



Opinions and activities of families regarding money management and saving awareness¹

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Abstract

In order to minimize today's financial problems, it is needed to increase the literacy levels of individuals starting from their childhood. Consequently, considering the fact that financial literacy is more effective when it is taught in early ages, families of 5-6 year old children going to preschool institutions need to determine the points to take into account regarding financial management and saving awareness. Through this purpose, a structured interview form was used with families of 945 children, 498 of whom are girls and 447 of whom are boys. Frequency and percentage calculations and chi square test were used in analyzing the data.

At the end of the research, it was determined that most of preschoolers had moneyboxes and few of them had saving accounts in banks and they received allowances. It was established that educational levels of families have great influence on children when they choose bank accounts or moneyboxes while socio-economical levels of families have influence on having a bank account. Majority of families stated that they try to set an example for their children on savings and ownership and they buy the stuff they children need, not they want. Likewise, most of the families stated that they try to teach their children how to trade economically and make a budget by going to markets and bazaars with them.

Keywords: Money management; financial literacy; money saving awareness; children; opinions

INTRODUCTION

Financial literacy helps individuals with financial problems of daily life and it is defined as the ability to manage savings, personal loans and credits and evaluate the investments in the long haul. In addition to this behaviors such as making a budget and making wise decisions get more important (Wagland, 2006).

Financial literacy has become more important in recent years with more complicated financial tools. Markets can only be run affectively by individuals with basic knowledge on financial concepts, tools and matters. To this respect, further studies to improve financial literacy levels of children may be effective in creating a better working environment for financial institutions in the future (Bayram, 2015).

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Children acquire prior knowledge on production and consumption first in their families (Kır, 2010). Children observe the abilities and attitudes of their parents on saving, management and consumption of financial resources and develop attitudes on financial matters by taking their parents as models. Therefore, parents are very important for children to develop awareness on money management and saving (Çakmak and Çakır, 2013).

Parents must inform their children on money management and saving matters at early ages so that they don't make bigger mistakes at later ages. Family is the best environment for children to get information on money management, saving and consumption habits to avoid (Martin and Olivia, 2001).

The aim of this research is to determine the opinions and activities of families regarding money management and saving awareness of their 5-6 year old children. Following questions were asked through this aim:

1. Do gender or socio-economical and educational levels of families have any impact on whether children receive allowances or have moneyboxes?
2. Do the opinions and activities, socio-economical levels or educational levels of families have any impact on money management and saving awareness of preschool children?

METHOD

The survey model is a research model to reveal and identify an existing situation (Karasar, 2005). Consequently, considering the fact that financial literacy is more effective when it is taught in early ages, families of 5-6 year old children going to preschool institutions need to determine the points to take into account regarding financial management and saving awareness. Through this purpose, a structured interview form was used with families of 945 children, 498 of whom are girls and 447 of whom are boys.

A survey form which was prepared by the researchers, used to preschoolers family. A survey form which was prepared by the researchers. The survey consists of open ended questions and closed ended questions. In analysis of the data, frequency and percentage calculations and chi square test were used in analyzing the data. As significance levels, .05 were taken.

FINDINGS and DISCUSSION

In this study it was determined that the opinions and activities of families regarding money management and saving awareness of their 5-6 year old children.

Table 1

Activities of families regarding money management and saving awareness of their 5-6 year old children in terms of gender, educational status and socioeconomic status

		Having moneyboxes			Having bank account			Getting allowance			
		Yes	No	Total	Yes	No	Total	Yes	No	Total	
Gender	Female	f	401	97	498	94	401	495	169	306	475
		%	80,5	19,5	100	19	81	100	35,6	64,4	100
	Mele	f	375	72	447	88	357	445	145	288	433
		%	83,9	16,1	100	19,8	80,2	100	33,5	66,5	100
	Total	f	776	169	945	182	758	940	314	594	908
		%	82,1	17,9	100	19,4	80,6	100	34,6	65,4	100
		X ² =0,093 p=0,41			X ² =1,82 p=0,103			X ² =1,296 p=0,52			
Educational status	Primary school	f	31	22	53	2	50	52	20	30	50
		%	57,7	42,3	100	3,9	96,1	100	40,8	59,2	100
	Secondary school	f	44	13	57	7	48	55	23	32	55
		%	77,2	22,8	100	12,7	87,3	100	41,8	58,2	100
	High School	f	291	57	348	51	295	346	132	201	333
		%	83,6	16,4	100	14,7	85,3	100	39,6	60,4	100
Under graduate	f	374	70	444	110	334	444	127	302	429	

