

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**THE EFFECT OF PERSONAL FINANCIAL MANAGEMENT  
BEHAVIOR ON FINANCIAL WELL-BEING OF EMBA  
STUDENTS AT YANGON UNIVERSITY OF ECONOMICS**

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**MBA II-12**

**MBA 24<sup>th</sup> BATCH**

**SEPTEMBER, 2023**

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**ACADEMIC YEAR (2018 – 2023)**

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“A thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)”

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**2018 – 2023**

## ACCEPTANCE

This is to certify that the thesis entitled “**The Effect of Personal Financial Management Behavior on Financial Well-being of EMBA Students at Yangon University of Economics**” has been accepted by the Examination Board for awarding for the degree of Master of Business Administration (MBA).

### Board of Examiners

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**Rector**

**Yangon University of Economics**

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(Supervisor)

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**SEPTEMBER, 2023**

## **ABSTRACT**

The objectives of the study are to analyze the influencing factors on personal financial management behavior of EMBA students and to analyze the effect of personal financial management behavior on financial well-being of EMBA students at Yangon University of Economics. In order to accomplish the objectives of the study, both primary data and secondary data are used. The primary data are collected from 112 students out of 160 students of regular and online EMBA 19<sup>th</sup> batch with simple random sampling. The secondary data are collected from previous research paper, empirical studies, internet websites, published journals and relevant text books. Financial attitude, financial knowledge and locus of control are considered as influencing factors on personal financial management behavior. The findings of the study indicate that influencing factors of financial attitude, financial knowledge and locus of control have significant positive effect on the personal financial management behavior of EMBA students and personal financial management behavior also has significant positive effect on the financial well-being of EMBA students at Yangon University of Economics.

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## **LIST OF ABBREVIATIONS**

MBA	Master of Business Administration
EMBA	Executive Master of Business Administration

# **CHAPTER 1**

## **INTRODUCTION**

Everyone, from the smallest to the most ambitious, has to deal with the reality of financial behavior as a part of everyday life. Each individual must practice good financial behavior in order to maintain a balance between income and spending, which will enable them to meet the needs of life and avoid running into financial trouble. People will act consumptively since human needs and wants are unlimited and never satisfied. The high cost of living, increasing medical cost, higher inflation and economic instability give a lot of stress to the people particularly in term of financial concerns. Possessing the necessary personal financial management abilities can make it easier to manage money effectively and secure a bright financial future.

Several factors can significantly influence on individual's personal financial management behavior. Behavior is always maintained by an attitude. Financial attitude can be considered as the psychological tendency expressed when evaluating recommended financial management practices with some degree of agreement or disagreement (Parrotta & Johnson, 1998). To handle personal finance systematically and successfully, knowledge is necessary. Indeed, individuals must have sufficient and relevant financial knowledge and skills in order to make well-informed financial decisions in both the short and long-term. The term financial knowledge is defined as sufficient knowledge about facts on personal finance and is the key to personal financial management behavior (Garman & Forgue, 2006).

Locus of control can be considered in understanding and improving financial behavior and overall financial well-being. The term locus of control is best conceptualized as a person's perception of their place in the world (Rotter, 1966). There are two dimensions of locus of control: internal and external. Individuals with an internal locus of control feel that their actions determine future occurrences and within their control, whereas those with an external locus of control believe that future events are determined by luck, chance, and fate and out of their control (Jorgensen et al., 2017).

Personal financial management is one of the applications of the concept of financial management at the individual level that comprises activities for financial planning, management and control. Personal financial management involves applying financial information and expertise to make financial and economic decisions including financial savings, credits, insurance, investments and others. According to Xiao (2008), financial behavior can be defined as any human behavior that is related to money management. Financial well-being is defined as a state of being where in a person can fully meet current and ongoing financial obligations can secure in their financial future and is able to make choices that allow enjoyment of life. Zimmerman (1995) identified that financial well-being comes from a state of being free from financial worry.

Nowadays, individuals require high level of financial literacy to understand and explore complex and emerging financial markets and products. Whereas earlier generations of Myanmar may have purchased goods primarily in cash, today various credit products are becoming popular, such as credit and debit cards and electronic transfers. When compared to the generation before, the financial world is now more complicated than it was when all one needed to know to manage their finances was how to open and maintain a checking and savings account at a local bank or financial institution. But now, the ease of carrying out various financial transactions, the presence of discounts and cash back programs, and changing lifestyles can easily entice people into spending their financial resources. If they are unable to apply sound financial behavior, this will have a negative effect and result in personal financial problems.

Financial management behavior is important not only at individual level but also within households and business. Consumers who are knowledgeable and financially literate are better equipped to make wise decisions for their families and are thereby in a position to increase their economic security and well-being. The collective financial decisions made by a society's citizens influence its overall economic stability. Individuals who engage in responsible financial management behaviors, such as saving and investment, support a healthy and stable economy. On the other hand, improper financial management, excessive debt, and financial crises can hurt the economy. Because of this, studying financial management behavior is essential for understanding and promoting economic stability.

## **1.1 Rationale of the Study**

There has been an increase in concern about an individual's financial well-being in the recent years because of economic uncertainty, growing living costs and a weakening public support system especially in developing countries. Individuals who are financially well-prepared will be better able to overcome many challenges than those who are not, including personal bankruptcies, health problems, early retirement, and job losses, among others. To ensure a comfortable present and a secure future, every individual must effectively manage their personal finances

Financial behavior can play a pivotal role in the well-being of individuals in a household, society, a nation, and the world as a whole. And then, financial management is essential not only for large corporations or small and medium-sized enterprises (SME), but also for families. It is increasingly becoming the starting point for the typical family attempting to balance their budget, purchase a home, establish funding for the children's education, and retirement income security. People who are financially literate are better able to understand financial concepts, make sound financial decisions, and protect themselves against financial fraud or exploitation. In other words, the greater an individual's understanding and knowledge of financial concepts, the more likely they are to behave financially well in their daily lives. Therefore, by having a good understanding of their financial situation and feeling confident about managing money, they experience less financial stress and anxiety.

Every person would like to live debt-free and avoid living a stressful life without having to work until they are elderly just to survive and provide for their families. Therefore, every human being should be aware of this and understand how important it is to plan for and manage their finances. Today's youth are growing up surrounded by expensive lifestyles and easy credit, which has led to the development of a debt culture. As a result, financial literacy is the most important thing to learn at a young age. This is due to the fact that learning about finances from an early age can help people develop healthy personal and household financial management behaviors and prepare them for unforeseen economic challenges. A person's inability to manage their finances can have detrimental long-term effects on not only that person but also on business and society.

Individuals must possess financial management abilities in today's environment to negotiate the complexity of personal finance and attain financial well-being. The financial behaviors that are currently being used have an impact on both present and future financial well-being. As the importance of financial behavior increases, this study aims to investigate how financial behavior affects EMBA students' financial well-being by identifying the factors that affect financial behavior. Students in the EMBA program are working professionals from various backgrounds and work experiences and who opt to enroll in a higher education program to advance their careers or acquire the knowledge, skills, and experience necessary to advance as leaders in the new economy.

Qualified and well-equipped leaders, gazette officers, business owners, executives, and entrepreneurs are among those studying professionals. It is critical for all of them to have good financial behavior since, in addition to managing their personal finances; they must also manage their business finances because they serve as the head of household in the family and a decision-maker at the workplace. If they can handle their finances, manage their debt appropriately, and save for the future, they are less likely to face financial stress that could affect their work performance. Their effective financial management can contribute to family financial stability and the ability to achieve financial goals, as well as influence job satisfaction, career choice, professional development, and work-life balance. Therefore financial planning and management are important in all aspects of their personal and professional life. Responsible financial behavior is accompanied by strong financial knowledge and a positive attitude. This research tries to find out the factors influencing personal financial management behavior of EMBA students, such as financial knowledge, financial attitude, and locus of control, that effect on financial well-being.

## **1.2 Objectives of the Study**

The main objectives of the study are as follow;

1. To analyze the influencing factors on personal financial management behavior of EMBA students
2. To analyze the effect of personal financial management behavior on financial well-being of EMBA students

### **1.3 Scope and Method of the Study**

In terms of objectives, this study focuses on the influencing factors on personal financial management behavior and the effect of personal financial management behavior on financial well-being. The participants are EMBA students of Yangon University of Economics employed in various public and private organizations, NGOs and business owners. They are working professionals studying along with their jobs. This study involves all candidates attending the regular and online EMBA 19<sup>th</sup> batch only as a population under investigation. And the students from other master programs are excluded from this research.

