial management course. Participants with this added resource would hypothetically be more knowledgeable about and practice more of the recommended financial management techniques. If this is the case, it is assumed that the use of this more effective managerial system would result in a better balance of used resources and met demands, thus producing a higher level of financial satisfaction and a higher level of confidence in financial management skills due to increased use of these skills.

The following diagram (Figure 2) illustrates the focus of this study:

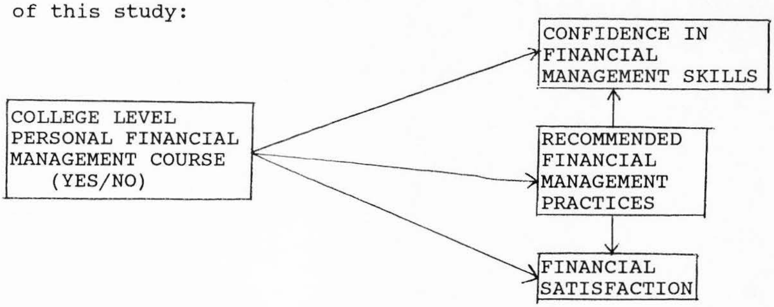

Figure 2. Diagram of research focus

Definition of Terms

1. Personal financial management course: a college-level course that focuses on management of personal finances.

2. Recommended financial management practices: those practices necessary for successful management of personal finances such as 1) financial goals (both long and short range), 2) a written budget or spending plan, 3) written records of expenses, 4) periodic preparation of a balance sheet to assess net worth, 5) adequate insurance coverage, 6) savings, 7) a debt repayment plan, and 8) monitoring and controlling activities.

3. Financial satisfaction: the reported satisfaction with level of income, money for family necessities, ability to handle financial emergencies, amount of money owed, level of savings, and all aspects of the individual's financial situation.

4. Confidence in personal financial management skills: the perceived level of confidence in personal financial management skills.

CHAPTER II

REVIEW OF LITERATURE

The focus of this study was the relationship between completion of a personal financial management course and financial satisfaction, confidence, and practices. This literature review therefore cites research that relates specifically to the areas of financial management education, financial management practices, financial satisfaction, and confidence in financial management skills.

Financial Management Education

National Evaluation Systems, Inc. (1982) conducted a study that examined the effectiveness of high school consumer and homemaking programs in the state of Georgia. The results of this survey of 1978-79 graduates representing all Georgia high schools found that graduates felt well prepared in skills relating to consumer and homemaking but that all skills should receive more emphasis. Specifically, the study found that additional information should be taught in the areas of personal finance, consumer education, child development, and family living. Lown (1985) surveyed a statewide sample in Utah and found that over 80% of respondents felt that money management should be a required subject in public schools. Although high school graduates and the general public feel that personal financial management and consumer education is important, very little research has examined the effectiveness of personal financial management education.

Several studies have focused on the relationship between a) utilization of recommended financial management techniques taught in consumer education or personal financial management courses and b) completion of one or both courses. The assumption underlying examination of this relationship is that individuals who have completed a consumer education or personal finance course would be more likely to practice the recommended financial management techniques.

Godwin and Carroll (1986) explored this relationship and found that men and women who had completed a consumer education course practiced more of the recommended financial techniques than those who had not taken a course. The average number of recommended techniques the couples practiced was 5 or 6 out of 18 possible practices. It is unknown whether this course was completed in high school or college.

Lown (1985) found the 20.2% of her Utah sample had completed a consumer education or personal finance class, mostly on the college level. When examining financial attitudes and behavior of her sample, Lown found that about two-thirds of the respondents studied indicated that they were either somewhat or very satisfied with their financial management techniques. In addition, 41% of the sample reported having a written budget or spending plan, and a large number claimed to keep monthly records of expenditures. In this study the financial management practices were not correlated with completion of a consumer education or personal finance course. However, a large number of individuals in this study felt that such courses are important as 82.6% indicated that consumer education should be a required subject in the public schools.

Although many studies report that respondents feel consumer education or personal financial management courses should be required, other studies have shown that the knowledge gained in such courses is not being used as effectively as instructors had hoped (Davis, 1987; Godwin & Carroll, 1986; Lown, 1985). Specifically, when delving into which recommended financial management techniques are used, there is not much difference between the number used by those who have completed a personal financial management course and those who have not. In addition, many studies have found that the number of recommended financial management practices actually used is quite small. There seems to be a gap between the public's endorsement of courses in consumer education or personal financial management and their use of the knowledge gained in such courses.

Financial Management Practices

White (1985) used a Delphi technique with 21 financial experts to identify 16 financial management competencies adults need to manage personal finances effectively in the expected economy for the next 15 years. The findings of this study indicated that the two most important financial management competencies adults should have are (1) the identification of financial goals and (2) the establishment of a comprehensive financial plan. A review of several personal finance textbooks reveals additional recommended techniques to help the user become more successful at managing personal finances (Gitman, 1984; Rosefsky, 1983; Winger & Frasca, 1989). In addition to the two competencies identified by White, each of the texts includes some form of the following general items as recommended procedures: (1) written records of expenses, (2) periodic preparation of a balance sheet to assess net worth, (3) adequate insurance coverage, (4) savings, (5) a debt repayment plan, and (6) monitoring and controlling activities. Researchers have sought to find out if the general public actually utilizes these techniques and if the implementation of such practices influences financial satisfaction.

Researchers examining the actual use of recommended financial management procedures have consistently found that although most people recognize such techniques as valuable, they do not utilize them (Godwin & Carroll, 1986; Mullis & Schnittgrund, 1982; Roehm, Karns, & Castellano, 1985). Such findings suggest the need to identify the financial practices that are actually being used and exactly how they are being implemented.

Mullis and Schnittgrund (1982) found that among low-income families they studied, the respondents felt that families do not generally manage their money well, spend money too freely, and do not usually plan their purchases. Respondents also indicated that families would be more satisfied if they planned their expenditures. However, while a little over half of their sample reported using a budget, when asked to describe their budget, most reported using a mental one rather than the written one textbooks advocate.

Godwin and Carroll (1986) studied the financial management attitudes and behavior of married couples and found that their respondents also felt saving, financial goals, and written budgets were essential. However, a majority of these respondents did not have a written spending plan. About 65% of the couples kept written records of their expenditures, while only 25% of families actually budgeted.

Davis (1987) found that a majority of her respondents reported having a spending plan, but only 8% reported a written plan. However, 69% of the respondents indicated that they checked their expenditures against their budget. When questioned about estimating net worth, half of the respondents reported doing so, and half did not. These studies indicate that some financial management procedures are being used but in a more informal manner than the methods recommended in personal financial management textbooks.

