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Assessment of University Students' Personal Finances Knowledge and Financial Management Skills: Case Study From Kuwait

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Abstract: The paper aims to assess the awareness, knowledge, and experience of university students regarding personal finances. Responses were collected from university students at various public and private sector universities. A total of 148 students were randomly selected for the study and were made to fill out a questionnaire comprising of different questions that assessed their financial acumen. Perceived knowledge of personal finance and financial management skills were measured using a 5-point Likert scale from F (no skill at all) to A (very skillful) on 12 personal finance and management-related items: knowledge of money management skills, type of guidance chosen for financial money management, the presence of financial goals, savings for financial goals, money management approach, ability to distinguish between credit card and debit card, level of understanding of compound interest, the type of knowledge sought to improve personal finances, the importance given to emergency funds, the importance given to retirement savings, the personal finances topic chosen for more learning, and the level of knowledge about personal finances. The scores for the financial management skills were computed, and the results revealed gender differences in the score. Regarding personal finances, students indicated that they needed greater awareness of matters related to money and financial management. The study further found that most students would turn to a family member or friend for general financial money management guidance. It was also revealed that a vast majority of the students had set financial goals for themselves and were saving towards them. Finally, the majority of the students singled out investing as the topic of choice related to personal finances for further learning.

Key words: financial education, financial management skills, personal finance, financial knowledge

1. Introduction

The financial wellness of university students has been a hotly debated topic of late. This is because many university students today are stressed about their finances. This stress comes from a lack of understanding of their education loan agreement and poor financial management skills.

In recent years, the cost of university education has skyrocketed the world over. The situation is unlikely to change anytime soon. Therefore, it has become critical for university students everywhere to learn how to save and spend money wisely, ensuring the effective and efficient use of their financial resources.

Inadequate knowledge of personal finance and financial management skills is a major reason many university

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students abandon their university education halfway through the degree program. Additionally, a lack of personal finance awareness and financial management skills can negatively impact the future success of the students.

This paper examines the awareness, knowledge, and experience of university students regarding personal finances. The purpose of this is to establish surveyed university student's perceived knowledge of personal finance and financial management skills.

2. Objectives of This Study

The main objective of this study is to assess personal finance knowledge and financial management skills among university students.

The other objectives of this research are:

- Establishing the level of knowledge of the students about money management skills
- Finding out the students' preferred option for general financial money management guidance
- Determining what percentage of students have set financial goals for themselves
- Determining what percentage of students are saving towards their goals
- Finding out how the students manage their money or financial resources
- Establishing whether the students can differentiate between a credit card and debit card
- Establishing the level of understanding of the students of the concept of compound interest
- Determining what the students would like to learn about to improve their personal finances
- Determining how much importance the students give to emergency funds
- Establishing how important the students believe saving for retirement to be
- Finding out the topic of choice of the students related to personal finances for further learning
- Determining how the students describe their knowledge about personal finances

3. Literature Review

There has been an increased interest in recent years in the topic of personal finance and related issues, particularly money management. A major reason behind this is that the increased awareness of society about the importance personal finances (Ibrahim, Harun & Isa, 2010).

To discipline students and help them achieve a quality life as adults, it is vital to equip them with money management skills. The spending habits of students in school or university will greatly influence how they manage money throughout their lives. Students must be equipped with personal finances knowledge and financial management skills to help avoid any problems they may face in the future as adults due to a lack of financial literacy (Ibrahim et al., 2010).

While it has always been difficult for students to balance their finances, there is unprecedented debt burden on the current generation of students during and after completion of their studies. The good news is that students can manage their finances better by gaining adequate personal finances knowledge or awareness, budgeting carefully, and having a responsible attitude to debt (Marriot, 2002).

For colleges and universities, the spending habits of students, and subsequent use of debt, are major issues when you consider the relationship between the financial well-being of a student and their overall wellness (Palmer et al., 2010).