In this study, descriptive and analytical research method is used. To achieve the objectives, both primary and secondary data are used in this study. Primary data are collected from respondents with structured questionnaire designed with a five point Likert Scale by using Google Form. As a simple size, Yamanae's formula and simple random sampling method are used for 112 students out of 160 students. The survey period is from May 2023 to June 2023. The secondary data is extracted from previous research paper, internet websites, published journals, relevant text books and international thesis. Multiple regression analysis is applied to analyze the data.

### **1.4 Organization of the Study**

This study is organized with five chapters. Chapter one is the introduction of the study which consists of rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter two includes theoretical background of the study, literature review, previous study and conceptual framework of the study. Chapter three presents the profile and personal financial management behavior of EMBA students. Chapter four includes analysis on personal financial management behavior and financial well-being of EMBA students. Finally, chapter five includes findings and discussions, suggestions and recommendations and needs for further research.



## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter includes a review of the existing literatures that the researcher had performed and the definitions and the details about the independent variables and the dependent variable are provided. It consists of financial well-being, personal financial management behavior and factors influencing on personal financial management behavior such as financial knowledge, financial attitude and locus of control and conceptual framework of the study.

#### **2.1 Concept of Financial Well-being**

Well-being is a term that encompasses an individual's contentment, satisfaction or happiness with their situation (McDowell, 2010). Financial well-being is one of the branches of well-being from which previous research studies have derived its definition. Financial well-being is defined as a sense of security in the future with proper money management in the present (Netemeyer et al., 2018). The way people feel about their financial situation is financial well-being. It is also about what extent people are confident about their financial decisions and how they will affect their future. Sabri and Falahati (2012) defined the financial well-being as a state of being financially healthy, happy, and free from worry, which is based on a subjective appraisal of one's financial situation. Meanwhile, according to Prawitz et al. (2006) stated that the financial well-being as a person's feelings about the financial situation at the moment.

Financial well-being is a theoretical concept which is needed to describe the financial situation of an individual or family. Financial well-being has recently been presented as the ultimate measure for assessing a person's financial health. Mokhtar et al. (2015) broadly defined financial wellbeing as an abstract concept being used to explain an individual or family financial situation. Moreover, Muleke and Muriithi (2013) defined financial well-being of a person as a state of mind that measures their satisfaction with own financial matters. CFPB (2015) narrowly defined financial well-being as a state of being wherein a person can fully meet current and ongoing

financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life. Joo (2008) derived the definition of financial well-being from the general well-being and narrowly defined it as a state of being financially healthy, happy and free from worry.

Based on the review of past literature, there appears to be a lack of a clear explanation of what financial well-being is, and how it should be measured (Bruggen et al., 2017). Discussions about financial well-being have been used across numerous fields, including economics, financial planning, psychological development, and financial decision-making, with a variety of measurements employed that vary depending on the context. Financial well-being is highly subjective and most appropriately measured by the perception of the individual. Financial well-being is measured as a subjective measure, which is as important as an objective one (Strömbäck et al., 2017). Objective measures are more solid and accurate, whereas subjective measures provide a more comprehensive picture of a person's financial situation (Taft et al., 2013).

Previous researchers have examined both objective and subjective measures in an effort to describe the individuals' and families' financial conditions. Whilst Rutherford and Fox (2010) argued that objective financial well-being indicators refer to quantifiable and unbiased aspects of an individual's economic position, such as income, actual debt, and savings or assets, Delafrooz and Paim (2011) highlighted that the subjective measures of financial well-being, such as perceived ability to meet expenses, satisfaction with one's financial condition, worry about one's debt, and perceived manageability of debt and savings, provide invaluable insight into one's financial wellness that is not achieved through objective measures alone. Strömbäck et al. (2017) used financial well-being as a subjective measure in their study by assessing financial anxiety and financial security as well.

Subjective financial well-being measures include financial satisfaction or satisfaction with certain financial aspects, such as income satisfaction and savings satisfaction (Xiao, 2016). Financial satisfaction plays an important role in life satisfaction. Easterlin (2006) examined the relationship between happiness and overall satisfaction for four life domains (finance, family, health, and work) and discovered that financial satisfaction contributed the most to overall happiness than other satisfaction domains. Thus, to measure the financial wellness, it is necessary to look at

personal finance and financial satisfaction. Satisfaction with one's financial status will enhance personal satisfaction and more broadly, life satisfaction (Toscano et al., 2006), and in contrast monetary difficulties and dissatisfaction with one's status will result in stress and depression.

## **2.2 Concept of Personal Financial Management Behavior**

According to Bergner (2011), behavior can be defined as an essentially observable physical action in general. Financial behavior is a sum of financial decisions people make frequently in their everyday life, such as when they buy a cup of coffee, make a loan payment, transfer money to a savings account or sell stocks. These kinds of single act or behavioral categories, such as management of cash, credit, savings and investments can be used to define financial behavior (Dew & Xiao, 2011). According to Xiao (2008), financial behavior can be defined as any human behavior that is relevant to money management. Hira and Mugenda (1999) said that financial behavior is the attitude and behavior of someone in managing their finances. Nababan et al. (2012) reported financial behavior related to how people treat, manage and use of existing financial resources.

Based on this statement, it can be conclude that financial behavior is all forms of human behavior that are closely related to individual personal financial management. Many people with sufficient income levels suffer from financial problems (Danes & Haberman, 2007) since they do not responsibly implement financial management, meaning they do not have good financial management behavior. Horne and Wachowicz (2002) proposed financial management behavior as the determination, acquisition, allocation, and utilization of financial resources, usually with an overall goal in mind. Therefore, Joo (2008) indicated that effective financial management behavior should improve financial well-being positively and failure to manage personal finances can lead to serious long term, negative social and societal consequences.

Financial management behavior initially developed as a result of the massive desire of a person to fulfill their life needs in accordance with their income. Some researchers indicated that there are positive and negative behaviors toward managing personal finance. These positive behaviors include managing cash efficiently, holding

emergency savings, moderating credit, planning for long term goals such as retirement, and managing risk through purchasing insurance. Likewise, negative behaviors include gambling, binge-funding, and avoiding financial education and discussion (Prawitz & Cohart, 2016). With that, financial literacy is a big role in individual financial behavior. Xiao et al. (2009) in their study ascertained that individuals who display positive financial behaviors such as maintaining budgets, savings, avoiding risky financial decisions, controlling their expenses, and avoiding or indulging in compulsive buying have high financial well-being.

Financial behavior has been associated with financial well-being in many studies. Joo and Grable (2004) indicated that financial well-being is related, both directly and indirectly with financial behaviors, such as paying credit card bills in full each month, maintaining a weekly or monthly budget, and setting money aside for saving. Shim et al. (2009) found that financial behaviors, such as budgeting and saving management, were related to financial well-being of young adults. Kim et al. (2003) found that poor financial management was negatively related to well-being. Worthy et al. (2010) indicated that problematic financial behavior by college students may affect their future financial well-being. Xiao et al. (2007) examined financial behavior and potential effects of financial behaviors on the well-being of college students. They found that positive cash management, credit management, and saving behaviors were positively related to overall wellbeing.

### **2.3 Influencing Factors on Personal Financial Management Behavior**

Several factors can significantly influence on individual's personal financial management behavior. In this study, financial attitude, financial knowledge and locus of control are described as influencing factors on personal financial management behavior.

#### **(a) Financial Knowledge**

The behavior of individuals will reflect the application of knowledge. Bowen (2002) stated that financial knowledge is the understanding of basic financial terms and elements necessary to ensure that someone can function in society on a daily basis. Understanding critical financial elements, such as banking, investments, taxes,

and other areas of personal finance, is critical for daily financial transactions and decisions (Bowen, 2002). In general, an individual with an excellent level of financial knowledge is assumed to be able to make competent financial decisions that would improve his/her financial well-being. Therefore, financial knowledge is typically considered an input to assess the need for related education and explain the different types of financial outcomes (Huston, 2010).

People with appropriate knowledge of managing money are more eager to take on greater responsibility for sound financial management, and vice versa. This good financial management behavior contributes to their financial stability and financial well-being. Financial knowledge can be assessed from several behaviors in each individual, including judging from knowing bank and loan interest rates, knowing managing personal finances, knowing how to invest money, and knowing bank statements (Totenhagen et al., 2019). Sources of knowledge are intrinsic and extrinsic. Some extrinsic sources of knowledge are observation, audiovisual, own experience, listening, reading and research. According to Keller and Staelin (1987) there are several sources to obtain knowledge about finance through formal education such as college courses, seminars on finance and additional hours of outside school tutoring, as well as through various informal parents, peers and coworkers.

As stated by Perry and Morris (2005) that a high level of financial knowledge will lead to good financial behavior. Research conducted by Grable et al. (2009) stated that financial knowledge has a positive influence on financial management behavior, which can be concluded that the broader a person's knowledge of financial concepts, the better and more rational a person's financial behavior will be in managing their finances. Leila and Laily, (2011) showed that a high level of financial knowledge will show better financial behavior, and consequently the level of financial well-being of high perceived.