Researchers have also sought to identify variables that are related to the use of recommended financial management practices. Demographic variables such as income, education, family size, age of household head, and length of the marriage are associated with the utilization of recommended financial management practices (Beutler & Mason, 1987; Davis, 1987; Dollar, 1983; Godwin & Carroll, 1986; Mullis & Schnittgrund, 1982; Walker, 1984; Williams, 1983). There is a positive correlation between a) income, education, age of household head, and length of the marriage, and b) the use of recommended financial management practices. That is, as income, education, etc. increase, the tendency to utilize recommended financial management practices also increases. However, Williams (1983) found that family size and use of recommended financial management practices are negatively correlated. As the household size increases, the tendency to utilize recommended financial management practices decreases.

Beutler and Mason (1987) examined the variables that affect budget formality and, conversely, the impact that budget formality had upon net worth, satisfaction with level of living, perceived adequacy of income, and preparation for large financial emergencies. It was noted that budget formality had the greatest impact upon net worth and the amount of preparedness for financial emergencies.

Davis (1987) concluded that families generally manage their money, but in a more informal way than that prescribed by the personal finance textbooks. The main reason individuals do not use recommended financial practices, according to Davis, is a lack of motivation. Lown (1986) suggested that projects be assigned in consumer education or personal finance classes to help students actually practice the strategies they are being taught.

Financial Satisfaction

Measures of financial satisfaction typically have respondents indicate the degree of satisfaction with various aspects of personal finances. Generally, the respondent is asked to indicate the level of satisfaction with one or more of the following items: (1) the way the family manages its money, (2) current savings, (3) current total family income, (4) present standard of living, (5) debt management, and/or (6) financial situation in general (Berger, Powell, & Cook, 1988; Bubolz, 1982; Davis, 1987; Dollar, 1983; Kwiecien, 1982; Walker, 1984).

Campbell, Converse, & Rodgers (1976) stated:

> Satisfaction may be considered as a response to the difference between aspiration and achievement, based on the assumption that the greater the difference, the more dissatisfied an individual will be. (p. 184)

Because money is a source of conflict and frustration for many people, research has been conducted to measure financial satisfaction and identify variables that have a bearing on satisfaction with finances.

Demographic variables are frequently found to be correlated with financial satisfaction. Many studies have found a positive correlation between financial satisfaction and income, education, and family size (Dollar, 1983; Jeries, 1987; Walker, 1984; Williams, 1983).

Financial satisfaction may be linked to the amount of control individuals feel they have over their financial situation. The more control people have over their financial situation, the more likely they are to be satisfied financially (Jeries, 1987; Roehm et al., 1985; Williams, 1983).

Other studies have also found that individuals who practice recommended money management techniques are more likely to be satisfied with their financial affairs (Bubolz, 1982; Williams, 1983). Eighty-seven percent of Williams' sample responded that money management was important to the quality of their life. Williams found that the more important money management was to the quality of their life, the more satisfied they were with their money management.

Bubolz (1982) studied 50 newlywed couples using the Family Inventory of Money Management and concluded that spouses who scored higher on this instrument and thus were classified as highly effective financial managers were more satisfied with their financial management. Caution must be exercised in generalizing this finding due to the limited sample size and the method of sample selection. The 3-item scale used to measure financial satisfaction contained only one question directly related to financial satisfaction, and even that question was general in nature.

Davis (1987) examined the financial satisfaction of textbook managers versus others. One-third of the sample budgeted, kept records, compared those records to the budget, and prepared a balance sheet and were thus classified as textbook managers. A comparison of financial satisfaction scores between textbook managers and others revealed that although the difference was statistically significant, means were only separated by about one-fourth of a point on the five-point scale. Moreover, the results should be viewed with caution due to the large inequality of group size. If an equal number of textbook managers and others were compared on financial satisfaction, the finding could be different.

Research shows that financial satisfaction, an output of the Family Resource Management system, is affected by inputs such as income, education, and family size, as well as by throughputs such as control over the financial situation and use of money management practices. The research studies examining each of these factors revealed a positive correlation between each factor studied and financial satisfaction.

Confidence in Financial Management Skills

Many people know that in order to successfully manage their finances, they must use techniques designed to balance their resources with the demands placed upon those resources. Personal financial management courses teach students money management skills that can help balance demands on resources. Previous sections of this review have cited evidence that people practice recommended money management skills to varying degrees. Such findings could be linked to individual confidence in personal financial management skills. Perhaps those who use a greater number of basic money management skills are more confident in their skills.

Money magazine's annual national survey, "Americans & Their Money" questioned the main money manager of the household about financial management practices and behaviors

("The Money Poll", 1985; Goodman, 1986). Respondents were asked to rate their money management competence on a four-point scale ranging from "excellent" to "poor". Over a period of 2 years, 1985 and 1986, the overall response to this question did not vary much. A little over half of the respondents felt they were "excellent" or "good" money managers with about 41% indicating otherwise. On the surface such results are encouraging, as people seem confident in their money management skills. However, these surveys did not question respondents on the basic money management skills they actually used. Some respondents may not practice any recommended financial management techniques, but still consider themselves as good money managers. Thus, a clear definition of confidence in financial management skills needs to be created in order to generate valid data.

The Gallup Survey (1980) conducted a nationwide study that measured the financial fitness of Americans. In this survey of 1,500 households, participants were asked to rate themselves from "very fit" to "not at all fit" in terms of financial fitness. The results indicated that 76% of respondents rated themselves as "somewhat fit" or "very fit" while only 22% rated themselves as "not very fit" or "not at all fit". The significance of this finding is open to interpretation since respondents were not given a definition of financial fitness. Respondents' perceptions about financial fitness probably varied.

These studies reveal the need for a clear definition of financial management skills confidence and a reliable measurement tool. Both studies used different questions and terms to measure confidence in the ability to manage money.

The studies cited in this literature review revealed the need for research on the value of personal financial management education and its relationship to financial satisfaction, confidence, and practices. Although effectiveness of consumer education has been studied, there is a conspicuous lack of research in the area of personal financial management education and its relationship to financial satisfaction, confidence, and practices.

CHAPTER III

METHODOLOGY

The purpose of this study was to examine the relationship of completion of a personal financial management course to financial satisfaction, confidence, and practices. The following sections describe the techniques that were used to conduct this study.

Sample

Two samples were selected to compare the financial satisfaction, use of recommended financial management practices, and confidence in financial management skills of persons who took a college level personal financial management course and those who did not complete a college level personal financial management course. The first periodic sample consisted of 208 randomly selected graduates who had completed the Family Finance course at Utah State University (USU). These names were randomly selected from the class rosters of this course. The names were then verified as having graduated from USU in 1983 through 1988, and current addresses obtained from the Alumni and Donor Records office. This technique yielded a sample that was less than the desired 200 subjects, so another periodic sample was drawn from the Family Finance course rosters. These names were again verified as having graduated from USU in 1983 through 1988, and current addresses obtained from the Alumni and Donor Records office. These techniques yielded a sample of 208 subjects who had completed the Family Finance course at USU.

