Money Habitudes For Teens

Citations

Foundational Principle of the Money Habitudes Program:

- The majority of our decisions are emotional, not rational, which is why it's so important to help people discover their emotional triggers.

Reference:

Hewig, J., Kretschmer, N., Trippe, R. H., Hecht, H., Coles, M. H., Holroyd, C. B., & Miltner, W. R. (2011). Why humans deviate from rational choice. *Psychophysiology*, 48(4), 507-514. doi: 10.1111/j.1469-8986.2010.01081.x

Abstract:

Rational choice theory predicts that humans always optimize the expected utility of options when making decisions. However, in decision-making games, humans often punish their opponents even when doing so reduces their own reward. We used the Ultimatum and Dictator games to examine the affective correlates of decision-making. We show that the feedback negativity, an event-related brain potential that originates in the anterior cingulate cortex that has been related to reinforcement learning, predicts the decision to reject unfair offers in the Ultimatum game. Furthermore, the decision to reject is positively related to more negative emotional reactions and to increased autonomic nervous system activity. These findings support the idea that subjective emotional markers guide decision-making and that the anterior cingulate cortex integrates instances of reinforcement and punishment to provide such affective markers. [ABSTRACT FROM AUTHOR]

Lesson 1:

Principle-

- Having a deeper understanding of the meaning of money and why money matters.

Reference:

Supon, V. (2012). Helping Students to Become Money Smart. *Journal Of Instructional Psychology*, 39(1), 68-71.

Abstract:

Being money smart has value that offers individuals skills for a lifetime. "Lawmakers had no way of knowing in 2007 that the U. S. economic situation would be where it is today, making financial education for students now even more crucial than at any other time in recent history" (Black, 2009, p. 1). According to Beverly & Burkhalter (2005, p. 1), financial education or financial literacy is the "knowledge and skills related to money management." With the increased focus on preparing students for high-stakes testing in schools, a reasonable approach to teaching students about being money smart (financial literacy) is through varied instructional methods. It is recognized that the knowledge of money enables "changes in financial behavior" (Johnson & Sherraden, 2007, p. 122). Hence, from early childhood to adulthood, the value of money has significance. "To ensure that students make sound financial decisions as adults, financial education experts contend that schools and families should start fostering financial literacy before the teen years" (Allen, 2009, p. 5). As teachers and educators, we are responsible to enhance learning in our classrooms and prepare students. Therefore, it is necessary to explore the opportunities and strategies to teach students to be money smart. Godfrey (2006) states, "Our children are financially illiterate and unable to inherit the global economy unless we start to educate them in elementary school" (p. 1). [ABSTRACT FROM AUTHOR]

Principle-

- Money illustrates our values and beliefs.

Reference:

Skogrand, L., Johnson, A. C., Horrocks, A. M., & DeFrain, J. (2011). Financial management practices of couples with great marriages. *Journal of family and economic issues*, *32*(1), 27-35.

Abstract:

The purpose of this qualitative study was to learn about financial management practices of 64 self-selected couples from throughout the United States who believe they have great marriages. Three themes emerged from the data. First, for most couples one of the partners handled the day-to-day finances and that required trust and communication. Second, these couples had little or no debt or had a goal of paying off debt. Third, couples lived within their means and were frugal. Other findings described these couples' practices of having joint or separate accounts, how they dealt with financial challenges, and their view of other couples having financial challenges.

Lesson 2:

Principle:

- It's important to learn about your habitudes. Attitudes are our subconscious thoughts and feelings. Habits are our unconscious patterns of behavior that are acquired through frequent repetition over time.

- Money habitudes determine how confident and competent you are with managing your money. They are the result of many messages you received as you were growing up.
- Family has a tremendous influence on your money habitudes.

Reference:

Lai, C. W. (2010). How financial attitudes and practices influence the impulsive buying behavior of college and university students. *Social Behavior and Personality: an international journal*, *38*(3), 373-380.

Abstract:

Impulsive buying behavior has been the subject of a large amount of empirical research, but little research exists that actually examines the significant predictors of impulsive buying behaviors in adolescents. The purpose of this study was to investigate the attitudes of adolescents towards credit and money and the personal financial planning practices they follow, and to examine how these attitudes and practices influenced their impulsive buying behavior. Data were collected from 906 adolescent Taiwanese college and university students. A logistic regression model was used to identify which students were more likely and which were less likely to make impulsive purchases. The significant predictors were the following 8 variables: gender, age, having taken a course in personal finance, use of money as a reward, family of origin, affective credit attitude, cognitive credit attitude, behavioral credit attitude, and money attitude.