## **(b) Financial Attitude**

Ajzen (1991) stated that an individual's assessment of either positive or negative on a particular object is the definition of attitude. According to Parrotta and Johnson (1998), financial attitudes can be considered the psychological tendency expressed when evaluating recommended financial management practices with some

degree of agreement or disagreement. In the research conducted by Mien and Thao (2015), it is stated that financial attitudes shape the way people spend, save, hoard, and waste money. Pham et al. (2012) surmised that attitude could be positive or negative depending on the motive of the individual. An individual with a positive financial attitude is more likely to engage in responsible financial behavior, which serves as a catalyst for greater financial well-being (Rutherford & Fox, 2010).

Apart from financial knowledge, financial attitude is also one of the factors that influence financial management behavior. Research conducted by Mien and Thao (2015) stated that financial attitude has a positive effect on financial management behavior. From the results of this study, it can be concluded that someone who has a good financial attitude will show a more responsible financial management behavior. However, Anthony et al. (2011) stated that financial attitude has a negative relationship with managerial behavior finance and Rizkiawati and Asandimitra (2018) showed that financial attitude does not influence financial management behavior. The reason is that every respondent has a different point of view in facing the financial problem.

### **(c) Locus of Control**

The concepts of locus of control were firstly proposed by Rotter in 1966, relating to the science of personality. According to Rotter (1966), locus of control is the control of individuals over their work and their beliefs about self-success. Britt et al. (2013) defined locus of control as the degree to which individuals believe they are in charge of their future. There are two dimensions of locus of control: internal and external. Individuals with an internal locus of control feel that their actions determine future occurrences and within their control, whereas those with an external locus of control believe that future events are determined by luck, chance, and fate and out of their control (Jorgensen et al., 2017). Concerning the financial locus of control, people with a high internal locus of control generally believe that their financial gains or problems are consequences of their efforts and hard work. In contrast, those with a high external locus of control generally believe that their success or failure in finance happened because of external factors beyond their control, such as bias, injustice, fate, luck, circumstance or the faults of others.

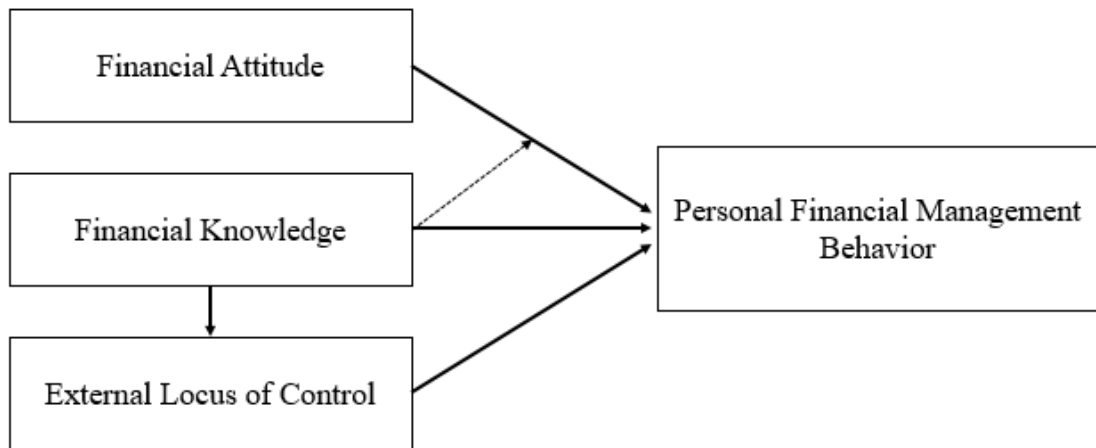
According to past literature, locus of control is one of the most commonly studied personality traits in personality and applied psychology (Judge & Bono, 2001). However, social scientists have only begun to substantially link locus of control with financial concepts in recent years (Ullah & Yusheng, 2020). Rather than corporate finance, Jorgensen et al. (2017), on the other hand, agreed that internal locus of control is more relevant in the studies of personal finance. From research conducted by Mien and Thao (2015) related to determine the relationship between locus of control and financial management behavior, it is shown that locus of control negatively affects financial management behavior, where the focus of the research is on external locus of control. In contrast to the results of research conducted by Kholilah and Iramani (2013) which show that locus of control has a positive effect on financial management behavior.

#### **2.4 Previous Studies**

This study based on two previous research papers. The first research paper focused on factors affecting personal financial management behaviors of youth in Vietnam. The other one is financial behaviors and financial well-being of college students.

Mien and Thao (2015) investigated factors affecting personal financial management behaviors by examining the relationships among four factors including personal financial attitude, financial knowledge, locus of control and financial management behaviors. The conceptual framework of this study is shown in Figure (2.1). Finding result showed that financial attitude, financial knowledge and locus of control play important roles in explaining financial management behavior. Financial attitude and financial knowledge were significantly positive related to financial management behavior. External locus of control had negative effect on financial management behavior. Locus of control did not mediate the relationship between financial knowledge and financial behavior. Furthermore, the hypothesis that financial knowledge moderates the relationship between financial attitude and financial behavior was not supported in this study. These findings may be valuable references for related organizations as well as financial institutes interested in strengthening personal financial management in emerging economies such as Vietnam.

**Figure (2.1) Conceptual Framework of Mien and Thao**

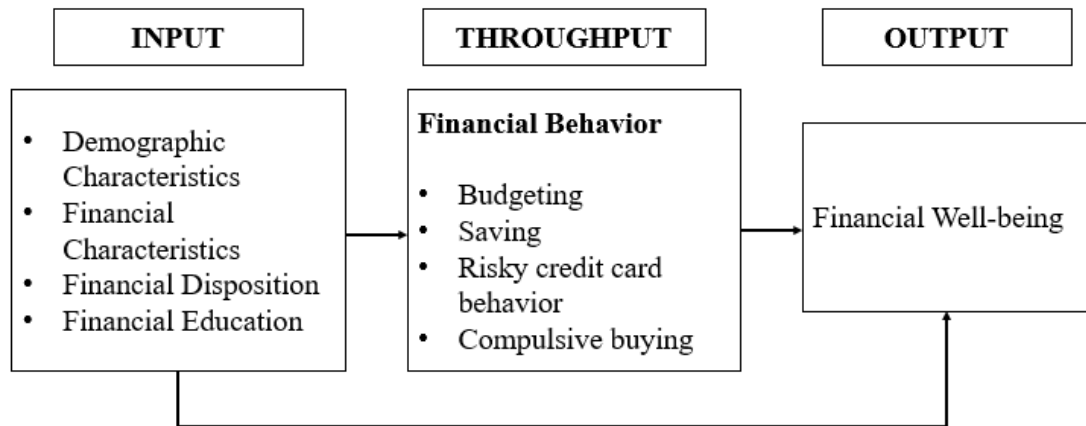


Source: Mien & Thao, 2015

Another study by Gutter and Copur (2011) examined the relationship between financial behaviors and financial well-being of college students when controlling demographic and financial characteristics, financial education and financial dispositions. The respondents were college students of age 18 and over and data were collected via an online survey from 15 college campuses throughout the United States during spring and fall of 2008. The findings of this investigation revealed some important insights. This study confirms the relationship between financial behavior and financial well-being for college students. This indicated that student who had positive financial behaviors (budgeting, saving, not performing any risky credit card behaviors and less prone to compulsive buying), significantly increased their financial well-being. The conceptual framework of this study is shown in Figure (2.2).



**Figure (2.2) Conceptual Framework of Gutter and Copur**



Source: Gutter & Copur, 2011

According to the study of Mokhtar et al., (2020) respondents agreed that they practiced financial behavior such as reviewing and evaluating their expenses, set aside money for unexpected expenses, and achieved financial goals and in turn financial well-being. A study conducted by Sehrawat and Vij (2020) to examine the financial well-being of Indian public and private sector employees found financial behavior to be the strongest predictor of financial well-being.