The comparison sample was composed of 223 randomly selected graduates who did not take the Family Finance course, but who also graduated from USU during the years 1983 through 1988. This sample was obtained by randomly selecting names from the commencement lists of 1983-1988; current addresses were verified in the Alumni and Donor Records office. Again, this technique yielded a sample of less than 200, so another periodic sample was randomly selected from the commencement lists of 1983-1988, and current addresses verified in the Alumni and Donor Records office. The use of these two techniques yielded a sample of 223 graduates who had not completed the Family Finance course at USU.

Instrument

The instrument used to collect the needed information was a survey questionnaire mailed to all sample members (see Appendix A). The instrument consisted of questions designed to gather information on demands and resources including income, number of household earners, age, and completion of a college level personal financial management course; throughputs such as the use of recommended financial practices; and outputs such as confidence in financial management skills and financial satisfaction. Each variable is explained below.

Resource and Demand Inputs

Completion of a Personal Financial Management Course

To measure this variable, subjects were asked to indicate "yes" if they had taken either the Family Finance or Managing Personal Finances course at Utah State University or "no" if they had not. If the answer was "no", they were asked if they had taken a personal financial management course at another college of university. Respondents answering "yes" to one or both of these questions were classified as having completed a personal financial management course. Thus, the number of respondents who completed a college level personal financial management course could have been higher than the original sample of 208 subjects who had completed the Family Finance course at Utah State University.

Socioeconomic and Demographic Information

Subjects were asked to provide information on their income, number of earners in the household, household size, and age. Additional information was collected on gender and marital status for descriptive purposes.

Throughputs

Recommended Financial Practices

Participants were asked to indicate whether or not they (1) had written financial goals, (2) had a written spending plan (budget), (3) kept records of expenditures, (4) had a checking account, (5) calculated their net worth, (6) had a savings account, and (7) evaluated their spending plan and actual expenditures. Each positive response received one point. If a respondent replied "yes" to any of the above questions, specific information on how they implemented the practice was requested. A total of zero to two points was added to each score based on the degree of usage of each basic financial management practice. The points were totaled to calculate a financial management score for each respondent. A frequency count for all scores was calculated, and scores were divided into three categories with an even number of scores in each category. Therefore, "poor" money managers were respondents with low financial management scores, "fair" money managers were those with average financial management scores, and "good" money managers were those with high financial management scores. Scores could range from 0 to 32, and the higher the score, the more effective the respondent was at managing personal finances.

Outputs

Financial Satisfaction

To measure financial satisfaction, a six question scale developed for the Western Region Agricultural Experiment Station project (Krannich, Riley, & Leffler, 1988; Berger et al., 1988) was used. The reliability coefficient of the six question scale was reported to be .91. A six-point Likert scale with responses ranging from "extremely satisfied" to "extremely dissatisfied" was used to assess the subject's degree of satisfaction with (1) level of income, (2) money for family necessities, (3) ability to handle financial emergencies, (4) amount of money owed, (5) level of savings, (6) money for future needs of the family, and (7) all aspects of their financial situation. Response categories in the questionnaire ranged from 1="extremely satisfied" to 6="extremely dissatisfied" (Appendix A). However, for conceptual clarity the coding was reversed so that higher scores corresponded to higher satisfaction. Responses to the six items were averaged to yield a mean financial satisfaction score which could range from 1 to 6.

Confidence with Current Financial Management Skills

A single-item six-point Likert scale was developed to assess respondent confidence in personal financial management skills (item #12 in Appendix A). Response categories ranged from 1="extremely confident" to 6="extremely unconfident". Again, for clarity, the coding was reversed so that high scores corresponded to high levels of confidence.

Respondents were encouraged to write comments about how they manage their finances or about personal financial management education. Although not included in the data analysis, these comments were expected to be helpful to the instructor.

Data Collection

The data collection procedure utilized the Dillman (1978) Total Design method. The data were collected using a mailed questionnaire. Business reply envelopes were supplied for return of the questionnaires. Each questionnaire was accompanied by a cover letter explaining the purpose of the study and the importance of receiving each participant's completed questionnaire to aid instructors of personal financial management courses in evaluating course effectiveness (see Appendix B). The cover letter was signed by the researcher and the instructor of the personal financial management course from whose class rosters the sample of students who had completed a personal financial management course was selected. An identification number was written on each questionnaire to maintain the anonymity of respondents yet still identify questionnaires which were returned.

One week after the initial mailing of 431 questionnaires, a postcard stressing the need for each participant's answers on the questionnaire was sent to those who had not yet returned a completed questionnaire (see Appendix C). About three weeks from the date of the initial mailing, another questionnaire and cover letter urging a response and stressing the importance of each participant's answers to the questionnaire was sent to members of both samples who had not sent in completed questionnaires during the previous three week period (see Appendix D). Due to the expense, Dillman's certified mail follow-up was not used in this study.

Eight weeks after the initial mailing, subjects who could not be located, those who had not returned questionnaires, and questionnaires answered by an inappropriate person, such as a spouse, were dropped from the sample. A total of 316 usable questionnaires were received for a response rate of 73.3%.

Analysis of Data

The purpose of this study was to observe differences, if any, in the use of recommended financial management practices, financial satisfaction and confidence in financial management skills between respondents who completed a personal financial management course and those who did not. Therefore, one-way analysis of variance was used to compare the group means. The Scheffe multiple range test was used to identify which means differed significantly. The .05 level of significance was used in this study. Descriptive statistics were used to describe and compare the socioeconomic and demographic variables.

CHAPTER IV

RESULTS AND DISCUSSION

This study examined the relationship between completion of a college level personal financial management course and financial satisfaction, use of recommended financial management practices and confidence in financial management skills. The sample was composed of Utah State University graduates who were divided into two samples based upon whether they had completed a personal financial management course.

It was hypothesized that there would be no difference in the financial satisfaction, confidence, and practices between university graduates who had completed a personal financial management course and their counterparts who had not completed a personal financial management course. Further hypotheses proposed that respondents who used a greater number of recommended financial management techniques would not differ in financial confidence and satisfaction from those who did not use many recommended financial management techniques. The following sections describe several demographic characteristics of the sample as well as discussion and findings for each hypothesis.

Description of the Sample

A total of 431 questionnaires was sent to Utah State University graduates of 1983 through 1988, 208 of whom had completed a personal finance course and 223 of whom had not. Three hundred and sixteen usable questionnaires were returned for a response rate of 73.3%. Table 1 summarizes the demographics of respondents who completed a personal financial management course and respondents who did not.

Table 1. Respondents Who Completed a Personal Financial Management Course and Those Who did not.