		%	84,2	15,8	100	24,8	75,2	100	29,6	70,4	100
	graduate	f	29	4	33	11	22	33	7	23	30
		%	87,9	12,1	100	33,3	66,7	100	23,3	76,7	100
	Total	f	769	166	935	181	749	930	309	588	897
		%	82,2	17,8	100	19,5	80,5	100	34,4	65,5	100
			X ² =25,05 p=0,00**		X ² =26,66 p=0,00**		X ² =13,76		p=0,18		
	Low ses	f	60	19	79	5	74	79	30	48	78
		%	75,9	24,1	100	6,3	93,7	100	38,5	61,5	100
	Middle ses	f	679	146	825	168	654	822	267	523	791
		%	82,3	17,7	100	20,4	79,6	100	33,8	66,1	100
	High ses	f	9	3	12	3	9	12	6	4	10
		%	75	25	100	25	75	100	60	40	100
	Total	f	748	168	916	176	737	913	303	576	879
		%	81,7	18,3	100	19,3	80,7	100	34,5	65,5	100
			X ² =2,30 p=0,32		X ² =9,48 p=0,009**		X ² =13,71		p=0,45		

It was determined that 82% of preschoolers had moneyboxes and 19,4% of them had saving accounts in banks and 34,6% of them received allowances. It is seen that most of preschoolers don't have a bank account and they don't receive an allowance.

It was determined that 57,7% of children whose parents have educational background at primary school level, 77,2% of children whose parents have educational background at secondary school level, 83,4% of children whose parents have educational background at high school level, 84,2% of children whose parents have educational background at university level and 87,9% of children whose parents have educational background at postgraduate level have moneyboxes.

It was determined that 96% of children whose parents have educational background at primary school level, 87,3% of children whose parents have educational background at secondary school level, 85,3% of children whose parents have educational background at high school level, 75% of children whose parents have educational background at university level and 66,7% of children whose parents have educational background at postgraduate level have moneyboxes.

It was determined that 59% of children whose parents have educational background at primary school level, 58% of children whose parents have educational background at secondary school level, 60,4% of children whose parents have educational background at high school level, 70,4% of children whose parents have educational background at university level and 76,7% of children whose parents have educational background at postgraduate don't get an allowance.

As a result of chi square test, it was seen that educational backgrounds of parents have a direct impact on whether children have bank accounts or moneyboxes. It is seen that having a moneybox or bank account gets more common as the educational level of the parents goes higher. It is also seen that getting an allowance gets less common as the educational level goes high but this situation doesn't lead to a statistically significant difference.

It is expressed that most children are ready and eager to learn on trade of products at 3, and they can start saving at 5 (Roosevelt, 2005: Cit. Ersoy, 2008). Accordingly, giving children allowances at early ages is considered one of the best ways to teach money management skills (Nathan, 2005: Cit. Ersoy, 2008). Families give information on product quality and price-quality relation to their children and let them develop abilities to make budgets by giving them an allowance (Odabaşı and Barış, 2007).

It was determined that 76% of preschool students with low socio-economical levels, 82% of preschool students with medium socio-economical levels and 75% of preschool students with high socio-economical levels have moneyboxes.

It was determined that 93,7% of preschool students with low socio-economical levels, 80% of preschool students with medium socio-economical levels and 75% of preschool students with high socio-economical levels don't have bank accounts. As a result of chi square analysis, it is seen that socio-economical level of families has a direct impact on the state of having a bank account. It was