## 2.5 Conceptual Framework of the Study

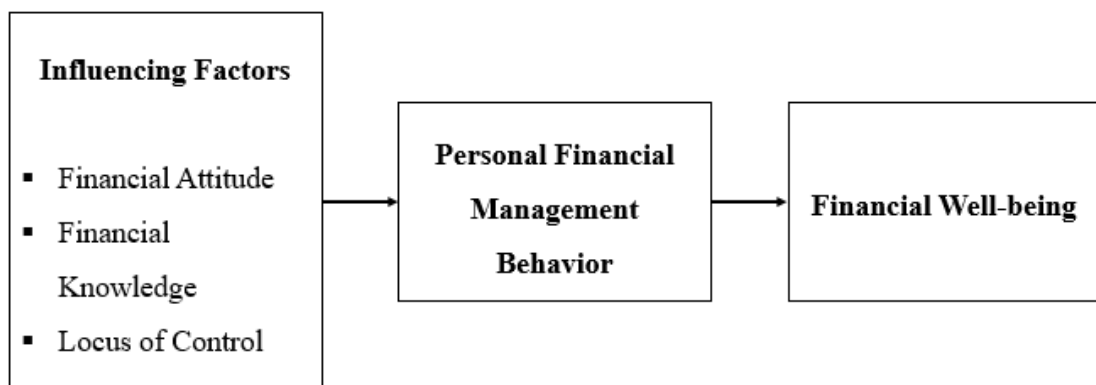
According to the above literature and results from the previous research, the following conceptual model is developed for this study. The purpose of this study is to analyze the influencing factors on personal financial management behavior of EMBA students and to analyze the effect of personal financial management behavior on financial well-being of EMBA students. Figure (2.3) starts from the independent variables (influencing factors) of this research which are financial attitude, financial knowledge and locus of control. Then it leads to dependent variable of the research, personal financial management behavior and financial well-being.

The conceptual model of this study is supported by two foundational theories including the family resource management model developed by Deacon and Firebaugh (1988). In the family resource management system model, the family was

viewed as a system with two subsystems, namely personal and managerial. Through the management system, individuals and families strived to accomplish their goals by the acquisition and use of resources. The family resource management system model showed that decision process includes connected sequences started by inputs and continued by throughput, output and the feedback linking back to the inputs. Inputs, the first stage of the family resource management model are the resources and demands the individual has at any time. The throughput section is the second stage of the model and is where decisions are made based on the individual's demands and available resources. The third stage is output. Outputs are whether the desired goal was reached or whether demands were met. They are the realized end result that comes based on the decisions made by the individual. Output include met demands, achieved goals altered resources, and level of life satisfaction.

Additionally, the theory of planned behavior developed by Ajzen (2002) stated that perceived control over performance of a behavior, which some may consider as being similar to locus of control, can be used to explain a wide range of behaviors. In summary, combining the financial resource management model and the theory of planned behavior gives a general view of the relationship between financial attitude, financial knowledge, and locus of control, personal financial management behavior, and financial well-being.

**Figure (2.3) Conceptual Framework of the Study**



Source: Own Compilation, 2023

The measurements of constructs are based on previous studies. Specifically, financial attitude were measured according to Rajna et al. (2011), the item of financial knowledge is adapted from Perry and Morris (2005) and locus of control measurement of respondents was assessed using Rotter (1966) and Van Daalen et al., (1989) perceived locus of control scale. Personal financial management behavior was adopted from Xiao and Dew (2011). Then, for financial well-being measurement, this current study employs the questionnaire of the Financial Well-being Scale developed by the Consumer Financial Protection Bureau (CFPB, 2017). It consists of ten general items of subjective financial well-being rated on a 5-point Likert scale.

## **CHAPTER 3**

### **PROFILE AND PERSONAL FINANCIAL MANAGEMENT BEHAVIOR OF EMBA STUDENTS**

Firstly, this chapter describes the background of the Yangon University of Economics and the profile of MBA programs of Yangon University of Economics. Secondly, the demographic profile of the respondents is presented. Finally, the last section of this chapter explores the descriptive explanation of the financial attitude, financial knowledge, locus of control, personal financial management behavior of EMBA students based on the questionnaire results.

#### **3.1 Profile of Yangon University of Economics**

The Yangon University of Economics is one of the leading state universities under the Ministry of Education in Myanmar. The university was established as a professional college to train economists, statisticians, accountants, and management personnel and to do research on economic, business and statistical issues related to the Myanmar Economy.

The Yangon University of Economics began in 1924 as the Department of Economics at the University of Rangoon (Yangon). As a special subject, Commerce was first taught by the Department of Economics in 1940. Since 1953, the Department has provided special statistics courses. In 1955, a separate Commerce Department was founded, and in 1956, a separate Statistics Department was established. Along with the establishment of Mandalay University, another Department of Economics was established in Mandalay in 1958.

After the advent of the new educational system in 1964, all of these departments were gathered together and reformed into the current Yangon Institute of Economics. The Department of Management Studies and the Department of Applied Economics were established in 1988. The University today includes five major teaching departments: Economics, Applied Economics, Statistics, Commerce, and Management Studies. The Institute's other supporting departments include Myanmar Language, English, Mathematics, and Geography Departments.

About 7540 students are enrolled overall each year, 2240 of them are new applicants. Courses in Economics, Statistics, Commerce, and Management are available at the Bachelors, Honors, Masters, and Diplomas levels. The University currently provides courses leading to nine bachelor degrees, twelve master degrees, nine diploma degrees, and three doctoral degrees. More than 77,036 graduates with specializations in Economics, Statistics, Commerce, and Business Studies have been raised by the university and are well regarded for their middle and senior management roles in government organizations, business organizations, and non-profit organizations.

The University has three Campuses: Kamayut Campus, Hlaing Campus, and Ywa Tha Gyi Campus. Both the Ywa Tha Gyi and the Hlaing Campuses offer undergraduate courses. The undergraduate programs that are currently available include degrees in business administration, economics, statistics, accounting, public administration, development studies, and population studies. In the Padamy Building on the Hlaing Campus and the Kamayut Campus, respectively, Master courses and PhD courses are offered. In Hlaing Campus, Yangon University of Economics has been offering the courses under the Human Resource Development (HRD) programs and has established Myanmar-India Entrepreneurship Development Center since 2009 under the Center of Human Development Program.

### **3.2 MBA Program Offered by Yangon University of Economics**

The MBA Program was established by the Department of Management Studies in 1995 and has been running effectively for more than 20 years. The MBA Program aims to improve candidates' managerial skills to explore their potential and become excellent working professionals. They provide courses that constantly teach students how to improve their conceptual skills in applying economic and business principles to real business behavior. Furthermore, when participants enroll in the MBA Program, they become members of the MBA society and have the opportunity to build a strong network with prominent corporate leaders and entrepreneurs.

The Department of Management Studies now provides three types of graduate courses. There are three types of MBA programs available: executive MBA, full-time MBA, and online MBA. These programs are critical components of Myanmar's

infrastructure, which is being built to ensure the country's commitment to a market economy becomes a prosperous reality. In addition, the MBA Program will provide a steady supply of professionals prepared to face the difficulties of leading modern organizations in increasingly competitive environments.

To complete the MBA program, students must take 18 courses and submit a thesis paper to obtain the required 72 credit units. Each course is for three credit units, and the thesis is worth 18 credit units. The 18 courses are divided into 12 core or required courses and six elective courses. The faculty will employ lectures, seminars, field excursions, group projects, and individual research extensively. Examinations are held during the fourth quarter week after 11 weeks of coursework. The examinations are administered by the faculty member in charge of each subject. Grading takes into account class attendance and participation, class assignments, and midterm test scores.

The grades from each course, some of which may be non-examination, contribute to the total credit requirement for the MBA, which is set at 72 credits. Participants must complete the program with a minimum overall grade of B. Participants who have received one F and two D grades (or) two F grades at any point during the program may be asked to withdraw. Participants may also take a temporary break from the program if they don't finish the required core courses. The course requirement, on the other hand, must be completed within three years.

Regular MBA candidates are typically BBA graduates, while some are not. Younger students who just completed a four-year undergraduate degree can take the placement test and choose to enroll in the MBA program. There is a one and a half year program available, but you must attend full-time. However, the Executive MBA program attracts a diverse group of professionals from various businesses and around the country. The EMBA program is designed specifically for individuals over the age of 30 who have at least 8 years of management experience. EMBA programs are offered in the evenings and on weekends to accommodate the hectic schedule of an administrative professional.

The most reputable MBA school selection is crucial, and the Department of Management Studies (DMS) at Yangon University of Economics is the most well-known in Myanmar. Many people who pursue an MBA are ambitious business visionaries who need to learn good business skills. The abilities and skills are

priceless in the MBA program while starting up and managing one's own business. The courses in MBA programs teach students how to identify and handle real problems in light of interactions between various organizations with the aid of contextual analysis. Gaining an MBA can give one a sense of accomplishment that can help them feel more confident as they navigate both the business world and other aspects of their lives.

### 3.3 Profiles of Respondents

There were five categories of demographic characteristics related to EMBA students explored in this study to describe the demographic profile of the respondents. Firstly, 112 EMBA students' profile including general information of the respondents such as gender, age, marital status, occupation and monthly salary are identified. This demographic profile of respondents is presented in Table (3.1).