	Subjects	Responses	
	Number	Number	Percent
Completed Family Finance course	208	167	80.3%
Did not take Family Finance course	223	120	53.8%
Completed some other personal financial management course	0	29	13.9%
TOTAL	431	316	73.3%

Of those who responded to the questionnaire, 62.0% had completed a college level personal financial management course, and 37.9% had not. Of the original 208 subjects known to have completed the Family Finance course at USU, 167 (80.3%) responded. The remaining 13.9% of respondents who completed a personal financial management course either took the course at another university or took the Managing Personal Finances course at USU. These two groups were combined to form the group that completed a personal financial management course. A more detailed description of each sample follows.

Gender

Of respondents who completed a college level personal financial management course, 69% were female. However, the respondents who did not complete a college level personal financial management course were more evenly divided on gender. Forty-three percent of these respondents were females. The data are summarized in Table 2.

Table 2. Gender of Respondents

	Personal financial management course		No personal financial management course	
	Number	Percent	Number	Percent
Female	136	69.4%	52	43.3%
Male	60	30.6%	68	56.7%
TOTAL	196	100%	120	100%

The gender ratios of the two respondent groups coincides closely with the gender distribution of the original samples. In the original sample of graduates who completed a college level personal financial management course (Family Finance), 69.2% of the sample was female and 30.7% were male. Of those who did not complete the Family Finance course, 40.3% were female and 59.6% were male.

Age

Since all subjects graduated from Utah State University between 1983 and 1988, the respondents were expected to be young adults. The age of respondents who completed a college level personal financial management course ranged from 23 to 51 years, with a median of 28 and a standard deviation of 4.13. The group that did not complete a college level personal financial management course ranged in age from 23 to 47 years. Median age for this group was also 28 years, with a standard deviation of 4.29. For both samples, the modal category was 26 to 30 years (Table 3).

Marital and Family Status

A large majority (69-70%) of respondents in both samples were married. Very few respondents indicated that they were divorced or separated; none were widowed (Table 4).

The length of marriage for respondents who completed a college level personal financial management course ranged from a couple of weeks to 24 years with a median of 3.0 years and a standard deviation of 7.45. Among respondents

Table 3. Age of Respondents

	Personal financial management course		No personal financial management course	
	Number	Percent	Number	Percent
21 - 25	47	24.0%	15	12.5%
26 - 30	107	54.6%	75	62.5%
31 - 35	25	12.7%	21	17.5%
36 - 40	9	4.6%	3	2.5%
41 - 51	3	1.5%	4	3.3%
Missing	5	2.6%	2	1.7%
TOTAL	196	100%	120	100%

Table 4. Marital Status

	Personal financial management course		No personal financial management course	
	Number	Percent	Number	Percent
Never married	56	28.6%	33	27.5%
Married	137	69.9%	83	69.2%
Divorced/ Separated	3	1.5%	4	3.3%
TOTAL	196	100%	120	100%

who did not complete a personal financial management course,the range for length of marriage was a few weeks to 29 years, with a median of 4.0 years and a standard deviation of 5.04. In addition, the majority of respondents in both groups indicated that they had children (see Table 5).

Table 5. Households With Children

	Personal financial management course		No personal financial management course	
Children	Number	Percent	Number	Percent
No	91	46.4%	46	38.3%
Yes	103	52.6%	73	60.8%
No response	2	1.0%	1	.9%
TOTAL	196	100%	120	100%

Household size ranged from 1 to 8 ($\overline{X}$=3.4) among respondents who completed a college level personal financial management course, and from 1 to 7 ($\overline{X}$=3.8) among respondents who did not complete a college level personal financial management course.

Income

The annual income level reported by respondents ranged from less than $10,000 to over $60,000. However, the median

Table 6. Household Income

	Personal financial management course		No personal financial management course	
	Number	Percent	Number	Percent
Less than $10,000	23	11.7%	12	10.0%
$10,000-$19,999	52	26.5%	22	18.3%
$20,000-$29,999	51	26.0%	32	26.7%
$30,000-$39,999	31	15.8%	30	25.0%
$40,000-$49,999	24	12.3%	19	15.9%
$50,000-$59,999	5	2.6%	3	2.5%
Over $60,000	7	3.6%	1	.8%
No response	3	1.5%	1	.8%
TOTAL	196	100%	120	100%

household income level for both groups was $20,000 - $29,999 (see Table 6).

Among married respondents, household income is most often earned by a single earner (see Table 7). However, among respondents who took a college level personal financial management course, 47% were dual-earner households and 53% were single-earner households. Although a large percentage of households in this sample were single-earner households, the gap between the two classifications was much smaller in comparison to the respondents who did not take a college level personal financial management course. Among

Table 7. Dual and Single-Earner Households (Of Respondents Currently Married)

	Personal financial management course		No personal financial management course	
	Number	Percent	Number	Percent
Dual-earner households	63	47.4%	30	37.0%
Single-earner households	70	52.6%	51	63.0%
TOTAL	133	100%	81	100%

these respondents, 63% were single-earner households while only 37% were dual-earner households.

Hypotheses

A one-way analysis of variance (ANOVA) was used to compare the means of the two groups for each of the five hypotheses. The .05 level of statistical significance was used for the analyses.

Hypothesis 1

There will be no difference in mean financial satisfaction scores between subjects who completed a personal financial management course and those who did not.

Financial satisfaction was assessed through the use of a six question, 6-point Likert-type scale. Respondents were questioned about their satisfaction with their level of income, money for family/personal necessities, their ability to handle financial emergencies, the amount of money owed, level of savings, and money for future needs of the household. The numbers corresponding to the level of satisfaction with the 6 statements were averaged to obtain a mean financial satisfaction score. Financial satisfaction raw scores could range from 1 to 6, with high scores corresponding to high satisfaction.

The mean financial satisfaction scores for respondents who completed a college level financial management course ranged from 1 to 6 with a group mean of 3.96 and standard deviation of .93. Among respondents who did not complete a college level financial management course, the mean financial satisfaction scores ranged from 1.83 to 5.50 with a group mean of 4.01 and standard deviation of .85. The statistical procedure ANOVA yielded an F ratio of .33 and a probability of .57. Thus, hypothesis 1 was not rejected since the difference between the means on the variable financial satisfaction was not significant at the .05 (Table 8).

Previous research studies have examined the relationship between demographic variables and financial satisfaction, but none have studied the relationship between completion of a personal financial management course and financial satisfaction. Although this finding is consistent with the hypothesis, there is one consideration that should

Table 8. One-Way Analysis of Variance of Financial Satisfaction

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	.2683	.2683	.3294	.5664
Within Groups	314	255.6814	.8143		
TOTAL	315	255.9496			

Description	Number	Mean	Std. Dev.
Completed course	196	3.9	.93
No course	120	4.0	.85

be examined in accounting for this finding. This study focused predominantly on one personal financial management course and one instructor. Both samples were composed of Utah State University graduates, so the primary difference between the samples was the completion of a college level personal financial management course. Perhaps if a different course and instructor were examined, the results might be different. Examination of several different personal financial management courses statewide or even nationwide might also lead to different findings.