“I teach my children to spend their money through a plan”	yes	f	51	449	9	509			28	37	204	233	12	514	15,87	0,1
		%	66,2	58,2	75	59,2			53,8	66,1	63,8	55,9	35,5	58,6		
	hno	f	14	155		169			13	10	61	84	10	178		
		%	18,2	20,1		19,7	5,10	0,28	25	17,9	19,1	20,1	32,3	20,3		
“I play games with my child that may develop his/her skills to make budgets or savings”	sometimes	f	12	167	3	182			11	9	55	100	10	185	22,27	0,01
		%	15,6	21,7	25	21,2			21,1	16,1	17,2	24	32,3	21,1		
	yes	f	16	133	4	153			18	11	58	59	5	151		
		%	21,3	16,5	33,3	17,1			37,5	19,6	17,2	13,4	15,6	16,5		
“I use allowance to improve his/her school success”	hno	f	37	373		410			13	25	159	213	16	426	19,01	0,04
		%	49,3	46,2		45,8	12,62	0,013*	27,1	44,6	47,2	48,5	50	46,7		
	sometimes	f	22	302	8	332			17	20	120	167	12	336		
		%	29,3	37,4	66,7	37,1			35,4	35,7	35,6	38	34,4	36,8		
“I use allowance to punish negative behaviors”	no	f	21	114	1	136			8	14	61	51	4	138	12,35	0,26
		%	27,6	14,6	8,3	15,7			15,7	25,9	18,8	12,1	12,1	15,6		
	yes	f	43	530	8	581			34	30	214	291	26	595		
		%	56,6	68	66,7	67	9,75	0,045*	66,7	55,6	66	69,1	78,8	67,3		
“I use allowance to punish negative behaviors”	sometimes	f	12	135	3	150			9	10	49	79	4	151	6,8	8,7
		%	15,8	17,3	25	17,3			17,6	18,5	15,1	18,8	9,1	17,1		
	no	f	8	22		30			2	3	17	8	1	31		
		%	10,8	2,8		3,5			3,8	5,7	5,3	1,9	3	3,5		
“I use allowance to punish negative behaviors”	yes	f	61	688	11	760			44	43	274	383	31	775	11,5	13,2
		%	82,4	88,4	91,7	88	13,43	0,009**	84,6	81,1	85,1	91,4	90,9	88,1		
	sometimes	f	5	68	1	74			6	7	31	28	2	74		
		%	6,8	8,7	8,3	8,6			11,5	13,2	9,6	6,7	6,1	8,4		

86,3% of parents with children in preschools, 81% of parents with low socio-economical levels, 87% of parents with middle socio-economical levels and 92% of parents with high socio-economical levels; also 86,5% of parents who graduated from primary schools, 82,5% of parents who graduated from secondary schools, 86,1% of parents who graduated from high schools, 90,6% of parents who graduated from universities and 86,3% of parents who graduated from postgraduate programs express that they try to set example for their children. In a research conducted by Bayram (2015), it was stated that money spending and managing habits of university students come from families to a large extent (86,2%).

53,6% of parents with children in preschools, 50% of parents with low socio-economical levels, 54,3% of parents with middle socio-economical levels and 33,3% of parents with high socio-economical levels gave no answer to the statement “I make my child make a budget by giving him/her a daily, weekly or monthly allowance”. As a result of chi square analysis, it can be said that children from families with high socio-economical levels have more awareness on making budgets. If we look from the viewpoint of educational level, it is seen that 56% of parents who graduated from primary schools, 37% of parents who graduated from secondary schools, 50,6% of parents who graduated from high schools, 57,9% of parents who graduated from universities and 60,6% of parents who graduated from postgraduate programs gave the answer “no” to the statement “I make him/her make a budget”.

In the research conducted by Bayram (2015), it was seen that 65% of university students make budgets.

It is wise to give children the responsibility to manage their own money especially in preschool period in order to raise their awareness on money management and saving matters (Horan, 2005: Cit. Ersoy, 2008).

71,6% of parents with children in preschools, 78,5% of parents with low socio-economical levels, 70,9% of parents with middle socio-economical levels and 75% of parents with high socio-economical levels; also 82,7% of parents who graduated from primary schools, 80,4% of parents who graduated from secondary schools, 72,9% of parents who graduated from high schools, 69,4%

of parents who graduated from universities and 62,5% of parents who graduated from postgraduate programs expressed that they buy the stuff their children need, not they want.

67,4% of parents with children in preschools, 67,1% of parents with low socio-economical levels, 67,1% of parents with middle socio-economical levels and 91,7% of parents with high socio-economical levels; also 54,9% of parents who graduated from primary schools, 71,9% of parents who graduated from secondary schools, 62,1% of parents who graduated from high schools, 71,6% of parents who graduated from universities and 81,8% of parents who graduated from postgraduate programs stated that they make him/her save some money from what he gets on festivals, holidays or birthdays. It was seen as a result of chi square analysis that educational levels of families lead to a significant difference on making children save some money from what they get on festivals, holidays or birthdays.

In the research conducted by Bayram (2015) it was stated that saving money is not so common even among university students (40%).

66,3% of parents with children in preschools, 67,9% of parents with low socio-economical levels, 66,2% of parents with middle socio-economical levels and 58,3% of parents with high socio-economical levels; also 71,2% of parents who graduated from primary schools, 61,4% of parents who graduated from secondary schools, 68% of parents who graduated from high schools, 65,2% of parents who graduated from universities and 60,6% of parents who graduated from postgraduate programs stated that they make their children learn about economical shopping by going to markets or bazaars with them.