When beginning college, students often make bad decisions related to personal finances which make them vulnerable to financial stress (Henry et al., 2001; Grable, & Bagwell, 2003). These decisions are a result of low levels of financial literacy amongst the students (Jumpstart Coalition, 2008; Mandell, 2004).

Previous research shows a strong connection between the level of financial stress in students and their overall wellness. For example, financial difficulties are often reported by college students as the reason behind their depression (Furr et al., 2001). Additionally, how confident students are about their personal finances has been linked to a significant and negative effect on their mental health (Hyun, Quinn, Madon, & Lustig, 2006).

Given their levels of income, students generally have more credit than what is considered appropriate. If students overspend, this can make them increasingly vulnerable to negative financial situations (Chen & Volpe, 1998).

The credit scores of the students suffer when they overspend, mostly with their credit cards, and cannot repay their debts on time. Losses of thousands of dollars have to be incurred by students with poor credit histories as they are required to make bigger payments for home loans, cars loans, and insurance. Additionally, they may find it difficult to get employment (Insurance Information Institute, 2009).

It has been found that more than 80% of students have at least one credit card and that the average number of credit cards possessed by undergraduate students is 4.6 cards (Sallie Mae, 2009). Of these, almost 50% students are revolving a balance by the time they are a senior. Additionally, in the past decade, the average balance has more than doubled (Nellie Mae, 2005).

Financial stress in students, mainly due to overspending and increased debt, has become increasingly common in universities today (Phinney & Haas, 2003). Often, this financial stress causes a decline in academic performance (Pinto et al., 2001; Ross et al., 1999; St. John, 1998). It also contributes to student attrition in colleges as many students leave school to repay their debt by working more hours (Mohr et al., 1998).

Considering the low levels of financial literacy amongst students that leads to increased debt and negative outcomes that cause financial stress, an argument can be made that universities and colleges should provide their students with financial education and tools that help them to increase their personal finances knowledge and acquire the necessary financial management skills (Palmer et al., 2010).

In recent years, there has been increased debate between various stakeholders about whether accounting graduates require a broader set of skills to do well in the accounting profession. While most employers still expect accounting graduates to have strong analytical skills and good knowledge of accounting, they are more interested in the 'business awareness' and real-world financial management skills of the students (Kavanagh & Drennan, 2008).

In a world where economic distress is widespread, household finance has an impact on all members including school and university-going children. However, this provides a great opportunity to teach children and young adults about personal finance and how they can improve their money management skills. While households and some educational institutes are already doing this on a micro level, a comprehensive strategy for educating the youth about personal finances and financial/money management is yet to emerge (McCormick, 2009).

When it comes to savings and consumption, the conventional microeconomic approach of a fully rational and well-informed individual will consume less than their income in times of high earnings, so that they can support consumption when income falls (Lusardi et al., 2014).

In the past, a lot of research has been done on the economics of education. However, the question of how people acquire and deploy financial literacy has not gotten the same level of attention.

However, this has been changing since the past decade as several papers have examined the decision to acquire financial literacy, as well as studied the link between financial knowledge and saving & investment behavior (Delavande et al., 2008; Jappelli & Padula, 2013; Hsu, 2011; Lusardi et al., 2013).

Some individuals are likely to invest in financial knowledge to gain access to higher-return assets. This financial education will help them to identify better-performing assets and/or hire financial advisors who can minimize expenses related to the investment (Delavande et al., 2008).

In an intrahousehold setting, husbands are most likely to seek financial education while the wives will look to increase their financial literacy mainly when it becomes relevant or is necessary (Hsu, 2011).

In a multi-period lifecycle, it is predicted that there will be a strong correlation between financial literacy and wealth over the lifecycle, with both rising until retirement and falling thereafter. It is also suggested that, people in countries with generous Social Security benefits, are less likely to save and accumulate wealth and, in turn, have less reason to invest in financial literacy (Jappelli & Padula, 2013).