Hypothesis 2

There will be no difference in mean financial management skill confidence between subjects who completed a personal financial management course and those who did not.

The skill confidence level was based on a single-item Likert-type scale ranging from 1="extremely unconfident" to 6="extremely confident". The mean skill confidence level for respondents who had not taken a personal financial management course ($\overline{X}$=4.5, somewhat confident) was slightly higher than the mean for subjects who completed a personal financial management course ($\overline{X}$=4.4, somewhat confident). The confidence scores for respondents who completed a college level personal financial management course ranged from 1 to 6 with a standard deviation of .91. The F ratio was .90 with a probability of .34, so the difference between the means for both groups was not significant, therefore hypothesis 2 was not rejected (Table 9).

Since there was only one question concerning confidence in financial management skills, caution should be used in interpreting this finding. Respondents who took a course in personal financial management were probably exposed to more financial management practices than respondents who did not take a course and thus have a different frame of reference for evaluating their confidence. Those who took a course may have answered the question after comparing the recommended financial management techniques they use

Table 9. One-Way Analysis of Variance of Confidence in Financial Management Skills

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	.7044	.7044	.8980	.3441
Within Groups	313	245.5495	.7845		
TOTAL	314	246.2540			

Description	Number	Mean	Std. Dev.
Completed course	196	4.4	.90
No course	119	4.5	.85

versus the ones they were taught but do not practice. Those who did not take a course may be overly confident due to lack of exposure to financial management principles. Davis (in press) has suggested the "ignorance is bliss" factor when reporting similar results in her research. A multiple question scale would be more effective in measuring skill confidence because it could focus on multiple factors that should be considered in rating confidence in financial management skills. A multiple-item scale would be more reliable as well.

Again, the samples differed mainly in terms of completion of a personal financial management course.

Examination of a variety of personal financial management courses and instructors may yield different results.

Hypothesis 3

There will be no difference in the mean number of recommended financial management techniques used between subjects who completed a personal financial management course and those who did not.

Respondents were asked whether they practiced several recommended financial management techniques including setting goals, budgets, calculating net worth, and comparing a budget to actual expenditures. Each positive response was assigned one point. Respondents were then asked to indicate their degree of use of each recommended financial management practice. One or two points were assigned depending upon their degree of use. These points were then totaled to calculate a financial management score for each respondent. Therefore, financial management scores could range from a low of 0 to a high of 32 with higher scores reflecting better management.

Financial management scores ranged from 5 to 30 for respondents who completed a college level personal financial management course, and from 3 to 32 for respondents who did not complete a college level personal financial management course. The mean financial management score for respondents who completed a college level personal financial management course was 20.44 with a standard deviation of 4.90. Respondents who did not complete a college level personal financial management course had a mean financial management score of 19.50 with a standard deviation of 5.43.

The mean financial management score for each sample was compared using ANOVA. The result was an F ratio of 2.54 and a probability of .11 indicating that the difference between the means of these 2 groups is not statistically significant at the .05 level (Table 10).

There may be several reasons for failure to reject this hypothesis. Comments of several respondents indicated that they may not be motivated to utilize recommended financial management techniques even though they have been taught these techniques in a personal financial management course. Some respondents cited low income as one of the reasons they do not use such practices, stating that when they have more income they will manage it. Many may also have difficulty seeing the long range benefits of the recommended financial management practices. Others may not understand them completely or have difficulty in adapting them to their financial situation.

In this study, each recommended practice was weighted equally so that using a budget was considered as important as having a checking account. A more accurate measurement would use differential weights in assessing the use of recommended financial management techniques. Budgeting may

Table 10. One-Way Analysis of Variance of Financial Management Skills

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	66.3104	66.3104	2.5403	.1120
Within Groups	314	8196.3827	26.1031		
TOTAL	315	8262.6930			

Description	Number	Mean	Std. Dev.
Completed course	196	20.4	4.90
No course	120	19.5	5.43

be more important in one financial situation than calculating net worth, so in this instance, budgeting should receive a heavier weighting.

Hypothesis 4

There will be no difference in the mean number of recommended financial management techniques used and mean financial satisfaction scores.

To test this hypothesis the financial management score computed as stated in hypothesis 3 was used. The resulting scores were divided into three equal size groups classified as poor money managers, average money managers, and good money managers. Each respondent was therefore classified as practicing very few, an average number, or most of the recommended financial management techniques.

The mean financial satisfaction scores reported in Table 11 were 3.41 for the poor money managers, 3.88 for the average money managers, and 4.28 for the good money managers. The overall mean financial satisfaction score was 3.98. ANOVA was used to identify whether the difference between the means of the three groups and mean financial satisfaction reported by each group was significant at the .05 level. The results reported in Table 11 (F=13.5359, probability=.0000) indicate that there was a significant difference in financial satisfaction among the three groups. The Scheffe multiple range test revealed that the financial satisfaction scores of all three groups were significantly different. The difference between these groups in financial satisfaction was greater than the difference that would occur due to chance, and thus hypothesis 4 was rejected.

However, the significance of this finding should be viewed with caution due to the small differences in scores. Each group mean is clustered rather closely around the grand mean of 3.98 (range = 1-6). The number of financial management techniques utilized was not evaluated with respect to completion of a course.

Table 11. One-Way Analysis of Variance of Financial Management Practices Score and Financial Satisfaction

Source	D.F	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	2	20.3752	10.1876	13.5359	.0000
Within Groups	313	235.5745	.7526		
TOTAL	315	255.9496			

Description	Number	Mean	Std. Dev.
Poor manager	26	3.4	1.14
Fair manager	180	3.9	.93
Good manager	110	4.3	.66

<u>Hypothesis 5</u>

There will be no difference in the mean number of recommended financial management techniques used and mean financial management skill confidence.

Again, the three classifications of degree of use of financial management practices (good, average, poor) were used to test this hypothesis. These three means were compared to the financial skill confidence means of respondents who completed a personal financial management course and those who did not. ANOVA was again used to determine if there was a significant difference between these means. The results of this test (F=20.6797, probability=.0000) are reported in Table 12 which indicates that there is a significant relationship between the use of recommended financial management practices and financial management skill confidence level.

The mean skill confidence level (on a scale of 1 to 6) for group 1 (poor money managers) was 3.68 or "somewhat unconfident", for group 2 (average money managers) the mean was 4.37 or "somewhat confident", and for group 3 (good money managers) the mean was 4.79 or "somewhat confident". Results of the Scheffe multiple range test revealed that participants who practice more recommended financial management techniques were more confident about their financial management skills. This hypothesis was thus rejected.

