

## FINANCIAL EDUCATION VS UNIVERSITY PROGRAMS

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**Abstract:** The objective of this research is to analyze the financial literacy knowledge of the Millennials generation. The research method is qualitative-quantitative of correlational type since it consists of identifying the relationship between the independent variable and the dependent variable. The general hypothesis is that limited financial education in curricula affects the financial education of the Millennials. Through the information gathered and the surveys applied it is evident that Millennials generation has no financial knowledge and university curricula's have limited information on financial education.

**Keywords:** Financial Education, Millennials, Educational Programs.

**JEL:** G21, G22, A22, I21, I22

### 1. INTRODUCTION

Currently, there are too many opportunities to have financial plans, mainly in banks, or to have a savings fund so that in the future there will not be financial problems. But the lack of knowledge in young people about financial education is a problem that affects many today, since they do not know how they should be administered. That is why the teaching of financial education in schools is very important for the future preparation of students.

Today it is seen that the Millennials generation does not have enough knowledge in personal finance. They are too involved in other kinds of things. But another important issue is that in universities they do not teach a subject related to financial education, which makes young people ignorant of that knowledge and they do not seek help on the other hand, or simply do not look for it. This causes them to have a bad administration in their life and that they do not have prepared a fund for their future.

In this research, we mainly see the issue of financial education and the limited information in the universities on this subject, in addition to other interrelated topics. The antecedents of the problem are presented which can be appreciated and learn more about Millennials generation and financial education background. In approaching the problem, it is explained more thoroughly and also what are the questions to this investigation, then in the justification that is where can be appreciated the advantages, why is the problem and who will serve them.

Then, in research hypotheses using table 1 which is the deployment of variables and indicators, it is seen the variables of this research and its dimensions and indicators, as well as the general hypothesis and the specific hypotheses, then the research objectives where are set the general objective and the specific objectives. Afterwards, the theoretical framework of the variables that is composed of the conceptual framework, the theoretical framework and the review of the empirical literature. It also shows the contextual framework where are more detailed information of both universities, as well as background and subjects of the career of business administration of both careers, and to finalize this, the point of research methods, the instrument of evaluation used which is a survey, as well as the graphs and finally the results and the conclusion.

Millennials are young people born between 1981 and 2000. Millennials are recognized for having problems in financial education, since their education systems have not taught them this subject. Between 1981 and 1995, technology was not as advanced as it is today, cell phones were just being created, and new advances in technology were being visualized. From 1996 until 2000, technology advanced too much. More advanced cell phones came out, technology made a breakthrough where it started to help the economy and thanks to that, the Millennials generation became an expert in technology.

But one of the characteristics of Millennials is that they have little financial knowledge, which makes them acquire unnecessary debts and according to a study by PriceWaterhouseCoopers (PWC) (Deutsch, 2016) only 24% of the generation has basic financial education and 8 % high financial education. The lack of financial education can put at risk the financial success of the generation, as well as the lack of research to find out what it is, is another problem handled by Millennials generation.

As Lucena & Repullo (2013) recall the need for a better financial education which is related first to the growing complexity of financial markets and products and to the convenience of offering all citizens instruments to make appropriate decisions in the market. Another characteristic is that they are not happy with the personal financial situation, the generation manages little money, and because do not know how to manage it, they begin to acquire debts where they owe more than

they earn, and that makes them have little money. Also as it is not aware of the benefits offered by banks.

## **2. RESEARCH QUESTION**

At the Autonomous University of Sinaloa Mazatlán campus at the Faculty of Economic and Administrative Sciences of Mazatlán and at the University of Guadalajara at the University Center for Economic and Management Sciences, a questionnaire was prepared which showed the little knowledge of financial education of the Millennials generation, and the scarcity of information shown by the educational programs of these two faculties towards young people was also seen. And due to these two negative factors, Millennials attending these two University Centers have little knowledge which can cause problems in their future, since having a good administration of their own makes them have a better quality of life speaking economically.