In several recent studies, concerns about financial preparedness have been documented that demonstrate that both young and older adults lack the basic knowledge needed to make sound financial decisions (Mandell & Klein, 2009).

For example, many different surveys have found that Americans lack the ability to good financial choices (Chen & Volpe, 1998; Volpe et. al, 1996; Volpe et al., 2006).

As reported in several surveys conducted in the U.S and several other countries, there are substantial differences in financial knowledge by education. Those without a college education are much less likely to be knowledgeable about basic financial literacy concepts ((Lusardi & Mitchell, 2007a, 2011c).

A topic that has been much debated in economics literature is how to interpret the finding of a positive link between education and financial savvy (Lusardi & Mitchell, 2014).

One finding is that the cognitive ability might be the driving force behind the positive correlation (McArdle et al., 2010). This implies that one must control on measures of ability when seeking to parse out the separate impact of financial literacy.

One study did find a positive correlation between financial literacy and cognitive ability among young NLSY respondents, but it also showed that cognitive factors did not fully account for the variance in financial literacy. In other words, there was substantial heterogeneity in financial literacy even after cognitive factors were controlled (Lusardi et al., 2010).

While financial literacy appears to have a positive impact on financial behavior, there is less certainty about the effects of various forms of financial education on financial behavior. For example, mixed results are shown by research on the impact of retirement savings.

One study found that employer retirement seminars increased the participation in and contributions to voluntary savings plans (Bayer et al., 1996). Another study reported a positive effect of retirement seminars on participation in retirement plans. However, the increase in contributions was negligible (Duflo & Saez, 2003).

It was also found that retirement seminars had a positive effect on wealth. However, this effect was found mainly for those will less wealth or education (Lusardi & Mitchell, 2007). Other studies have found that participants in retirement seminars had much better intentions than follow through (Choi et al., 2006; Madrian & Shea, 2001).

Outside of retirement planning, credit counseling tended to improve both borrowing behavior and creditworthiness (Elliehausen et al., 2003). Another study found that pre-purchase counseling programs for potential home buyers decreased delinquency rates (Zorn & Hirad, 2003).

If they didn't get a finance concept for themselves (personal finance) when they were in high school, students are likely to face many problems in university. Problems may include bankruptcy, poor retirement planning, and debilitating debt (Mandell, 2011).

There are several factors affecting personal financial literacy. These include both internal factors (personal characteristics) and external factors (environment). These factors can be further categorized into groups of personal demographic characteristics (Chen & Volpe, 1998; Worthington, 2006; Beal & Delpachitra, 2003; Cude, et al., 2006), social and economic characteristics (Worthington, 2006), financial experience (Mandell, 2001; Peng et al., 2007), financial education (Mandel, 2001; Peng et al., 2007), economic conditions (Worthington 2006), family characteristics (Mandel, 2001; Lusardi et al., 2010) aspirations (Mandel, 2001), and geographic location (Mandel, 2001).

A key part of society, university students are the ones soon that will drive forward the country's economy. After they graduate, they will have to face head on the complexities of adult life and the financial responsibilities that come with it. One of the most important tools and the basic financial capital that the students will have for facing the reality of social life is personal financial literacy. However, the financial education they receive in university is focused on providing them gainful employment. They are not specifically provided financial education that would be very useful when they finish college, begin work, and earn income (Nidar & Bestari, 2012).

In 1996, undergraduate business students were surveyed using an instrument of 23 items that focused primarily on investment knowledge. Findings show a low average literacy score of 44%, with those who majored in business being more knowledgeable on investments than those who did not major in business (Volpe et al., 1996).

It was found by Nellie Mae report (2005) that more than 50% of undergraduate college students possess four or more credit cards in their final year and have an average balance touching almost $3000. Furthermore, just over 20% of the university students with credit cards pay their balances in full each month and 11% pay less than the minimum amount. The average balance was over $999 for 49% of the students, while 7% had balances greater than $7,000.

