

# CORRELATION BETWEEN PARENTAL SOCIALIZATION AND TEACHING AND ATTITUDES TOWARDS INDEBTEDNESS AMONG PORTUGUESE HIGHER EDUCATION STUDENTS

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## 1. Introduction

Young people's attitudes towards money, which include higher education students, is one of the most studied research issues that is part of consumer socialization theme [1] and has been a common cause of concern among economists, psychologists and sociologists for more than three decades [2]. With the emergence of a global consumption culture, money has assumed an increasingly important role in people's lives [3]. Money-related attitudes are learned through the process of socialization established in childhood and maintained throughout adult life [4]. Attitudes and behaviors related to money determine the management and the financial well-being of an individual [5].

## 2. Objective

To analyze the correlation between students' attitudes towards indebtedness and parental teaching and parental socialization.

## 3. Methodology

A study with a cross-sectional design was developed based on an accidental sample of 1290 students aged between 16 and 43 years old. To collect the data, a questionnaire was directly administered during October and November 2016. The questionnaire had questions about socio-demographic, parental socialization, parental teaching and attitudes towards indebtedness. To measure parental socialization and parental teaching, seven variables were used. Parental socialization involves the use of four variables and intended to measure the relation between the perception of parental socialization practices and student's values. Parental teaching used three variables and aimed to measure the parents' role in teaching responsible credit and money management practices. Finally, twelve variables representing negative attitudes (fear of debt) and positive attitudes (debt utility) [5] were used to evaluate students' attitudes towards indebtedness. All variables, except for socio-demographic variables, were classified in a Likert scale of 5 points (1 - totally disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - agree, 5 - totally agree). To analyze the data, it was used the IBM SPSS 24.0 software in order to compute: (1) relative and absolute frequencies for qualitative variables; (2) measures of central tendency and dispersion for quantitative variables; (3) Spearman test to study the correlation between ordinal variables; and (4) Cronbach Alfa to analyze the reliability and the internal consistency of the answers. A significance level of 5% was used.

## 4. Results

As shown in Table 1, the majority of students was female (53.4%), had Portuguese nationality (82.3%), attended an undergraduate course (68.2%), and lived in households of 3 or 4 people (37.4% and 34.9%, respectively) with a monthly income up to 800 Euros (43.7%). The parents had educational qualifications at the level of the 3rd cycle or secondary education (54.1%). The mean age was 20.9 years old (SD = 2.9). The Cronbach Alfa for parental socialization, parental teaching and students' attitudes towards indebtedness was 0.781, 0.818 and 0.700, respectively. The overall Cronbach Alfa was 0.833 (Table 2). That is, the overall reliability of the answers was good. Results regarding parental socialization and parental teaching

dimensions show a good reliability of the descriptors used. The reliability of students' attitudes towards indebtedness dimension descriptors was no more than fair, however within acceptable limits.

Table 1 – Sample's characterization

Variable	Categories	n	%
Sex (N = 1287)	Male	600	46.6
	Female	687	53.4
Nationality (N = 1250)	Portuguese	1029	82.3
	Other	221	17.7
Attended course (N = 1276)	Higher professional technician	293	23.0
	Undergraduate	870	68.2
	Post-graduate/master	113	8.9
Household (N = 1248)	1 person	73	5.8
	2 people	153	12.3
	3 people	467	37.4
	4 people	436	34.9
	5 or more people	119	9.5
Monthly income level (N = 1265)	Less than 450 Euros	150	11.9
	451 to 600 Euros	202	16.0
	601 to 800 Euros	201	15.9
	801 to 1000 Euros	291	23.0
	1001 to 1400 Euros	236	18.7
	More than 1400 Euros	185	14.6
Father's educational level (N = 1264)	Less than 1 <sup>st</sup> cycle	39	23.1
	1 <sup>st</sup> cycle	156	12.3
	2 <sup>nd</sup> cycle	189	15.0
	3 <sup>th</sup> cycle	331	26.2
	Secondary education	353	27.9
Mother's educational level (N = 1283)	Higher education	196	15.5
	Less than 1 <sup>st</sup> cycle	37	2.8
	1 <sup>st</sup> cycle	115	9.0
	2 <sup>nd</sup> cycle	204	15.9
	3 <sup>th</sup> cycle	306	23.9
	Secondary education	388	30.2
	Higher education	233	18.2

Table 2 – Dimensions descriptors reliability

Dimensions	Cronbach Alfa	Reliability
Parental socialization	0.781	Good
Parental teaching	0.818	Good
Students' attitudes towards indebtedness	0.700	Fair
Overall	0.833	Good

Table 3 – Correlation between students' attitudes towards indebtedness and parental socialization and parental teaching

Dimensions	Statistics	Students' attitudes towards indebtedness	Parental socialization	Parental teaching
Students' attitudes towards indebtedness	Spearman's Rho	1.000		
	Sig.	-----		
	N	1199		
Parental socialization	Spearman's Rho	0.135**	1.000	
	Sig.	0.000	-----	
	N	1188	1230	
Parental teaching	Spearman's Rho	0.132**	0.548**	1.000
	Sig.	0.000	0.000	-----
	N	1191	1219	1234

\*\* Significant correlation at a significance level of 0.01%.

## 5. Conclusion

Parental financial behavior, as monthly expenditure monitoring, savings and investments, as well as dialogue with children about how to spend and save money seems to have a positive contribution to students' attitudes towards indebtedness. In spite of that, higher education institutions have a role to play, equally important, in the financial training of the students, independently of the scientific area of training.

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