This problem is really worrying, since as young administrators being of the generation Millennials are characterized by not knowing the world of finance, besides not having the support of the educational programs of the universities, they have a scarce knowledge in personal finances and therefore have problems. With a good education they will understand how money works in the world, how people earn it, how it is invested and what people or institutions do.

So in this research the following questions are posed: What methods should be used so that the Millennials generation knows more about financial education? What is the importance of financial education in personal life? The Millennials generation have any financial education plan?

## **3. RESEARCH OBJECTIVES**

### **A. General objective**

Analyze the financial education knowledge of the Millennials generation.

### **B. Specific objectives**

- 1) Determine which methods should be used so that the Millennials generation knows more about financial education.
- 2) Analyze the importance of financial education in personal life.

## **4. RESEARCH HYPOTHESIS**

Below in table 1 are shown the variables, dimensions and indicators used for this research.

**Table 1**  
**Deployment of variables and indicators**

<i>Types of variables</i>	<i>Identification of the variable</i>	<i>Description of the variable</i>	<i>Dimensions</i>	<i>Indicators</i>
Independent variable	Limited financial education in university study programs	This variable describes how the Millennials generation does not have sufficient knowledge in financial education, therefore they do not have good self-administration	Scarce knowledge Financial culture	Lack of information in the study programs
Dependent variable	Millennials financial education	It is the process by which both consumers and financial investors achieve a better knowledge of different financial products, their risks and benefits, and through information or instruction, develop skills that allow them a better decision-making, which results in greater economic well-being (OECD, 2005).	Financial fragility Saving	Debts Investment

*Source:* Own elaboration

### A. General hypothesis

$$H_A = X_0 \rightarrow Y_0$$

The limited financial education in the study programs affects the financial education of the Millennials.

### B. Specific hypotheses

$$H_1 = X_1 \rightarrow Y_1$$

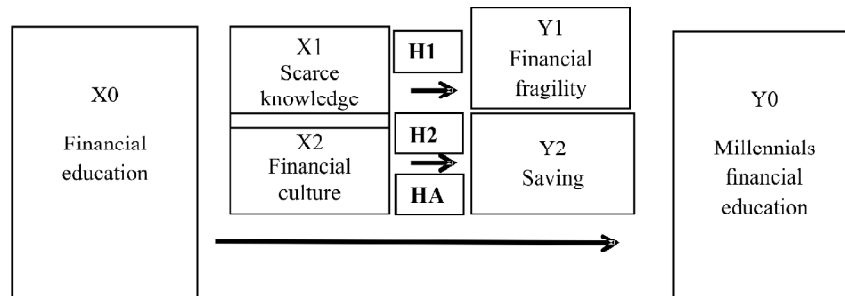
- 1) The limited financial education in the study programs affects the financial fragility of the Millennials.

$$H_2 = X_2 \rightarrow Y_2$$

- 2) The limited financial education in the study programs affects the savings of the Millennials.

A research construct involving the relationships between variables, dimensions and indicators are shown below in figure 1.

**Figure 1:** Development of variables, hypotheses and dimensions



Source: Own elaboration

### 5. RESEARCH METHODS

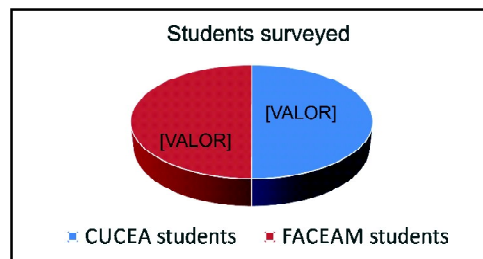
The present investigation has the purpose of providing truthful information where the knowledge of financial education in the Millennial generation of FACEAM and CUCEA is analyzed and also to know the limited information of the study programs that they offer. And knowing that data through a questionnaire that was applied to 40 students of the degree of business administration. As well as describing the impact of variables.