Lusardi and Mitchell (2006) developed questions related to the understanding of interest compounding and the effects of inflation and risk diversification. They found widespread financial illiteracy that is particularly severe among the elderly, females, and those with limited education.

It is demonstrated by several studies that there is a positive relation between financial literacy and self-beneficial financial behavior.

Hilgert et al (2003) added questions related to financial literacy and financial behavior to the nationwide Survey of Consumer Finances. Based upon behavior in four variables, a Financial Practices Index was formed by them. The four variables included cash-flow management, credit management, savings, and investment practices. With a comparison of the results of this index with scores on the financial literacy quiz, it was found that those who were financially literate had higher Financial Index scores, which indicated that financial knowledge or literacy is related to and how an impact on financial behavior.

It was found in a study on Dutch adults that those with low financial literacy are more likely than others to base their behavior on financial advice from friends and are less likely to invest in stocks (Rooji et al., 2007). Another study found that high school seniors with higher financial literacy scores were less likely than others to bounce a check and more likely to balance their checkbooks (Mandell, 2006).

Discretionary spending has a direct impact on student resources. Decreased discretionary spending results in increased resources available to complete degree requirements, or decreased student loans and associated financial burden following their education. This paper examines how a financial behavior intervention, delivered as a class project, increased awareness of discretionary spending among students and how students' improved awareness of their spending patterns motivated spending behavior changes (Palmer et al., 2010).

Increased financial difficulties that continue into adult life are faced by students who lack financial knowledge such as awareness about personal finances. Incorrect financial decisions are made by students having less financial knowledge and more negative opinions about finances (Chen & Volpe, 1998). It was found that having a low level of financial knowledge limits the ability of a student to make informed decisions.

It was reported that financial literacy among university students and young adults were poor and they lead to various situations where there is increased cost of financing higher education and students have to do part-time jobs to fund their education (Consumer and Financial Literacy (CFL) Treasury Taskforce, 2004).

One study found that the lack of financial literacy in those aged between 18 and 4 was due to a lack of financial education that was offered to them after graduation (Sharma, 2004).

Another study discovered that college students only knew general not specific facts on money management topics that explained their low levels of knowledge in insurance, credit cards, and overall financial management areas (Danes & Hira, 1987).

Many students do not know how to manage their income. Once they have abundance of money, they simply use it out on necessary expenses and some which are not necessary. This spending pattern clearly shows the lacking of financial literacy among students, which need to be changed. We must improve the financial knowledge of our students (Dahlia et al., 2009).

There is a need to start the training from high schools and comprehensively in colleges and universities (Davidson, 2006).

4. Methodology

4.1 Sample

The sample of the study comprised university students in various public and private sector universities. The students were randomly selected for the study and made to fill out an online questionnaire. A total of 148 completed and usable questionnaires were returned by the students.

4.2 Measurements

A self-administered questionnaire was used to collect the data in this study. The questionnaire comprised of different questions that assessed the financial acumen of the students. Perceived knowledge of personal finance and financial management skills were measured for 10 personal finance and management-related items: knowledge of money management skills, type of guidance chosen for financial money management, the presence of financial goals, savings for financial goals, money management approach, ability to distinguish between credit card and debit card, level of understanding of compound interest, the importance given to emergency funds, the importance given to retirement savings, and the level of knowledge about personal finances.

The perceived knowledge of personal finance and financial management skills were measured by asking students to rate on a scale of F (no skill at all) to A (very skillful), provide a Yes or No response, and choose from a list with multiple options/items.

In addition, the instrument was used to gather information about the financial education needs of students. This information was gathered by asking the students to choose the skills they wanted to learn. Students were measured for 2 education needs related items: the type of knowledge sought to improve personal finances and the personal finances topic chosen for more learning.

4.3 Statistical Analyses

A financial skill score was computed by summing the average scores for 10 statements. Similarly, education needs of students were computed by summing the average scores for 2 statements. Mean scores were calculated, to determine the differences in personal finances knowledge/financial management skills and education needs among students.