Principle-

- Your money habitudes are developed from the time you are very young

Reference:

Grinstein-Weiss, M., Spader, J. S., Yeo, Y. H., Key, C. C., & Freeze, E. B. (2012). Loan Performance among Low-Income Households: Does Prior Parental Teaching of Money Management Matter?. *Social Work Research*, 36(4), 257-270. doi:10.1093/swr/svs016

Abstract:

Financial literacy and financial education play a central role in asset accumulation, shaping individuals' attitudes, behaviors, and decisions in ways that, ultimately, affect their financial and social well-being. The acquisition of financial skills begins with parental teaching and role modeling, which provides children with their first exposure to concepts of saving and money management. Because such parental instruction is crucial to children's later financial outcomes, children whose parents lack basic financial literacy may be further disadvantaged by the absence of financial instruction at home. This study uses a sample of low- and moderate-income homeowners to test the hypothesis that parental teaching of money management influences children's asset-building outcomes in adulthood. The empirical analysis examines the likelihood of delinquency and default among low- and moderate-income homeowners with mortgages purchased through the Community Advantage Program. The results are consistent

with a long-term impact of parental teaching on children's later asset outcomes: greater parental teaching is found to be associated with reduced loan delinquency and foreclosure. Implications for intervention programs to close the financial literacy gap are discussed. [ABSTRACT FROM AUTHOR]

Lesson 3:

Principle-

- Dominant habitudes reflect the way you sub-consciously act and think when it comes to saving, spending, having debt, and dealing with money.

Reference:

CHIEN-WEN, L. (2010). How Financial Attitudes and Practices Influence the Impulsive Buying Behavior of College and University Students. *Social Behavior & Personality: An International Journal*, 38(3), 373-380.

Abstract:

Impulsive buying behavior has been the subject of a large amount of empirical research, but little research exists that actually examines the significant predictors of impulsive buying behaviors in adolescents. The purpose of this study was to investigate the attitudes of adolescents towards credit and money and the personal financial planning practices they follow, and to examine how these attitudes and practices influenced their impulsive buying behavior. Data were collected from 906 adolescent Taiwanese college and university students. A logistic regression model was used to identify which students were more likely and which were less likely to make impulsive purchases. The significant predictors were the following 8 variables: gender, age, having taken a course in personal finance, use of money as a reward, family of origin, affective credit attitude, cognitive credit attitude, behavioral credit attitude, and money attitude. [ABSTRACT FROM AUTHOR]

Principle-

- There are 6 different habitudes

Reference:

Davey, J., & George, C. (2011). Personality and Finance: The Effects of Personality on Financial Attitudes and Behaviour. International Journal Of Interdisciplinary Social Sciences, 5(9), 275-294.

Abstract:

Personality has been found to be associated with attitudes and behaviours in general but limited research has focused on finances. Conscientiousness and extraversion have been shown to affect saving and borrowing behaviours but minimal attention has been paid to how personality affects broader financial matters. This study attempts to rectify this. Utilising a survey, personality profiles and financial habits were established for 269 participants aged from 16 to 71 years, of

whom 46.1% were male. In line with expectations, the results indicated conscientiousness and locus of control to have a profound impact on both financial attitudes and behaviours. Agreeableness, openness, and neuroticism were also found to be important whilst extraversion was shown to impact on regular saving patterns. These results supported the hypothesis that personality has a profound effect upon financial matters. [ABSTRACT FROM AUTHOR]

Lesson 4:

Principle-

- Money habitudes affect our relationships.
- Financial issues are one of the most common sources of conflict between individuals and among families.

Reference:

Dew, J. P., & Stewart, R. (2012). A financial issue, a relationship issue, or both? Examining the predictors of marital financial conflict. *Journal of Financial Therapy*, *3*(1), 4.

Abstract:

This study examines whether financial conflict arises because of financial difficulties, marital problems, or both. Using a recent nationally representative sample of over 1500 married couples, this study finds that economic pressure, communication issues, and deeper "hidden" issues within marriage are all associated with financial conflict. Specifically, economic pressure is positively associated with financial conflict. When spouses report satisfying communication, respect, commitment, and fairness and have equal levels of economic power, they report lower levels of financial conflict. These results suggest that financial conflict is a complex marital phenomenon that both marital therapists and financial counselors may help reduce.

Principle-

- Money habitudes affect our relationships.
- Financial issues are one of the most common sources of conflict between individuals and among families.

