

Chapter 6

Financial Behaviors and Money Beliefs in Educational Sector: Case in the Business and Military Academic Context

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ABSTRACT

This research mainly aims to identify the financial behaviors and money beliefs in a business and military context. These analyses may lead to a partial reduction in the stress experienced by these households, thereby facilitating their focus on military activities and preparing them as entrepreneurs in the civil context. A survey was conducted to gather data about students' preferences and beliefs about money, using Klontz Money Script Inventory. The main findings explained students' attitudes on money that help to accomplish the personal financial goals, that are important to the SME's success.

INTRODUCTION

According to authors such as Carlson et al. (2016) and Luther et al.(1998), there is a limited number of research studies associated with financial topics related to military and business households. These analyses may lead to a partial reduction in the stress experienced by these households, thereby facilitating their focus on military activities and prepare them as entrepreneurs in the civil context. According to Appiah & Agblewornu (2024), there is strong positive association between financial literacy and SMEs' financial performance showing that financial literacy is a crucial requirement for SMEs' success,

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however when people have a wide or strong access to credit the association becomes statistically weak. A situation that is very common among military personnel due to the stability provided by the origin of their monetary resources. Moreover, it can positively impact their well-being and management skills by enhancing financial knowledge. This process is intertwined with these individuals' perception of money management, and consequently, with factors associated with beliefs regarding money, which can be understood through studies aimed at comprehending beliefs about money (B. Klontz et al., 2011). The existence of financial education among university students has been positively associated with higher scores in each of the composite indices of short-term financial behaviors (Henager, 2017). In the case of business and military university students, it is noteworthy that they graduate with significant loan debts, often struggling to manage finances and comprehend the lifelong effects of student loan repayments (Loux, 2021) in other words they can be called financial *homo ignorans* because the individual avoids and dismisses information to maintain a favorable self-image and defend identity-based beliefs (Barrafrem et al., 2024).

At first glance, there is still a gap in field research on financial education and beliefs within the Colombian context, which could further develop and expand on crucial aspects compared to available literature on the subject. Similarly, there is a lack of research direction aimed at enhancing these skills to serve as a foundation for improving money management and financial commitments faced by recent graduates entering military service (Loux, 2021). It is important to clarify that financial behavior and management remain the primary challenge for Micro, Small, and Medium Enterprises (MSMEs), especially among their owners, indicating insufficient knowledge of financial management. Additionally, decisions are often made based on emotions (Agustina & Nurulistanti, 2022). Furthermore, based on other studies, three key aspects can be defined: financial knowledge (education, experience, perception, and opinion; knowledge of products and services; socialization agents), financial attitude (attitude towards money, expenditure, income level), and financial awareness (savings and investment, retirement planning), all crucial for assessing SME strategy to determine its sustainability (Damayanti et al., 2018). The study revealed that the majority of entrepreneurs lack adequate financial knowledge. It found that financial skills, financial knowledge, financial attitude, past experiences, support and guidance, and financial socialization directly influenced levels of financial literacy among entrepreneurs (Polisetty et al., 2021). The results indicated a positive relationship between financial self-efficacy, financial socialization agents, attitude toward money, mindfulness, and financial literacy (Riaz et al., 2022).

Higher levels of student knowledge correlate with improved financial behavior. They trust their ability to make sound financial investments, expecting these investments to generate significant income in the future, thereby shaping their financial behavior. Perceived financial confidence and attitude toward money influence financial behavior. The attitude toward money has successfully mediated the influence of financial education and perceived financial confidence on student financial behavior (Susilowati & Latifah, 2017). Three main types of money attitudes were identified: prestige and power, money management, and goal-oriented attitudes (Henchoz et al., 2019). Measures to foster general solidarity in society and expand financial education programs among entrepreneurs are expected to significantly improve the environment for law implementation (Tanyushcheva & Kunitsyna, 2021).

Financial knowledge and the presence of financial education among military officers have been positively associated with higher scores in each of the composite indices of short-term financial behaviors according to empirical studies conducted on military households (Henager, 2017). Previous studies on the development of applications or technological tools have found that such developments lead to intentions to save more, spend less, and earn more income, thereby significantly improving financial behavior and

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