This investigation is a qualitative-quantitative investigation of correlation type since it consists of identifying the relationship between the independent variable and the dependent variable. This research is given by a case study that consists in analyzing the knowledge of financial education of the Millennials generation where surveys were carried out to Millennials generation students in order to know what their knowledge about financial information is, besides the limited information of the study programs in the aforementioned universities.

### 6. ANALYSIS OF RESULTS

Through the application of a survey to the students of CUCEA and FACEAM, the results obtained were made known. 20 CUCEA students and 20 FACEAM students were interviewed.

**Figure 3:** Analysis of students surveyed



Source: Own elaboration

**Analysis:** as can be seen in the previous figure, the sample was fair for both institutions.

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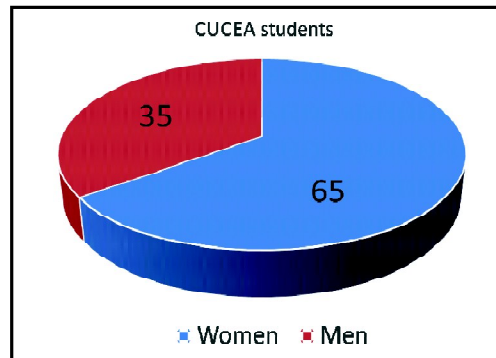
University of Guadalajara  
 Center for Economic and Administrative Sciences  
 Career: Business Administration  
 Group: J-208  
 Total students interviewed: 20

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### Students of CUCEA

From the classroom J-208 20 students were tested both men and women. It was a total of 13 men and 7 women surveyed.

**Figure 4:** Students surveyed in CUCEA



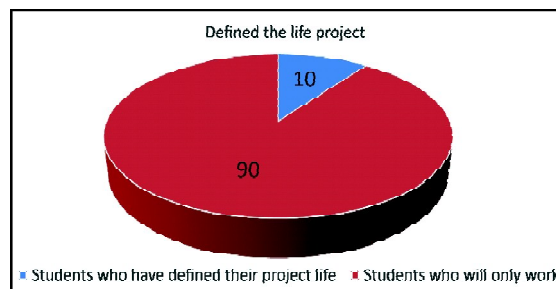
Source: Own elaboration.

**Analysis:** as can be seen in the previous figure, there were more men surveyed than women.

#### 1. How do you define your project or life plan?

90% of CUCEA students have their life project defined, while 10% just want to work.

**Figure 5:** Definition of student life project



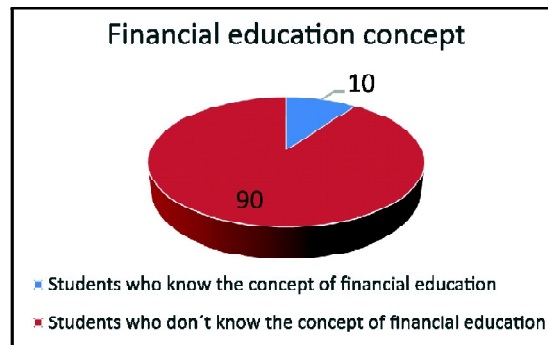
Source: Own elaboration.

**Analysis:** as can be seen in the previous figure, most of the students in CUCEA have their life project defined, although they were not sure about it.

## 2. What is financial education?

90% of CUCEA students know the concept of financial education, while 10% do not know it.

**Figure 6:** Students who know the concept of financial education



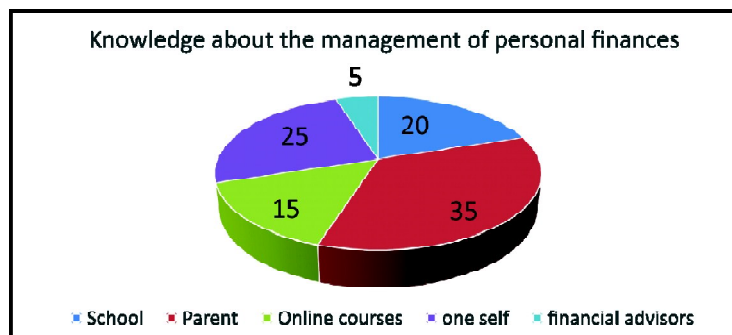
Source: Own elaboration.