Reference:

Atwood, J. D. (2012). Couples and Money: The Last Taboo. *American Journal Of Family Therapy*, 40(1), 1-19. doi:10.1080/01926187.2011.600674

Abstract:

Many Americans are unemployed—13.7 million to be exact. Couples are thrown into financial crisis when their jobs are threatened or lost. Speaking about money in marriage is the last taboo. Couples would prefer to talk about sex or infidelities rather than how they handle family finances or how much money they earn. The purpose of this article is to explore the role of money in relationships. This article is one of several relating to this topic. Historical aspects of attitudes about money in marriage are first explored. The next section, money and childhood, presents material that relates adult attitudes concerning money to childhood definitions that existed in the family and the social culture. Gender differences are crucial to explore in a relationship regarding the meaning of money, and they are presented within a consideration of the social context of marriage, along with the socially constructed roles in marriage. Next, different marital styles regarding money are explored. Current research regarding couples and money is presented throughout the article, indicating the general economic trends in marriage and the resultant effects on the couple's definitions of the meaning of money and the consequential couple behavior. Therapeutic suggestions as well as specific interventions are considered throughout. [ABSTRACT FROM PUBLISHER]

Principle-

- Money habitudes affect our relationships.
- Financial issues are one of the most common sources of conflict between individuals and among families.

Reference:

Kenel, M. E. (2010). FINANCIAL STRESS. *Human Development*, 31(1), 14-21.

Abstract:

The article focuses on financial stress and its effect to American people. It states that during the 2008-2009 economic recessions, majority of Americans particularly women suffer from stress-related physical symptoms. It cites that the recession causes a lot of people to have depressive symptoms and mood disorders which causes them to turn to addictive behaviors such as alcohol abuse and gambling. It mentions that it is important to control spending habits to avoid financial stress.

Principle-

- Money habitudes affect our decision-making.
- The decisions we make about money often have more to do with emotions and relationships than with money itself.

Reference:

Hewig, J., Kretschmer, N., Trippe, R. H., Hecht, H., Coles, M. H., Holroyd, C. B., & Miltner, W. R. (2011). Why humans deviate from rational choice. *Psychophysiology*, 48(4), 507-514. doi: 10.1111/j.1469-8986.2010.01081.x

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examine the affective correlates of decision-making. We show that the feedback negativity, an event-related brain potential that originates in the anterior cingulate cortex that has been related to reinforcement learning, predicts the decision to reject unfair offers in the Ultimatum game. Furthermore, the decision to reject is positively related to more negative emotional reactions and to increased autonomic nervous system activity. These findings support the idea that subjective emotional markers guide decision-making and that the anterior cingulate cortex integrates instances of reinforcement and punishment to provide such affective markers. [ABSTRACT FROM AUTHOR]

Lesson 5:

Principle-

- Habitudes can be changed by intentional choices and commitment based on the strong belief that the change is possible.

Reference:

Quinn, J. M., Pascoe, A., Wood, W., & Neal, D. T. (2010). Can't control yourself? Monitor those bad habits. *Personality and Social Psychology Bulletin*,*36*(4), 499-511.

Abstract:

What strategies can people use to control unwanted habits? Past work has focused on controlling other kinds of automatic impulses, especially temptations. The nature of habit cuing calls for certain self-control strategies. Because the slow-to-change memory trace of habits is not amenable to change or reinterpretation, successful habit control involves inhibiting the unwanted response when activated in memory. In support, two episode-sampling diary studies demonstrated that bad habits, unlike responses to temptations, were controlled most effectively through spontaneous use of vigilant monitoring (thinking "don't do it," watching carefully for slipups). No other strategy was useful in controlling strong habits, despite that stimulus control was effective at inhibiting responses to temptations. A subsequent experiment showed that vigilant monitoring aids habit control, not by changing the strength of the habit memory trace but by heightening inhibitory, cognitive control processes. The implications of these findings for behavior change interventions are discussed.

Principle-

- Making specific, measurable, attainable, relevant, and time-bound goals help us find success and achievement.
- It's much easier to focus toward being successful when you have a goal.

Reference:

Dijksterhuis, A., & Aarts, H. (2010). Goals, attention, and (un) consciousness.*Annual review of psychology*, *61*, 467-490.

Abstract:

In this article, literature from neuroscience, cognitive psychology, and social cognition is integrated to discuss the relation between goals, attention, and consciousness. Goals are the tools with which people engage in volitional behavior. Whereas goal pursuit was traditionally assumed to be strongly related to consciousness, recent research and theorizing suggest that goals guide behavior through attention, and this guidance can occur outside of a person's awareness. The crucial explanatory role of goals and attention in behavior, as well as the relative unimportance of consciousness, is examined in the context of social cognition research on goal priming. Furthermore, three research domains are discussed that are relevant for the understanding of the implementation of volitional behavior: implicit learning, evaluative conditioning, and unconscious thought. It is concluded that these processes are goal dependent and that they need attention, but that they can generally proceed without awareness. Finally, when people are consciously aware of their behavior or their goals, the effects can be beneficial as well as detrimental.