Although it is not used in the actual survey itself, we have used a 5-Point Likert scale to calculate the mean value for the different factors that measure the personal finances knowledge and financial management skills of the respondents. 1 represents least knowledge and skills while 5 is representative of most personal finances knowledge and financial management skills.

However, not all the questions calculated for mean have been measured out of 5. Some are measured out of 2 and 4. The education needs of the respondents are evaluated based on percentages.

5. Findings

The main finding of the study was that, of the 148 students that were surveyed, 54 (38%) were male while 88 (62%) were females. The study did not look at any other demographic characteristic of the surveyed students.

5.1 Personal Finances Knowledge and Financial Management Skills

Many, if not most, consumers lack the financial literacy necessary to make important financial decisions in their own best interests (Perry, 2008; Braunstein & Welch, 2002). Experts also generally agree that financial knowledge appears to be directly correlated with self-beneficial financial behavior (Hilgert, Hogarth, & Beverly, 2003). This means personal financial satisfaction can be attained through the ability to manage financial resources. For example, Garrett and Maki (2001) showed a positive impact on savings from high school financial education.

However, most of the students have little personal finances knowledge and they suffer from a lack of financial management skills.

Ten items were included in the questionnaire to measure the personal finances knowledge and financial management skills of the respondents. The respondents were measured using a scale from F (no skill at all) to A (very skillful), Yes and No responses, and Multiple-Choice Questions. However, for analysis purpose, we have used a multiple-point Likert scale to record the mean scores for each component of the questionnaire.

The results of the financial/money management skills among university students shows that 20.4% of the respondents (males and females) evaluate themselves as very skillful, 40.8% as skilled, 33.1% as somewhat skilled, 5.6% as having low skill. None of the students evaluated themselves as having no skills at all.

Assessing the financial skills components between male and female students depicted in Table 1 shows that, female students have greater knowledge of money management skills than their male counterparts.

When it comes to making the right choice for money management guidance, male and female students are pretty equal. However, male students seem to have the edge when it comes to financial goals.

Not only do have male students set more financial goals than the female students, but they have also made greater savings towards those goals.

In terms of money management approach, male students tend to do better than female students as more male students have set a budget and keep track of finances as compared to their female counterparts.

Another important finding is that male students have a greater ability to distinguish between credit card and debit card than female students. They also have a higher level of understanding of compound interest than female students.

It was also found that male students are more likely to have emergency funds than female students because they give more importance to them. Male students are also more likely to plan and save for retirement than female students.

Finally, it was seen that more male students perceived their knowledge of personal finance as expert or intermediate than female students.

Overall, the mean comparison analysis showed that male students who took the survey have greater personal finances knowledge and financial management skills than the female students who were part of the study. However, the difference is not too significant to conclude that male students generally have greater personal finances knowledge and financial management skills than their female counterparts.

Table 1 Mean Score of Personal Finances Knowledge and Financial Management Skills

Component	Male	Female
Knowledge of Money Management Skills	3.75/5	3.76/5
Choice of Money Management Guidance	2.01/3	2.01/3
Presence of Financial Goals	1.85/2	1.71/2
Savings for Financial Goals	1.79/2	1.57/2
Money Management Approach	1.77/2	1.71/2
Ability to Distinguish Credit and Debit Card	1.85/2	1.80/2
Level of Understanding of Compound Interest	1.62/2	1.43/2
The Importance Given to Emergency Funds	3.55/4	3.40/4
The Importance Given to Retirement Savings	3.44/4	3.29/4
Level of Knowledge About Personal Finance	2.66/4	2.26/4
Total Mean Score**	24.29	22.94

*Mean was out of 5, 4 and 2, **Total mean was out of 30.