**Analysis:** the previous figure shows the limited information that most students have about financial education.

## 3. From whom have you received knowledge about the management of your personal finances?

35% of CUCEA students have been taught personal finances by their parents, 25% by themselves, 20% by school, 15% by online courses, and 5% by financial advisers.

**Figure 7:** Knowledge about the management of personal finances of students.



Source: Own elaboration.

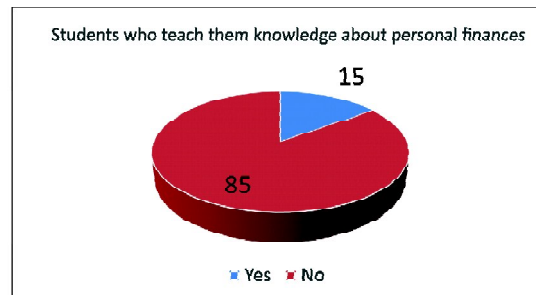
**Analysis:** the previous figure shows how the parents are the ones who have taught the students the most about financial education, while there are few who learned in school.

**4. Are there any subjects in your university study plans that give you knowledge about personal finances?**

**A) YES B) NO**

85% of CUCEA students do not provide them with knowledge about financial education, while 15% say they have subjects where they have been given but with little information.

**Figure 8:** Students who impart knowledge about personal finances.



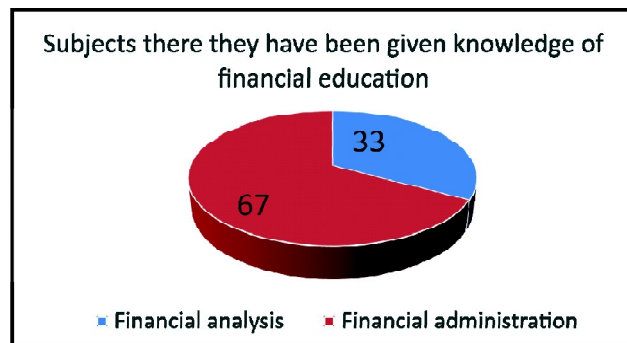
Source: self-made.

**Analysis:** it is shown in the previous figure that their university does not teach them any subject where they are informed about financial education.

**5. What is the name of the subject?**

Of that 15%, 67% take the subject of Financial Administration, while 33% take the subject of financial analysis.

**Figure 9:** Subjects where they have given knowledge of financial education.



Source: Own elaboration.

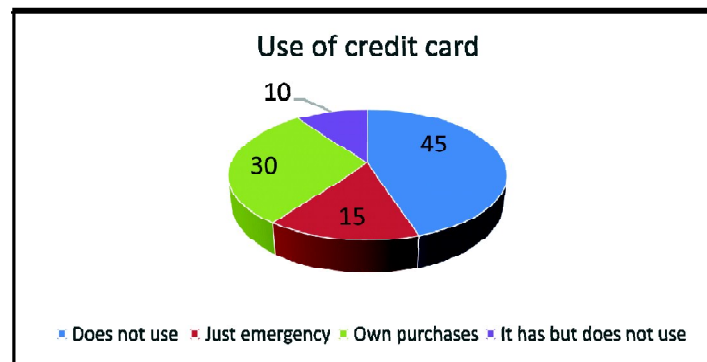


**Analysis:** it can be seen in the previous figure that the little information they have about financial education are in general finance matters.