This finding should also be viewed with caution as the group means are so close to the overall mean of 4.46. Here again, respondents may have different ideas on what confidence in financial management skills means. Since the single-item scale used in this study was general in nature, respondents who did not complete a college level personal financial management course may rate their confidence in financial management according to less stringent criteria than do respondents who completed a college level personal

Table 12. One-Way Analysis of Variance of Financial Management Practices Score and Confidence in Financial Management Skills

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	2	28.8231	14.4115	20.6796	.0000
Within Groups	312	217.4309	.6969		
TOTAL	314	246.2540			

Description	Number	Mean	Std. Dev.
Poor manager	25	3.7	1.18
Fair manager	180	4.4	.87
Good manager	110	4.8	.66

financial management course. Again, this finding was not evaluated based on course completion.

The signature of the course instructor on the cover letter may be introduced some social desirability response bias among former students. They may have unconsciously reported higher levels of financial management practices, satisfaction and confidence. However, there was no significant difference between the two groups on these three hypotheses. Thus, it appeared that this social desirability bias was minimal.

CHAPTER V

SUMMARY

Summary and Conclusions

This study was conducted to determine whether completion of a college course in personal financial management was related to the use of recommended financial management practices, financial satisfaction and confidence in financial management skills. A survey examining financial satisfaction, use of recommended financial management practices and confidence in financial management skills was mailed to 431 graduates of Utah State University, 208 of whom had completed a college level personal financial management course and 223 of whom had not.

One-way analysis of variance (ANOVA) was used to test five hypotheses. This procedure validated two of the five hypotheses at the .05 level of statistical significance.

It was expected that the completion of a college level personal financial management course would be related to higher levels of financial satisfaction and confidence in financial management skills as well as the use of more recommended financial management techniques. However, none of these three hypotheses were rejected, thus indicating that for this sample, completion of a course in personal financial management was not significantly related to financial satisfaction, confidence in financial management skills, and use of recommended financial management techniques. Almost all the respondents who had completed a personal financial management course had taken the course from one instructor, so the results may not be the same if several courses with different instructors were studied.

When the throughputs of the managerial system were examined in relation to the outputs of the system (disregarding completion of a college level personal financial management course as an input), there was a significant relationship between the number of recommended financial practices actually used and the level of financial satisfaction and confidence in financial management skills. Respondents who reported using a greater number of recommended financial management techniques expressed a higher level of financial satisfaction and confidence in their financial management skills. However, it should be noted that the mean financial satisfaction and mean skill confidence level for each group was within one point of each other (on a 6 point scale), thus warranting caution in the interpretation of these findings.

Implications

For this sample, the resource input of knowledge gained in the completion of a college level personal financial management course did not appear to aid the managerial system in terms of the use of more recommended financial management techniques. The outputs of this system were also unaffected because the managerial system did not produce higher levels of financial satisfaction and confidence in financial management skills. However, when only the managerial system and outputs were examined, the better the managerial system in terms of use of more recommended financial management techniques, the higher the levels of financial satisfaction and confidence in financial management skills as outputs of the system.

The subjects who had completed a personal financial management course were primarily former students who had completed the same personal financial management course under the same instructor. A replication of this study comparing different personal financial management courses may yield different results.

The results of this study supported some of the research studies cited previously. Because there was no significant difference between the two samples in the use of recommended financial management techniques, the evidence of a gap between public opinion on the value of money management education and the actual use of recommended financial management practices is supported. In addition, research studies that found a positive correlation between the use of recommended financial management techniques and financial satisfaction were supported by this study.

Limitations

1. Respondents who completed a personal financial management course were primarily graduates of one personal financial management course.

2. The measurement of confidence in financial management skills consisted of only one-question.

3. Each of the financial management practices was weighted equally when, in fact, some may be more important than others (White, 1985).

Recommendations

Based on the findings of this study, the following recommendations were developed:

1. Develop a valid and reliable multi-item measure of confidence in financial management skills.

2. Develop a measurement tool for use of recommended financial management practices that weights each financial management practice according to its importance.

3. Replicate this study with subjects from different personal financial management courses and different educational institutions.

4. Conduct a study using personal interviews to determine the factors that motivate people to use some basic financial management techniques and not others.

5. Conduct a study to compare the financial management practices of students completing a ten week quarter course

in personal financial management versus those completing a 15 week semester personal financial management course.

6. Future studies should examine the relationship between individual recommended financial management practices and financial satisfaction and confidence in financial management skills to determine which techniques are most useful.

7. Future studies should oversample graduates who did not take a personal financial management course when comparing them to graduates who completed a personal financial management course.

8. Future studies should compare the demographics of the two groups by using regressions to hold demographics constant.

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APPENDICES

Appendix A

Survey Questionnaire

SURVEY QUESTIONNAIRE

First, we would like to ask you some questions about your money management practices. (Circle number of your response)

Q-1 Do you have a checking account? (Circle number)

1 NO → IF YOU DO NOT HAVE A CHECKING ACCOUNT, SKIP FROM HERE TO Q-2
2 YES

(If you <u>have</u> a checking account)
Q-1a How do you reconcile (balance) the bank statement with your checkbook? (circle number)

1 MAKE SURE BANK STATEMENT AND CHECKBOOK MATCH EXACTLY
2 MAKE SURE BANK STATEMENT AND CHECKBOOK ARE FAIRLY CLOSE
3 WRITE BANK STATEMENT AMOUNT IN CHECKBOOK
4 I DO NOT RECONCILE THE BANK STATEMENT AND MY CHECKBOOK

Q-2 Do you have a savings account? (Circle number of your answer)

1 NO → IF YOU DO NOT HAVE A SAVINGS ACCOUNT, SKIP FROM HERE TO Q-3
2 YES

(If you <u>have</u> a savings account)
Q-2a How often do you make a deposit into your savings account? (Circle number)

1 EVERY PAY PERIOD (If more often than once a month)
2 ONCE A MONTH
3 WHENEVER I HAVE SOME EXTRA MONEY
4 OTHER (PLEASE SPECIFY)

____

Q-3 Do you have specific goals for which you are saving ... for the coming year? (Circle number)

1 NO
2 YES

Q-3a For five years from now?