41,8% of parents with children in preschools, 42,8% of parents with middle socio-economical levels and 66,7% of parents with high socio-economical levels stated that they *sometimes* get the opinions of their children on monetary topics; while 21,6% of parents with children in preschools, 26,9% of parents with low socio-economical levels, 20,9% of parents with middle socio-economical levels and 33,3% of parents with high socio-economical levels stated that they *always* get the opinions of their children on monetary topics. On the other hand, 44,9% of families with low socio-economical levels stated that they don't get the opinions of their children on monetary topics. As a result of chi square analysis, it is seen that there are socio-economical differences on getting the opinions of children on monetary topics. It was established that the most sensible parents on this matter are parents from high socio-economical levels while the least sensible families are from low socio-economical levels. If we look from the viewpoint of educational level, it is seen that 47,1% of parents who graduated from primary schools, 47,4% of parents who graduated from secondary schools, 39,7% of parents who graduated from high schools, 32,1% of parents who graduated from universities and 31,3% of parents who graduated from postgraduate programs gave the answer "no". It can be said as a result of chi square analysis that parents who graduated from primary schools and secondary schools are less sensible on getting the opinions of children on monetary topics.

59,2% of parents with children in preschools, 66,2% of parents with low socio-economical levels, 58,2% of parents with middle socio-economical levels and 75% of parents with high socio-economical levels; also 53,8% of parents who graduated from primary schools, 66,1% of parents who graduated from secondary schools, 63,8% of parents who graduated from high schools, 55,9% of parents who graduated from universities and 35,9% of parents who graduated from postgraduate programs expressed that they taught their children to spend their allowances through planning.

45,8% of parents with children in preschools, 49,3% of parents with low socio-economical levels, 46,2% of parents with middle socio-economical levels stated that they play games with their children that may develop their skills to make budgets or saving; while 66,7% of parents with high socio-economical levels stated that they sometimes play these games and 33,3% stated that they always play. As a result of chi square analysis, it was determined that parents with higher socio-economical levels are more sensible on playing games with their children that may develop their skills to make budgets or savings while parents with lower socio-economical levels are less sensible. If we look from the viewpoint of educational level, it was seen that 37,5% of parents who

graduated from primary schools gave the answer “no” while 55,6% of parents who graduated from secondary schools, 47,2% of parents who graduated from high schools, 48,5% of parents who graduated from universities and 50% of parents who graduated from postgraduate programs gave the answer “no”. It can be said as a result of chi square analysis that parents who graduated from primary schools are more sensible on playing game with their children that may develop their skills to make budgets or savings.

67% of parents with children in preschools, 56,6% of parents with low socio-economical levels, 68% of parents with middle socio-economical levels and 66,7% of parents with high socio-economical levels stated that they don't use their children's allowances for school success. It can be said as a result of chi square analysis that parents with lower socio-economical levels are less sensible on using allowance for school success. If we look from the viewpoint of educational level, it is seen that 66,7% of parents who graduated from primary schools, 55,6% of parents who graduated from secondary schools, 66% of parents who graduated from high schools, 78,8% of parents who graduated from universities and 67,3% of parents who graduated from postgraduate programs gave the answer “no”. It can be said as a result of chi square analysis that parents who graduated from postgraduate programs are more sensible on using allowance for school success.

88% of parents with children in preschools, 82,4% of parents with low socio-economical levels, 88,4% of parents with middle socio-economical levels and 91,7% of parents with high socio-economical levels stated that they don't use their children's allowances to punish negative behaviors. It can be said as a result of chi square analysis that parents with lower socio-economical levels are less sensible on using allowance to punish negative behaviors. If we look from the viewpoint of educational level, it is seen that 84,6% of parents who graduated from primary schools, 81,1% of parents who graduated from secondary schools, 85,1% of parents who graduated from high schools, 91,4% of parents who graduated from universities and 90,9% of parents who graduated from postgraduate programs gave the answer “no”.

According to Estess and Barocas (1994), there must not be a connection between allowance and school work and no payment must be paid for homeworks or better grades. Levin and Ryan (1995) state that cutting off their allowances to punish negative behaviors is wrong and people tend to mix discipline with money management.

RECOMMENDATIONS

Courses on monetary management, saving awareness and financial literacy must be given in educational institutions starting from preschools. Educational games must be involved in preschool education to create awareness on money management and saving awareness. Seminars must be conducted for families on money management, financial literacy and the ways to teach these to children.

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