## 6. How do you use a credit card?

45% do not have a credit card, 30% use it for their own purchases, 15% use it only for emergencies, while 10% use it but do not use it.

**Figure 10:** How students use the credit card.



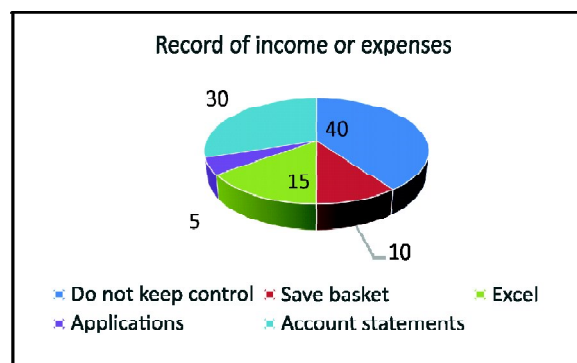
Source: Own elaboration.

**Analysis:** the previous figure shows that almost half of the students surveyed do not use the credit card because they do not have it.

## 7. How do you keep track of your income or expenses?

40% of CUCEA students do not keep track of income or expenses, 30% keep a record through account statements they make themselves, 15% through the Microsoft Excel program, 10% keep the vouchers, while than 5% through an application.

**Figure 11:** Record of income or expenses of students.



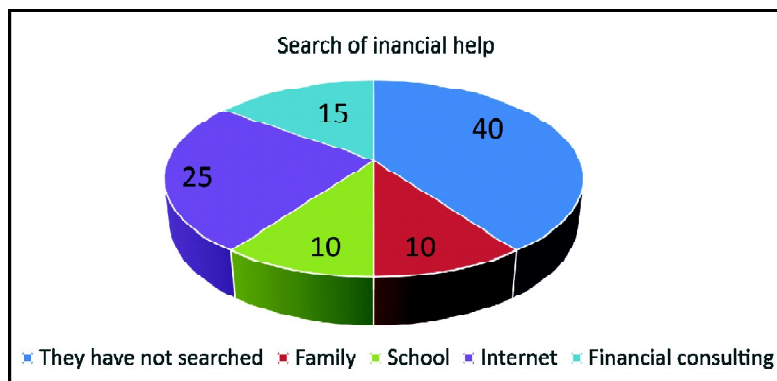
Source: Own elaboration.

**Analysis:** it is shown in the previous figure that a large number of students do not control their expenses.

### 8. Where have you sought financial help?

40% of CUCEA students have not sought financial help, 25% have searched the internet, 15% in financial consulting, 10% in the family, and the other 10% in school.

**Figure 12:** Search for financial aid.



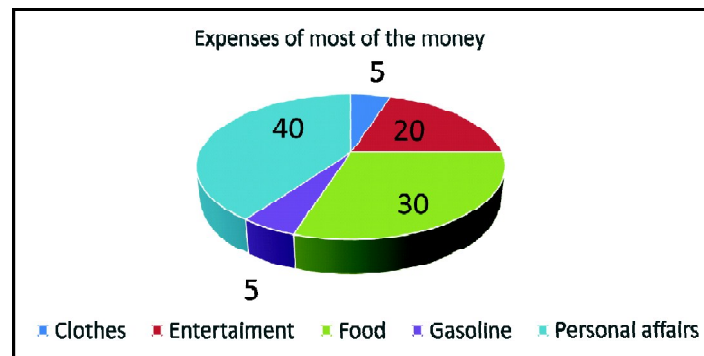
Source: Own elaboration.

**Analysis:** as shown in the previous figure, the students have not sought financial help, they decide to make the transactions themselves.

### 9. In what do you spend most of your money?

40% of CUCEA students spend most of their money on their own matters, 30% on food, 20% on entertainment, 5% on clothes, while the other 5% on gas.

**Figure 13:** Expenses of most of the students' money.



Source: Own elaboration.