**Table (3.1) Profiles of Respondents**

<b>Demographic</b>		<b>Frequency (N=112)</b>	<b>Percentage (%)</b>
<b>Total Respondents</b>		112	100%
<b>Gender</b>	Male	41	37%
	Female	71	63%
<b>Age</b>	20 - 30 Years	26	23%
	31 - 40 Years	56	49%
	41 - 50 Years	25	22%
	51 - 60 Years	5	4%
<b>Marital Status</b>	Single	63	56%
	Married	49	44%
<b>Occupation</b>	Own Business	19	17%
	Private Employee	73	65%
	Government Staff	12	11%
	NGO	8	7%
<b>Salary</b>	300,000 - 500,000 Ks	27	24%
	500,001 - 900,000 Ks	19	17%
	900,001 - 1,200,000 Ks	13	12%
	1,200,001 - 1,500,000 Ks	15	13%
	Above 1,500,000 Ks	38	34%

Source: Survey Data, 2023

In this study, the sample includes 41 male and 71 female indicating that the female are the majority with the response rate of 63% while the 41 remaining are male 37%. It is found out that the number of female population is more rather than male population who are working professionals while studying. Age group was described by 20-30 years, 31-40 years, and 41-50 years, 51-60 years and above 60 years. The majority of the respondent is the group of respondents between 31 and 40 years old and represents 49% of the represents. This is because they are permitted to enroll in the EMBA program, especially individuals over the age of 30. Although both marriage and single respondents are contained in the sample, most of the respondents are singles. Marital status ratios are 44% married and 56% unmarried.

Occupation of respondents has five categories such as own business, private employee, government staff, NGO and retire. It is found that the majority of the respondents are private employee (65%) and own business (17%). Some of the respondents are government staff (11%) and NGO (7%). Regarding income level and occupation, majority (65%) of respondents is private employee and majority (34%) of the income level is above 15 lakhs. Since the primary data is collected from the students attending master degree programs of Yangon University of Economics, their educational background is not specifically mentioned here. The data shows that majority of the respondents are private employee and majority of income level is above 15 Lakhs.

### **3.4 Influencing Factors on Personal Financial Management Behavior**

In this section, influencing factors on personal financial management behavior such as financial attitude, financial knowledge and locus of control are analyzed by asking 23 questionnaires to 112 respondents. This section is to examine the mean and standard deviation of three influencing factors that can be seen in the table charts. In the structured questionnaire, the measurement is based on 5-points Likert Scale (1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Disagree) and use descriptive statistic such as mean and standard deviation.

According to the classification of Best (1977), the responses are interpreted as follows: The mean value 1.00-1.80 is classified as strongly disagree, 1.81-2.60 is categorized as disagree, and 2.61-3.40 is regarded as neither agree nor disagree, 3.41-



4.20 are categorized as agree, 4.21-5.00 is categorized as strongly agree of perception. A regression analysis was conducted to find out the effect of each variable.

**(a) Financial Attitude of EMBA Students**

This part provides financial attitude that are considered as influencing factor on personal financial management behavior. Regarding to the analysis of financial attitude of EMBA students, respondents are required to respond 10 statements of about their financial attitudes. The mean and standard deviation of each and overall mean are presented in following Table (3.2) based on survey results.

**Table (3.2) Financial Attitude of EMBA Students**

<b>Sr No.</b>	<b>Financial Attitude</b>	<b>Mean Value</b>	<b>Standard Deviation</b>
1	Importance of developing a regular pattern of saving and stick to it	3.62	0.89
2	Written financial goals determine priorities in spending	3.60	0.83
3	Essential of written budget for successful financial management	3.79	0.81
4	Responsibility for own financial well-being	4.12	0.69
5	Essential for keeping records of financial matters	3.76	0.75
6	Necessary of financial planning for retirement for assuring one’s security during old age	4.04	0.79
7	Planning for the possible disability of wage	3.78	0.71
8	Planning for spending money to successfully managing my life	3.89	0.68
9	Planning for the future is the best way of getting ahead	3.99	0.68
10	Thinking about financially in 5 or 10 years in the future for financial success	3.75	0.73
	<b>Overall Mean</b>	<b>3.83</b>	

Source: Survey Data, 2023

According to the survey result, the highest mean score is 4.12 which indicate that most of the respondents are agree with the statement that individuals should be responsible for their own financial well-being. The majority of respondents believe in individual responsibility in order to ensure own financial well-being. The second largest mean value of 4.04 suggests that, a significant proportion of respondents expressed agreement with this statement. This indicates that the majority of participants consider financial planning for retirement to be important for ensuring their security during old age. They recognize that planning ahead financially is essential for ensuring their well-being and security during their older years.

And then the lowest mean value is 3.60, which is at agree level, indicating that they agree with that written financial goals determine priorities in spending. The respondents have completely recognized the idea of having financial goals determine priorities in spending. Therefore, the overall mean is 3.83 which states that most of the respondents agree with the positive attitude towards financial matters. It can be conclude that EMBA students have the good financial mindset.

**(b) Financial Knowledge of EMBA Students**

In the analysis of financial knowledge of EMBA students, respondents are required to respond six statements which are measured on 5-points Likert Scale. The mean values and standard deviations and overall mean are shown in the following Table (3.3).

**Table (3.3) Financial Knowledge of EMBA Students**

<b>Sr No.</b>	<b>Financial Knowledge</b>	<b>Mean Value</b>	<b>Standard Deviation</b>
1	Knowledge about interest rates charged by bank and borrowing rates charged by financial institution	3.64	0.88
2	Knowledge about inflation rate of the country	3.81	0.82
3	Burden of buying merchandise on credit	3.68	0.75
4	Knowing how to invest money in buying valuable assets	3.71	0.80
5	Opening saving account in private banks because of interest payment	3.60	0.85
6	Waste money for buying unnecessary items	4.22	0.78
	<b>Overall Mean</b>	<b>3.78</b>	

Source: Survey Data, 2023

According to Table (3.3), the six statements of financial knowledge scored the mean value at agree level and it indicates that respondents are agreed with the statement. The mean score ranged from 3.60-4.22 which is at agreed level. It suggests that respondents possess general financial knowledge and have knowledge about financial matters. They have a reasonable grasp of financial concepts and principles. The highest mean score is 4.22 which reflect that respondents strongly agree with the statement of buying unnecessary items is a waste of money. A majority of respondents know that spending money on unnecessary items is indeed wasteful.

The lowest mean score in this section is 3.60 which represent the factor that opening saving account in private banks because of interest payment and this is also well categorized at agree level. This shows that a significant proportion of respondents perceive some benefit in opening a savings account in a private bank for the purpose of receiving interest payments.

The mean scores of the other factors are 3.81 which means respondents know about inflation rate of the country, 3.71 which reflects respondents understand how to

invest money in buying valuable assets, 3.68 which is respondents comprehend burden of using credit to purchase goods and 3.64 which is the factor that indicate respondents have knowledge about interest rates charged by bank and borrowing rates charged by financial institution. The mean scores of all these factors are all categorized within agreement level of perception. Therefore, it indicates that respondents know interest rates, inflation rates and have general knowledge about financial matters.

**(c) Locus of Control of EMBA Students**

There are also seven statements regarding the locus of control of the respondents for them to respond in this section. The following Table (3.4) shows the mean values, standard deviations of each and overall mean of the respondents.

**Table (3.4) Locus of Control of EMBA Students**

<b>Sr No.</b>	<b>Locus of Control</b>	<b>Mean Value</b>	<b>Standard Deviation</b>
1	Save and invest for wealth	3.93	0.73
2	Plan made, success ensured	3.56	0.68
3	Eradicating poverty by hard work compared to other things	3.46	0.68
4	Financial stability is not based on luck	3.87	0.85
5	Determine financial position	3.67	0.78
6	Hard work brings what I desire	3.69	0.76
7	Abilities and actions shape life	3.92	0.74
	<b>Overall Mean</b>	<b>3.73</b>	

Source: Survey Data, 2023

As presented in Table (3.4), among seven statements, the highest mean score is 3.93 in which respondents exhibited agreement with the statement that saving and

investment are important for accumulating wealth. This indicates that respondents believe that saving and investment play a role in building wealth. The second highest score is 3.92 in which most of the respondents agree with the statement. It can be expressed that that respondents agree that their abilities and actions determine their life outcomes. The lowest mean value of 3.46 which suggests that respondents agree with poverty can be eliminated by hard work compared to other things.

As the overall mean score is 3.73, which is at agree level, indicating most of the respondents agree with the statements related to locus of control and have a tendency toward an internal locus of control. The individuals in the group have a belief regarding their control over events in their lives and they have a certain level of control over their own outcomes and actions.