1 NO
2 YES

Q-4 How satisfied are you with all aspects of your financial situation? (Circle number of your answer)

1 EXTREMELY SATISFIED
2 SATISFIED
3 SOMEWHAT SATISFIED
4 SOMEWHAT DISSATISFIED
5 DISSATISFIED
6 EXTREMELY DISSATISFIED

Q-5 Do you have a written spending plan (budget) that shows how you plan to use current income? (Circle number)

1 NO → IF YOU DO NOT HAVE A SPENDING PLAN, SKIP FROM HERE TO Q-6
2 YES

(If you <u>have</u> a spending plan)

Q-5a Which of the following most accurately describes your spending plan (budget)? (Circle number)

1 COMMERCIALLY PREPARED BUDGET WORKBOOK
2 BUDGET WORKBOOK OR FORMS DEVELOPED BY SELF
3 OTHER (PLEASE SPECIFY)

____

Q-6 Do you generally keep written records of what you've spent?
(Circle number)

1 NO → IF YOU DO NOT KEEP WRITTEN RECORDS OF EXPENSES, SKIP FROM HERE TO Q-7
2 YES

(If you keep records of your expenditures)

Q-6a What kind of records do you keep? (Circle all that apply)

1 CANCELLED CHECKS
2 RECEIPTS FOR MAJOR PURCHASES
3 RECEIPTS FOR MONTHLY BILLS
4 CREDIT CARD RECEIPTS
5 RECEIPTS FOR DAILY OR WEEKLY EXPENSES
6 ACCOUNT OR BUDGET WORKBOOK (PURCHASED OR SELF-PREPARED)
7 OTHER (PLEASE SPECIFY)

____

Q-7 Every so often, do you compare what you planned to spend to what you actually spent? (Circle number)

1 NO → IF YOU DO NOT COMPARE AND REVIEW, SKIP FROM HERE TO Q-8
2 YES

Q-7a If YES, how often do you do this? (Circle number of your answer)

1 ONCE A WEEK
2 EVERY TWO WEEKS
3 ONCE A MONTH
4 EVERY FEW MONTHS
5 OTHER (PLEASE SPECIFY)

____

Q-8 Every so often, do you estimate your net worth, that is do you add up the value of everything you own, then add up all your debts, and compare the two in order to see how you're doing financially? (Circle number)

1 NO → IF YOU DO NOT ESTIMATE YOUR HOUSEHOLD'S NET WORTH, SKIP FROM HERE TO Q-9
2 YES

(If you do estimate your net worth)

Q-8a How often do you estimate your net worth? (Circle number)

1 ONCE A YEAR
2 MORE THAN ONCE A YEAR
3 OTHER (PLEASE SPECIFY)

____

Q-9 What method do you most often use when you pay your credit card or charge account bills? (Circle number of your answer)

1 PAY OFF ENTIRE BALANCE EVERY MONTH
2 SOMETIMES PAY OFF ENTIRE BALANCE, AND SOMETIMES CARRY OVER A BALANCE FROM MONTH TO MONTH
3 USUALLY CARRY OVER A BALANCE FROM MONTH TO MONTH
4 DO NOT USE CREDIT CARDS
5 OTHER (PLEASE SPECIFY)

____

Q-10 Please circle number of the following types of insurance you carry, either personally, or through your employer.

	NO	YES
LIFE INSURANCE	1	2
HEALTH/MEDICAL INSURANCE	1	2
AUTOMOBILE INSURANCE	1	2
HOMEOWNERS OR RENTERS INSURANCE	1	2
DISABILITY INSURANCE	1	2

Q-11 Please indicate whether you read the following publications for personal financial information on a regular basis. (Circle number of your response)

	NO	YES
MONEY MAGAZINE	1	2
SYLVIA PORTER'S PERSONAL FINANCE	1	2
BUSINESS WEEK	1	2
WALL STREET JOURNAL	1	2
CHANGING TIMES	1	2
CONSUMER REPORTS	1	2
CONSUMER DIGEST	1	2

Q-12 Taking all of your answers to the above questions into consideration, how confident are you in your financial management skills? (Circle number)

1 EXTREMELY CONFIDENT
2 CONFIDENT
3 SOMEWHAT CONFIDENT
4 SOMEWHAT UNCONFIDENT
5 UNCONFIDENT
6 EXTREMELY UNCONFIDENT

Q-13 Could you please tell us how you feel about the following aspects of your financial situation? (Circle number of your response)

ES = Extremely satisfied
S = Satisfied
SS = Somewhat satisfied
SD = Somewhat dissatisfied
D = Dissatisfied
ED = Extremely dissatisfied

How satisfied are you with:

	ES	S	SS	SD	D	ED
Your level of income	1	2	3	4	5	6
Money for family/personal necessities	1	2	3	4	5	6
Your ability to handle financial emergencies	1	2	3	4	5	6
Amount of money you owe (mortgage, loans, credit cards) . . .	1	2	3	4	5	6
Level of savings	1	2	3	4	5	6
Money for future needs of household .	1	2	3	4	5	6

Finally, we would also like to ask you a few questions about yourself to help us better understand the survey results.

Q-14 Your Sex. (Circle number of your answer)

1 MALE
2 FEMALE

Q-15 Your present marital status. (Circle number)

1 NEVER MARRIED
2 MARRIED ___ number of years
3 DIVORCED
4 SEPARATED
5 WIDOWED

Q-16 Do you have children? (Circle number)

1 NO
2 YES

Q-17 In what year were you born? 19___

Q-18 How many earners in your household?

______________NUMBER

Q-19 What was your approximate household income before taxes in 1988? (Circle number of your response)

1 LESS THAN $10,000
2 $10,000 - $19,999
3 $20,000 - $29,999
4 $30,000 - $39,999
5 $40,000 - $49,999
6 $50,000 - $59,999
7 OVER $60,000

Q-20 How many individuals were supported by the income reported in Q-19?

________________ NUMBER

Q-21 What is your religious affiliation? (Circle number)

1 PROTESTANT
2 CATHOLIC
3 JEWISH
4 LDS
5 OTHER

Q-22 In your household, who makes the major financial decisions? (Circle number)

1 SELF
2 SPOUSE
3 BOTH

Q-23 Have you ever taken a course that included information on personal finances? (Circle number)

1 NO → IF NO, SKIP FROM HERE TO * ON NEXT PAGE
2 YES

Q-24 Where was this course taken? (Circle all that apply)

1 HIGH SCHOOL
2 COLLEGE/UNIVERSITY
3 VOCATIONAL SCHOOL/TRADE SCHOOL
4 INDEPENDENT STUDY
5 OTHER (PLEASE SPECIFY)

____

Q-24a Was this course taken at Utah State University?

1 NO → IF NO, SKIP FROM HERE TO Q-25
2 YES

Q-24b Which course did you take at Utah State University?

1 HECE 355 "FAMILY FINANCE"
2 BIS 314 "MANAGING PERSONAL FINANCES"
3 OTHER (PLEASE SPECIFY)

____

Q-25 How long has it been since you took the most recent course on personal financial management? (Circle number)

1 ONE YEAR
2 TWO YEARS
3 THREE YEARS
4 FOUR YEARS
5 FIVE YEARS
6 SIX OR MORE YEARS

Q-26 Now that you have been out of school for awhile, in looking back on your courses, how valuable do you feel the course(s) you took on personal financial management was? (circle number)

1 EXTREMELY VALUABLE
2 VALUABLE
3 SOMEWHAT VALUABLE
4 SOMEWHAT USELESS
5 USELESS
6 EXTREMELY USELESS

Is there anything else you would like to tell us about how you manage your finances or about personal financial management education?