Table 2 Summary of Mean Comparison Analysis of Personal Finances Knowledge and Financial Management Skills Based on Gender

Gender	Mean
Male	24.29
Female	22.94

5.2 Financial Education Needs

Financial education has become critical today due to the growing concerns that many students today are not ill-equipped to take on financial responsibilities/matters in their real-world. In the past few years, many initiatives have been taken (mostly in the form of educational programs) to raise the awareness of students about personal finances and equip them with the financial management skills they need to survive and do well in the real world.

However, statistics back the need for initiating more effective programs. The data collected through this study provide valuable information regarding the education needs of the students.

According to the results depicted in Table 3, the majority of male students want to learn how to invest in improving their personal finances. The second most important topic for male students to improve personal finances is how to save money. Learning to start a small business comes in third place, and how to increase passive income takes the fourth position. Learning how to get rid of debt is the least important topic for learning for male students.

As for the female students, the most important topic for learning to improve personal finances is how to start a small business. How to invest is the second most important topic. How to save money is third, and how to increase passive income comes in fourth place. None of the female students wanted to learn how to get rid of debt.

Another criterion for assessing the education needs of students was the topics they needed more information on. The majority of the male students needed more information on investing, followed by budgeting, then saving, then retirement, and the credit.

As for the female students, most of them seeked more information on investing, followed by saving, then budgeting, then retirement, and then credit.

Table 3 Students' Financial Education Needs

Gender						
	Item	Option 1 and Frequency (%)	Option 2 and Frequency (%)	Option 3 and Frequency (%)	Option 4 and Frequency (%)	Option 5 and Frequency (%)
Male	Topic For Learning to Improve Personal Finances	Start Small Business 24%	How to Invest 30%	How to Save Money 28%	How to Increase Passive Income 16%	How to Get Rid of Debt 2%
Female	-	35%	33%	17%	15%	
Male	Topic for More Information	Saving 11%	Investing 59%	Budgeting 17%	Credit 4%	Retirement 9%
Female		20%	60%	9%	3%	8%

6. Conclusions and Recommendations

Today, governments and policymakers in every part of the world are deeply concerned about the widespread lack of personal finances knowledge and financial management skills. Their concerns are due to the multiple global financial crises that have occurred over the past two decades, most notably the great recession that occurred in the late 2000s.

Ever since the great recession of 2000s, governments in many parts of the world have initiated efforts to fill gaps in personal finance knowledge and financial management skills within their country/region. The efforts are geared towards identifying and then educating people that need knowledge of personal finances and financial management skills the most.

As students tend to gather a lot of debt before they even start their professional careers, many governments and policymakers have identified them as a group that needs to be educated about personal finances and equipped with financial management skills.

Research indicates that students must be equipped with personal finances knowledge and financial management skills to help avoid any problems they may face in the future as adults due to a lack of financial literacy (Ibrahim et al., 2010).

While it has always been difficult for students to balance their finances, there is an unprecedented debt burden on the current generation of students during and after completion of their studies. The good news is that students can manage their debt better by gaining adequate personal finances, knowledge or awareness, budgeting carefully, and having a responsible attitude to debt (Marriot, 2002).

When beginning college, students often make bad decisions related to personal finances which make them vulnerable to financial stress (Henry et al., 2001; Grable, & Bagwell, 2003). These decisions are a result of low levels of financial literacy amongst the students (Jumpstart Coalition, 2008; Mandell, 2004).

Financial difficulties are often reported by college students as the reason behind their depression (Furr et al., 2001). Additionally, how confident students are about their personal finances has been linked to a significant and negative effect on their mental health (Hyun, Quinn, Madon, & Lustig, 2006).

Given their levels of income, students generally have more credit than what is considered appropriate. If students overspend, this can make them increasingly vulnerable to negative financial situations (Chen & Volpe, 1998).

Considering the low levels of financial literacy amongst students that leads to increased debt and negative outcomes that cause financial stress, an argument can be made that universities and colleges should provide their students with financial education and tools that help them to increase their personal finances knowledge and acquire the necessary financial management skills (Palmer et al., 2010).