### **3.5 Personal Financial Management Behavior of EMBA Students**

In this section, respondents are requested to rate the eleven statements of personal financial management behavior which are measured by 5-point Likert Scale. The mean value and standard deviation of each and overall results are as shown in Table (3.5).

**Table (3.5) Personal Financial Management Behavior of EMBA Students**

<b>No.</b>	<b>Personal Financial Management Behavior</b>	<b>Mean Value</b>	<b>Standard Deviation</b>
1	Comparing shopped when purchasing a product or service	3.76	0.74
2	Paying all bills on time	3.93	0.74
3	Keeping a record of monthly expenses	3.46	0.87
4	Staying within budget or spending plan	3.50	0.87
5	Paying of credit balance in full each month	3.46	0.88
6	Making only minimum payments on a loan	3.22	0.97
7	Beginning of maintained an emergency saving fund	3.59	0.73
8	Saving money from every paycheck	3.41	0.80
9	Saving for a long term goal such as a car, education, home	3.80	0.78
10	Contributing money to a retirement account	3.48	0.87
11	Buying valuable things such as real estate, gold	3.87	0.82
	<b>Overall Mean</b>	<b>3.59</b>	

Source: Survey Data, 2023

According to the Table (3.5), the highest mean score of 3.93 indicates that majority of respondents agree that they have been able to pay their bills on time. This means that respondents have a good track record of paying their bills on time and exhibit financial responsibility and good money management habits among them. The factor that investment in valuable things such as real estate, gold has score of 3.87 and saving for a long term goal such as a car, education and home has score of 3.80. This shows that respondents perceive real estate and gold as valuable investment options and they have engaged in purchasing these assets. Since the statement about saving for long-term goals like a car, education, or a home, a mean value of 3.80 suggests that the respondents save money for such important purposes.

The lowest mean value 3.22 indicates that respondents tend to neither agree nor disagree with the statement "Made only minimum payments on a loan." This states that a significant portion of respondents neither agree nor disagree that they make only minimum payments on their loans. The overall mean value of 3.59 indicates that the respondents agree with the statements or questions related to personal financial management behavior. This can be concluded that EMBA students generally exhibiting positive personal financial management behavior and practice good financial management of cash, credit, saving and investment.

### 3.6 Reliability Test

Reliability is a measure of stability and consistency and helps assess the quality of the metric. In this study, the research used Cronbach's alpha as a measure of internal consistency. Cronbach's alpha is a confidence coefficient that measures the degree of positive correlation between a set of items.

According to George (2003), the generally accepted rule for describing internal consistency using Cronbach's alpha is: Alpha values 0.9 and above are excellent, between 0.8 and 0.9 are good, between 0.7 and 0.8 are acceptable, between 0.6 and 0.7 are Questionable, and between 0.5 and 0.6 are poor and less than 0.5 is unacceptable. Table (3.6) shows the reliability (alpha value) of the variables.

**Table (3.6) Reliability Test**

<b>Sr no.</b>	<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
1	Financial Attitude	10	0.760
2	Financial Knowledge	6	0.863
3	Locus of Control	7	0.821
4	Personal Financial Management Behavior	11	0.734
5	Financial Well-being	10	0.791

Source: Survey Data, 2023

According to the Table (3.6), Cronbach's alpha value shows the alpha value of selected variables (financial attitude, financial knowledge, locus of control, personal financial management behavior and financial well-being). The results of Cronbach's alpha of the variables are between 0.734 and 0.863 which show between acceptable and good level. Therefore, the questionnaire scale items are consistent and reliable for further analysis.



## **CHAPTER 4**

### **ANALYSIS ON PERSONAL FINANCIAL MANAGEMENT BEHAVIOR AND FINANCIAL WELL-BEING OF EMBA STUDENTS**

This chapter aims to analyze the influencing factors on personal financial management behavior of EMBA students and to analyze the effect of personal financial management behavior on financial well-being of EMBA students.

#### **4.1 Analysis on the Effect of Influencing Factors on Personal Financial Management Behavior of EMBA students**

To analyze the effect of influencing factors on personal financial management behavior of EMBA students, multiple regression analysis is used. The influencing factors are financial attitude, financial knowledge and locus of control. The whole fitness of the regression model is shown by its adjusted R square, which gives more accurate information about the share of variation in the dependent variable explained by the variation in the dependent variables. In this study, the adjusted R square, F-value, and Beta value from SPSS output have been used to interpret the results of multiple regression analysis.

In regression analysis, influencing factors are regarded as the independent variables and personal financial management behavior as the dependent variable. The result of the SPSS output analyzing the effect of influencing factors on the personal financial management behavior of EMBA students is shown in Table (4.1).

**Table (4.1) Effect of Influencing Factors on Personal Financial Management Behavior**

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.986	0.465		2.122	0.000	
Financial Attitude	0.329***	0.069	0.392	4.77	0.000	1.008
Financial Knowledge	0.244***	0.079	0.262	30.98	0.002	1.071
Locus of Control	0.108**	0.093	0.098	1.168	0.012	1.064
Durbin-Watson	1.701					
R	0.515					
R Square	0.265					
Adjusted R Square	0.245					
F Value	13.213***					
Sig.	0.000					

Source: Survey Data, 2023

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

In Table (4.1), the value of R square and adjusted R square are 26.5 % and 24.5 % respectively. It indicates that the model can explain about 24.5% of variance of the dependent variable of personal financial management behavior with independent variables of financial attitude, financial knowledge and locus of control. Since the value of the F test and the overall significance of the models came out highly significant at a 1% level, this specified model can be said valid.

With respect to potential problems relation to multicollinearity, variance inflation factors (VIF) were used to provide information on the extent to which non-

orthogonality among independent variables inflates standard errors. Value of VIF value is 1.000, well below the cut-off value of 10 recommended by Neter, Wasserman and Kutner (1985), meaning that independent variables are not correlated with each other, Therefore, there are no multicollinearity problems encountered in this study. This means that there is no correlation among independent variables.

Among three independent variables, financial attitude has the expected positive sign and is significant at 1% level. It points that financial attitude leads to an increase in personal financial management behavior. One unit increase in financial attitude will lead to 0.329 rises in personal financial management behavior.

Financial knowledge is significant as stated by regression analysis Table. Financial knowledge has the expected positive sign and significant at 1% level. It points that financial knowledge leads to increase in personal management behavior. One unit increase in financial knowledge will lead to 0.244 rises in personal financial management behavior.

Both financial attitude and financial knowledge are significant at the 1% level among three influencing factors. But standardized coefficient (Beta) value of financial attitude and financial knowledge are (0.392) and (0.262) respectively. This indicates that financial attitude has the highest contribution on personal financial management behavior compared to financial knowledge.

By the results, locus of control has positive effect on personal financial management behavior at 5% significant level. This points that locus of control has significant effect on the dependent variable of personal financial management behavior. Locus of control leads to increase in personal financial management behavior. One unit increase in locus of control will lead to 0.108 rises in personal financial management behavior.

The standardized coefficient (Beta) of financial attitude has the largest value (0.392) among three influencing factors. Financial attitude has the highest contribution to raise personal financial management behavior. It indicates that financial attitude toward daily financial behavior, saving plan, financial management and future financial ability could contribute to improve their financial management behavior better and better.

The standardized coefficient (Beta) of financial knowledge has the second largest value (0.262) among three influencing factors. It indicates that EMBA students' general financial knowledge and knowledge about financial matters has the contribution to make reasonable financial management behavior.

The standardized coefficient (Beta) of locus of control has the value (0.098) among three influencing factors. Locus of control has the smallest contribution to raise personal financial management behavior. It indicates that students who believe in their actions and abilities could contribute to become perfect financial management behavior of EMBA students.

Overall evaluation tells that the estimation produced anticipated signs and significant coefficient. The result could be explained that personal financial management behavior of EMBA students is affected by their financial attitude, financial knowledge and locus of control.

#### **4.2 Analysis on the Effect of Personal Financial Management Behavior on Financial Well-Being of EMBA students**

This section includes the analysis on the effect of personal management behavior on financial well-being of EMBA students.

##### **(a) Financial Well-Being of EMBA Students**

Regarding the ten statements of financial well-being, respondents are asked to rate their level of agreement on each statement, and then the mean value is calculated. As a result, the overall mean value of financial well-being is presented in Table (4.2).

Based on the result from Table (4.2), most of the respondents agree with the statements, for the overall mean score is 3.5, which is at agree level. Most of the respondents enjoy life because of the ways of managing the money showing the highest mean score 3.82. It expresses that respondents felt favorably about the concept that managing their money well contributes to their enjoyment of life and happiness or enjoyment in life is influenced by how they handle their finances.