*If you are interested in obtaining a summary of the results, write "copy of results requested" on the back of the return envelope, and print your name and address below it. In order to maintain the confidential nature of your answers, please do not write this information on the questionnaire.

You have now finished the questionnaire. Thank you for your time and courtesy.

Appendix B

Cover Letter

UTAH STATE UNIVERSITY · LOGAN, UTAH 84322-2910 66

COLLEGE OF FAMILY LIFE

DEPARTMENT OF
HOME ECONOMICS AND
CONSUMER EDUCATION

August 7, 1989

Ms. Paula Homer
459 East Montgomery Drive
Sandy, UT 84070

Dear Ms. Homer:

Money can be one of the most rewarding or frustrating necessities of life. Management of your finances can be rewarding, while lack of knowledge or failure to apply these skills can lead to problems. To determine whether a course in personal financial management is helpful in learning how to manage personal finances, we are examining the money management practices of college graduates. We are interested in comparing responses of graduates who completed a personal finance course with those who did not. Since courses of this nature are designed for practical application, educators are interested in knowing if the information taught in class is useful to students.

You are one of a small number of Utah State University graduates selected to tell us about how you manage your finances. In order for future students at USU to benefit from personal financial management courses, it is important that each questionnaire be completed and returned so that instructors can evaluate course effectiveness and make changes to better serve the needs of students.

<u>Your answers on this questionnaire will be strictly confidential</u>. The identification number on the front page of the questionnaire is for mailing purposes only so that we can verify that your questionnaire was completed and returned.

I will be happy to answer any questions you might have. Contact Shana Morris at (801) 750-3408 from 8:00 - 5:00 or at (801) 753-4668 until 10:00 p.m.

Thank you for your courtesy and help.

Sincerely,

Shana Morris
Graduate Student

J.M. Lown
Associate Professor

Appendix C

Follow-Up Postcard

Last week a questionnaire asking about management of your personal finances was sent to you. If you have already completed and returned the questionnaire to us, please accept our sincere thanks. If not, please do so as soon as possible. Because we are sampling only a small number of USU graduates, your response is important in order to accurately compare the money management practices of those who took a personal financial management course and those who did not.

If you did not receive a questionnaire, or if it got misplaced, please call (801)750-3408 and I will get another one in the mail to you.

Sincerely,

Shana Morris
Graduate Student

Appendix D

Follow-Up Letter

UTAH STATE UNIVERSITY · LOGAN, UTAH 84322-2910

COLLEGE OF FAMILY LIFE

DEPARTMENT OF
HOME ECONOMICS AND
CONSUMER EDUCATION

August 29, 1989

Ms. Paula Homer
459 East Montgomery Drive
Sandy, UT 84070

Dear Ms. Homer:

About three weeks ago we asked you to tell us information on how you manage your personal finances. As of today we have not received your questionnaire.

We want to reiterate how important it is that you respond to the enclosed survey. You are one of a small number of USU graduates selected to tell us how you manage your personal finances so that we may compare responses of former students who took a personal financial management course here at USU with those who did not. This information will be used to help the instructors of personal financial management courses evaluate course effectiveness and make changes to better serve the needs of current and future students.

In order for the results to accurately reflect the financial management practices of USU graduates, we ask that the questionnaire be filled out by the person to whom this letter is addressed. Again, the answers you provide on this questionnaire will be strictly confidential. The number on the survey is for mailing purposes only; your name will never be linked to your responses.

In case your questionnaire was misplaced, a replacement questionnaire is enclosed.

I will be happy to answer any questions you might have. Contact Shana Morris at (801)750-3408 from 8:00 - 5:00 or at (801)753-4668 until 10:00 p.m.

Your cooperation is greatly appreciated.

Sincerely,

Shana Morris
Graduate Student

J.M. Lown
Associate Professor

Appendix E

Copyright Permission

UTAH STATE UNIVERSITY · LOGAN, UTAH 84322-2910

COLLEGE OF FAMILY LIFE

DEPARTMENT OF
HOME ECONOMICS AND
CONSUMER EDUCATION

November 17, 1989

Shana R. Morris
493 N. 700 E.
Logan, UT 84321
(801) 750-3408

Dear Ms. Deacon and Ms. Firebaugh:

I am in the process of preparing my thesis in the Home Economics and Consumer Education Department at Utah State University. I hope to complete in December of 1989.

I am requesting your permission to include the attached material as shown. I will include acknowledgements and/or appropriate citations to your work as shown and copyright and reprint rights information in a special appendix. The bibliographical citation will appear at the end of the manuscript as shown. Please advise me of any changes you require.

Please indicate your approval of this request by signing in the space provided, attaching any other form or instruction necessary to confirm permission. If you charge a reprint fee for use of your material, please indicate that as well. If you have any questions, please call me at the number above.

I hope you will be able to reply immediately. If you are not the copyright holder, please forward my request to the appropriate person or institution.

Thank you for your cooperation.

Sincerely,

Shana R. Morris

Shana R. Morris
Graduate Student

I hereby give permission to Shana R. Morris to reprint the following material in her thesis.

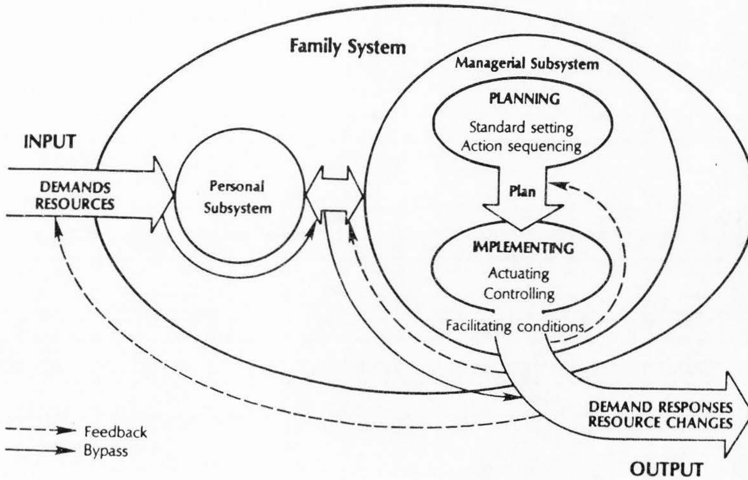

Figure 1. Family system with managerial subsystem emphasis (Source: Deacon & Firebaugh, 1988, p. 8)

This will also be cited in the references as follows:

Deacon, R. E. & Firebaugh, F. M. (1988). Family resource management: Principles and applications. (2nd ed.) Boston: Allyn & Bacon, Inc.

____
(Fee)

____
(Signed)