While households and some educational institutes are already doing this on a micro-level, a comprehensive strategy for educating the youth about personal finances and financial/money management is yet to emerge (McCormick, 2009).

However, this has been changing since the past decade as several papers have examined the decision to acquire financial literacy, as well as studied the link between financial knowledge and saving & investment behavior (Delavande et al., 2008; Jappelli & Padula, 2013; Hsu, 2011; Lusardi et al., 2013).

Some individuals are likely to invest in financial knowledge to gain access to higher-return assets. This financial education will help them to identify better-performing assets and/or hire financial advisors who can minimize expenses related to the investment (Delavande et al., 2008).

If they didn't get a finance concept for themselves (personal finance) when they were in high school, students are likely to face many problems in university. Problems may include bankruptcy, poor retirement planning, and debilitating debt (Mandell, 2011).

There are several factors affecting personal financial literacy. These include both internal factors (personal characteristics) and external factors (environment). These factors can be further categorized into groups of personal demographic characteristics (Chen & Volpe, 1998; Worthington 2006; Beal & Delpachitra, 2003; Cude, et al., 2006), social and economic characteristics (Worthington, 2006), financial experience (Mandell, 2001; Peng, et al., 2007), financial education (Mandel, 2001; Peng et al., 2007), economic conditions (Worthington, 2006), family characteristics (Mandel, 2001; Lusardi et al., 2010) aspirations (Mandel, 2001), and geographic location (Mandel, 2001).

A key part of society, university students are the ones soon that will drive forward the country's economy. However, they are not specifically provided financial education that would be very useful when they finish college, begin work, and earn income (Nidar & Bestari, 2012).

Findings of a study that focused primarily on investment knowledge and surveyed undergraduate business students show a low average literacy score of 44%, with those who majored in business being more knowledgeable on investments than those who did not major in business (Volpe et al., 1996).

Nellie May report (2005) found that more than 50% of undergraduate college students possess four or more credit cards in their final year and have an average balance touching almost $3000. Furthermore, just over 20% of the university students with credit cards pay their balances in full each month, and 11% pay less than the minimum amount. The average balance was over $999 for 49% of the students, while 7% had balances greater than $7,000.

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It was found in a study on Dutch adults that those with low financial literacy are more likely than others to base their behavior on financial advice from friends and are less likely to invest in stocks (Rooji et al., 2007). Another study found that high school seniors with higher financial literacy scores were less likely than others to bounce a check and more likely to balance their checkbooks (Mandell, 2006).

Results from this study show that most students have some knowledge about personal finances and a reasonable level of financial management skills. According to the results, 20.4% of the respondents (males and females) evaluate themselves as very skillful, 40.8% as skilled, 33.1% as somewhat skilled, and 5.6% as having low skill. None of the students evaluated themselves as having no skills at all.

The majority of the students emphasized that learning how to invest was the most important education need for improving personal finances, followed by how to start a small business, how to save money, how to increase passive income, and how to get rid of debt.

Additionally, the students outlined investing as the topic they need more information on, followed by saving, budgeting, retirement, and credit.

Many students do not know how to manage their income. Once they have an abundance of money, they simply use it out on necessary expenses and some which are not necessary. This spending pattern clearly shows the lack of financial literacy among students which need to be changed. We must improve the financial knowledge of our students (Dahlia et al., 2009).

There is a need to start the training from high schools and comprehensively in colleges and universities (Davidson, 2006).

Whether they are initiated at the college/university level or a governmental level, educational programs launched to improve financial knowledge and skills within a region or country by educating students should focus specifically on improving the personal finances knowledge and financial management skills of students in areas that will benefit them in their professional careers and money matters as adults.

Finally, more studies need to be conducted to develop a model of 'personal finances knowledge and financial management skills' based on factors that affect the financial decision making and well-being of students.

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