**Table (4.2) Financial Well-being of EMBA Students**

<b>Sr No.</b>	<b>Financial Well-Being</b>	<b>Mean Value</b>	<b>Standard Deviation</b>
1	Enjoyment of life cause of the ways of managing the money	3.82	0.76
2	Having money left over at the end of the month	3.73	0.88
3	Satisfaction with the amount of money as the saving ability	3.54	0.92
4	Thinking to have enough income to live comfortably through future	3.63	0.92
5	Ability to handle a major unexpected expense very well	3.60	0.81
6	Security of financial future	3.73	0.77
7	Strain on giving a gift for a wedding, birthday or other occasion for the month	3.46	0.78
8	Feeling like never having the things they want in life according to money situation	3.12	0.97
9	Concerning that the money won't be last	3.30	0.75
10	Behind with finances	3.08	0.87
	<b>Overall Mean</b>	<b>3.50</b>	

Source: Survey Data, 2023

The statement about having money left over at the end of the month has the mean score of 3.73, the second highest mean, and the fact about security of financial future also has the same mean score of 3.73. This results show that respondents agree with these statements and it indicates that they do have some money left after covering their expenses at the end of the month and they are taking steps to secure their financial future. The lowest mean score is 3.08 and it states that respondents are neither agree nor disagree with the statement that they are behind with their finances.

According to the overall mean, EMBA students have the feeling of financial security, financial satisfaction and don't worry about their finance in the present and when considering the future.

**(b) Analysis on the Effect of Personal Financial Management Behavior on Financial Well-Being of EMBA Students**

To analyze the effect of personal financial management behavior on financial well-being of EMBA students, simple regression analysis is used. In regression analysis, personal financial management behavior is regarded as an independent variable and financial well-being as a dependent variable. The result of the SPSS output analyzing the effect of personal financial management behavior on financial well-being of EMBA students is shown in Table (4.3).

**Table (4.3) Effect of Personal Financial Management Behavior on Financial Well-Being**

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.659	0.371		4.472	0.000	
Personal Financial Management Behavior	0.513***	0.103	0.431	5.004	0.000	1.000
Durbin-Watson	1.386					
R	1.431					
R Square	0.185					
Adjusted R Square	0.178					
F Value	25.039***					
Sig.	0.000					

Source: Survey Data, 2023

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

In the Table (4.3), the value of R square and adjusted R square are 0.185 and 0.178 respectively. It indicates that the model can explain about 18% of variance of the dependent variable of financial well-being with independent variable of personal financial management behavior. The value of the F test and the overall significance of the models came out highly significant at a 1% level.

Personal financial management behavior is significant as stated by regression analysis table. Personal financial management behavior has the expected positive sign and significant coefficient at 1% level. It points that personal financial management behavior leads to an increase in financial well-being. One unit increase in personal financial management behavior will lead to 0.513 rises in financial well-being.

With respect to potential problems relation to multicollinearity, variance inflation factors (VIF) were used to provide information on the extent to which non-orthogonality among independent variables inflates standard errors. Value of VIF value is 1.000, well below the cut-off value of 10 recommended by Neter, Wasserman and Kutner (1985), meaning that independent variables are not correlated with each other, Therefore, there are no multicollinearity problems encountered in this study. This means that there is no correlation among independent variables.

Overall evaluation tells that the estimation produced anticipated signs and significant coefficient. The result could be explained that personal financial management behavior of EMBA students effects on their financial well-being.

## **CHAPTER 5**

### **CONCLUSION**

This chapter consists of three main parts. The first part is findings and discussions from previous chapters. The second part is suggestions and recommendations according to the study's findings. The third part is the need for further research on personal financial management behavior.

#### **5.1 Findings and Discussions**

The objectives of the study are to analyze the influencing factors on personal financial management behavior of EMBA students and to analyze the effect of personal financial management behavior on financial well-being of EMBA students at Yangon University of Economics. This study collects the primary data by delivering questionnaires to respondents who are attending EMBA 19<sup>th</sup> batches of both on campus and online.

In this study, the respondents comprise 41 males and 71 females, indicating that females constitute the majority. The largest segment of respondents falls within the 31-40 years age range. This is likely because individuals over 30 years old are eligible to enroll in the EMBA program under study. Although both single and married respondents are contained in the sample, most of the respondents are singles. The majority of respondents are private employees, and a substantial portion of them have an income level above 15 lakhs.

Regarding with the influencing factors on personal financial management behavior, financial attitude is the highest score mean. It is found out that most of the respondents have positive financial mindset. The respondents have good attitude at accountability for their own financial well-being and necessary of financial planning for retirement for assuring security during their old age. They recognize that planning ahead financially is essential for ensuring their well-being and security during their older years.

Therefore, we can conclude that EMBA students have good attitude towards daily financial behaviors, saving plan, financial management and future financial



ability. The cause of the higher quantities of their financial attitude, the EMBA students can contribute to the better and positive behaviors in finance they act.

According to the financial knowledge, EMBA students have a reasonable grasp of financial concepts and principles. They know interest rates and borrowing rates charged by bank and financial institutions and inflation rate of the country. And they have knowledge about financial matters of knowing how to invest money, opening saving account in private banks because of interest payment equity and they recognize that buying unnecessary items is waste of money. Since EMBA students have a greater depth of financial understanding, they may influence better and more beneficial financial practices.

For locus of control, the respondents believe their own abilities and actions play a significant role in determining the course of their life. They think that their actions and capabilities decide how their lives turn out and that their financial security is not dependent on luck. EMBA students save and invest for wealth, when they make a plan, they ensured success, eliminate poverty by hard working and they can determine their financial position. They are able to obtain everything they desire because they work hard. Therefore, EMBA students have a tendency toward an internal locus of control and each individual in the group have a belief regarding their control over events in their lives.

In accordance with the personal financial management behavior, they exhibit sound financial management practices concerning with the cash and credit management and saving and investment behavior. The majority of respondents have been able to pay their bills on time since they have a relatively good track record of paying their bills on time. This indicates that financial responsibility and good money management habits among them. A significant portion of the respondents have engaged in or see the value in purchasing valuable assets like real estate and gold because they perceive real estate and gold as valuable investment options. The majority of participants think it is vital and desirable to save for long-term objectives (such a vehicle, college, or home), so that the surveyed individuals are financially responsible and forward-thinking. When it comes to managing cash and credit, saving and investing, the participants typically exhibit responsible and prudent financial practices.

To the extent of financial well-being, EMBA students show a satisfactory level of financial well-being. They feel comfortable about their financial situation and enjoy life because of the ways of managing money. This shows that their happiness or enjoyment in life is influenced by how they handle their finances. They also have a stable financial condition since they are taking actions or making efforts to ensure that their financial situation will be stable and positive in the long term. This involves saving, investing, budgeting, and other similar activities that contribute to financial well-being.

Result of regression analysis indicates that financial attitude, financial knowledge and locus of control play an important role in explaining personal financial management behavior. By using multiple linear regression model in analyzing the effect of influencing factors on personal financial management behavior, among the influencing factors (financial attitude, financial knowledge and locus of control), financial attitudes and financial knowledge both are significant at 1% level. According to the standardized coefficient (Beta) value, financial attitude has the contribution on personal financial management behavior. Financial attitude of EMBA students can make their financial behavior change toward better and positive behavior. In addition to having a positive attitude, knowledge of financial management is as important in the life of the individual in living their daily life. The respondents have internal locus of control of believing their abilities and actions. Having internal locus of control influences the personal financial management behavior. Self-confidence and hard-working can cause the positive effect on the respondents' personal financial management behavior.

This study revealed that financial attitude plays a significant role in influencing the personal financial management behavior of EMBA students. Participants who exhibit a positive financial attitude, characterized by a willingness to save, invest, and plan for the future, are more likely to engage in prudent financial behaviors. They tend to create and adhere to budgets, save regularly, and make informed financial decisions. In contrast, individuals with a negative financial attitude, marked by a lack of interest in financial matters or a tendency to overspend, exhibit poorer financial management behaviors.

Individuals with a higher level of financial knowledge demonstrate more effective financial management practices. They are better equipped to understand

financial concepts, evaluate investment options, and make informed decisions regarding their finances. In contrast, those with limited financial knowledge are more prone to financial mistakes, such as carrying high-interest debt or failing to plan for retirement. This underscores the significance of enhancing financial literacy among studying professionals, as it equips them with the skills and knowledge necessary for making sound financial choices and securing their financial future.

Another critical influencing factor on personal financial management behavior among EMBA students is locus of control. Individuals with an internal locus of control, who believe they have control over their financial outcomes through their actions and decisions, exhibit more responsible financial behaviors. The personal financial management behavior of EMBA students is affected by their internal locus of control.

The second objective of the study is to analyze the effect of personal financial management behavior on financial well-being of EMBA students. According to the result of the analysis, personal financial management behavior effect on the financial well-being. The respondents' cash and credit, saving and investment behaviors can carry towards more and more financial well-being in life. In this section, students can manage their financial welling effectively by doing keeping records of monthly experiences, maintaining emergency funds, buying valuable things and so on.

It can be concluded that EMBA students' financial attitude, financial knowledge and locus on control influence on the personal financial management behavior. And then they can manage their personal financial behavior to increase the financial well-being.

## **5.2 Suggestions and Recommendations**

According to the survey results, it is found out that influencing factors, financial attitude, financial knowledge and locus of control have a positive effect on personal financial management behavior. Specifically, it found that personal financial management behavior is predicted by financial attitude, financial knowledge and locus of control according to the result data.

The results of this study showed that financial attitude influences financial management behavior. The results of this study confirmed the theory of planned

behavior. The results of this study proved that attitude plays an important role in predicting one's behavior. Statistical test results showed that the influence of financial knowledge on financial management behavior would be much stronger through financial attitude. Students should be educated about the importance of having good financial knowledge and begin to be trained to be accustomed to having a good financial attitude to maximize their good financial management behavior. The education can be in the form of an education curriculum that distinguishes between income and expense, long-term investments, and the benefits of having good finances.

Moreover, seminars and courses may be held periodically. Ensuring students have a good financial attitude can be done by making them accustomed to consistently saving, recording each expense, planning financial priorities, and planning long-term finances. Consequently, practitioners should focus on combining financial education and shaping the students' attitudes towards financial management. Practitioners can combine good financial education, train the students to become accustomed to saving and remind them of the importance of long-term investment. Furthermore, practitioners can provide pre-test and post-test during the training to identify how to improve the financial management behavior of students. The combination is expected to help and equip students to deal with financial situations.

Installing a sense of personal responsibility and empowerment in financial decision-making can positively impact the financial management behavior of studying professionals, emphasizing the need for interventions that promote an internal locus of control. By fostering positive financial attitudes, enhancing financial knowledge through education, and empowering individuals to take control of their financial futures, we can contribute to improved financial well-being and long-term financial security. These insights have implications for policymakers, educators, and employers seeking to support the financial health of studying professionals as they navigate their careers and personal financial journeys.

According to the findings of the study, the personal financial management behavior has significantly effect on financial well-being. The stakeholders should intensify efforts at boosting on their financial behavior in order to gain financial satisfaction, financial confidence and not having financial worry. By practicing good personal financial management behavior of cash and credit management behavior of paying their bills on time, paid of credit balance in full each month and saving and

investment behavior of buying valuable assets such as real estate, gold and saving for a long term goal such as education, car, home) leads to financial security and financial well-being of EMBA students.

In an economic environment characterized by rapid changes with increased financial uncertainty, the ability to make effective and sound personal financial decisions has gained importance. An individual who is financially more literate has the ability to spend wisely and practice good financial management behavior and plan to secure future financial needs to attain improved financial well-being.

### **5.3 Needs for Further Research**

First, this study only analyzes the effect of financial attitude, financial knowledge and locus of control as influencing factors on personal financial management behavior. Thus, further researcher can extend this research by counting the other influencing factors such as financial socialization, socioeconomic status, parents' education level and childhood experience. Some others factors can be effect to the personal financial management behavior of a person. This research study was conducted within the limited time and resources. The survey sample is restricted to business school faculties who are studying under MBA program of Yangon University of Economics. Further research should be carried out by using larger number of respondents. And also further research can be conducted by using different types of respondents.

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# APPENDIX A

## QUESTIONNAIRE

Dear,

As a part of MBA courses, I am doing thesis for my graduation. This survey questionnaire aims to analyze the effects of personal financial management behavior on financial well-being. The information provided by you will be kept highly confidential and used for academic purpose only.

### Section A

Please put a tick in the box next to the answer of your choice.

1. Gender

- Male
- Female

2. Age (Years)

- 20-30
- 31-40
- 41-50
- 51-60
- 60 and above

3. Marital Status

- Single
- Married

4. Occupation

- Own Business
- Private Employee
- Government Staff
- NGOs
- Retire

5. Salary

- 300,000 Ks – 500,000 Ks
- 500,001 Ks – 900,000 Ks
- 900,001 Ks – 1,200,000 Ks
- 1,200,001 Ks – 1,500,000 Ks
- Above 1,500,000 Ks

**Section B**

Please give the response that best describes you.

1=Strongly Disagree 2= Disagree 3= Neutral 4=Agree 5=Strongly Agree

**Financial Attitude**

No	Particular	1	2	3	4	5
1	It is important for me to develop a regular pattern of saving and stick to it.					
2	I should have written financial goals that help me determine priorities in spending.					
3	A written budget is absolutely essential for successful financial management.					
4	Each individual should be responsible for his or her own financial well-being.					
5	Keeping records of financial matters is essential for me.					
6	Financial planning for retirement is necessary for assuring one's security during old age.					
7	It is essential to plan for the possible disability of my wage.					
8	Planning for spending money is essential to successfully managing my life.					
9	Planning for the future is the best way of getting ahead.					
10	Thinking about where I will be financially in 5 or 10 years in the future is essential for financial success.					

### Financial Knowledge

No	Particular	1	2	3	4	5
1	I know about interest rates charged by bank and borrowing rates charged by financial institution.					
2	I know about inflation rate of the country.					
3	Buying merchandise on credit is burden.					
4	I know how to invest my money in buying valuable assets.					
5	Saving should be opened in private banks because of interest payment equity.					
6	Buying unnecessary items is waste of money.					

### Locus of Control

No	Particular	1	2	3	4	5
1	Savings and investments are the key to wealth accumulation.					
2	If I make a plan, I make sure it will work.					
3	Poverty can be eradicated by hard work compared to other things.					
4	A person's financial stability is not based on luck.					
5	I can determine my financial position.					
6	I get what I want because I work hard.					
7	My life is determined by my abilities and actions.					

### Personal Financial Management Behaviors

No	Particular	1	2	3	4	5
1	Comparison shopped when purchasing a product or service					
2	Paid all your bills on time					
3	Kept a record of your monthly expenses					
4	Stayed within your budget or spending plan					
5	Paid of credit balance in full each month					
6	Made only minimum payments on a loan					
7	Began of maintained an emergency saving fund					
8	Saved money from every paycheck					
9	Saved for a long term goal such as a car, education, home					
10	Contributed money to a retirement account					
11	Bought valuable things such as real estate, gold					

### Financial Well-being

No	Particular	1	2	3	4	5
1	I can enjoy life because of the way I am managing my money.					
2	I have money left at the end of the month.					
3	I am satisfied with the amount of money that I am able to save.					
4	I think I will have enough income to live comfortably through future.					

5	I could handle a major unexpected expense very well.					
6	I am securing my financial future.					
7	Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month.					
8	Because of my money situation, I feel like I will never have the things I want in life.					
9	I am concerned that the money I have or will save won't last.					
10	I am behind with my finances.					

Thank you very much for your kind participation

## Appendix B

### Regression Analysis Results for the Effect of Influencing Factors on Personal Financial Management Behavior

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.515 <sup>a</sup>	.265	.245	.3830	.265	13.213	1	110	0.000

a. Predictors: (Constant), Financial Attitude, Financial Knowledge, Locus of Control

b. Dependent Variable: Personal Financial Management Behavior

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.636	1	0.636	17.718	.000 <sup>b</sup>
	Residual	21.380	110	0.194		
	Total	22.016	111			

a. Dependent Variable: Personal Financial Management Behavior

b. Predictors: (Constant), Financial Attitude, Financial Knowledge, Locus of Control

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.986	0.465		2.122	0.000		
	FA	0.329	0.069	0.392	4.770	0.000	0.992	1.008
	FK	0.244	0.079	0.262	3.098	0.002	0.934	1.071
	LC	0.108	0.093	0.098	1.166	0.012	0.940	1.064

a. Dependent Variable: Personal Financial Management Behavior



**Regression Analysis Results for the Effect of Personal Financial Management Behavior on Financial Well-being**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.413 <sup>a</sup>	.185	.178	.48128	0.185	15.371	1	110	0.000

a. Predictors: (Constant), Personal Financial Management Behavior

b. Dependent Variable: Financial Well-being

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.800	1	5.800	25.039	.000 <sup>b</sup>
	Residual	25.480	110	0.232		
	Total	31.280	111			

a. Dependent Variable: Financial Well-being

b. Predictors: (Constant), Personal Financial Management Behavior

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.659	0.371		4.472	0.000		
	PFMB	0.513	0.103	0.431	5.004	0.000	1.000	1.000

a. Dependent Variable: Financial Well-being