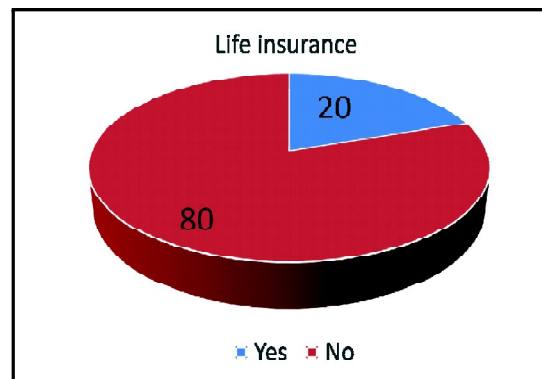
**Analysis:** the previous figure shows how students manage their income.

#### 10. Do you have life insurance?

A) YES B) NO

80% of CUCEA students do not have life insurance, while 20% do have life insurance.

**Figure 14:** Students who have life insurance.



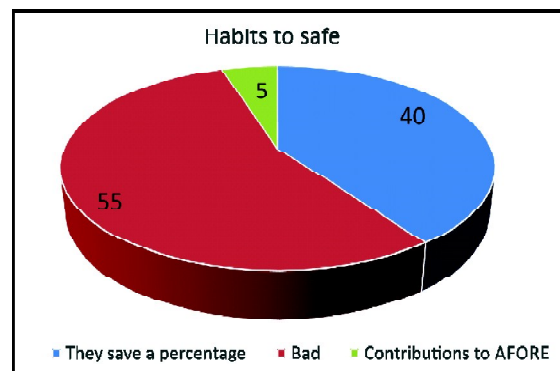
Source: Own elaboration

**Analysis:** the previous figure shows that most students do not have life insurance.

#### 11. How are your habits to save?

55% of CUCEA students have bad savings habits, while 40% save a percentage of their income, and 5% make a contribution to AFORE.

**Figure 15:** Habits to save students.



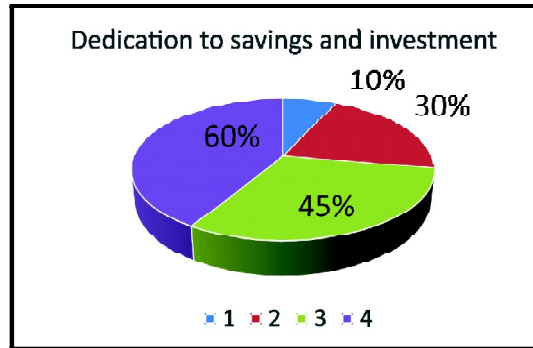
Source: Own elaboration.

**Analysis:** as you can see in the previous figure, it shows the habits to save students.

**12. If you receive personal income, what percentage do you invest in saving?  
From 1-100%**

35% of CUCEA students save 40% of their income, 30% save only 10%, 25% save 60%, while 10% save 30%.

**Figure 16:** Dedication of the students in savings and investment of their income.



Source: Own elaboration.

**Analysis:** in the previous figure it shows the dedication in percentages to savings and investment of the students.

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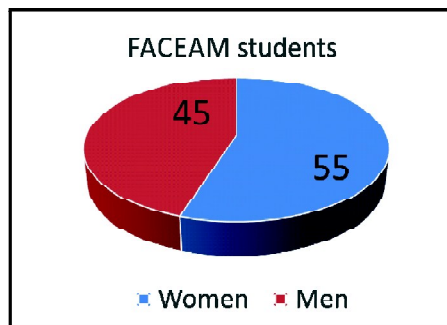
Autonomous University of Sinaloa  
 Faculty of Economic and Administrative Sciences of Mazatlán  
 Career: Business Administration  
 Group: 3-17  
 Total students interviewed: 20

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**FACEAM students**

From room class 3-17, 20 women and men were interviewed. It was a total of 11 women and 9 men.

**Figure 17:** Students surveyed by FACEAM.



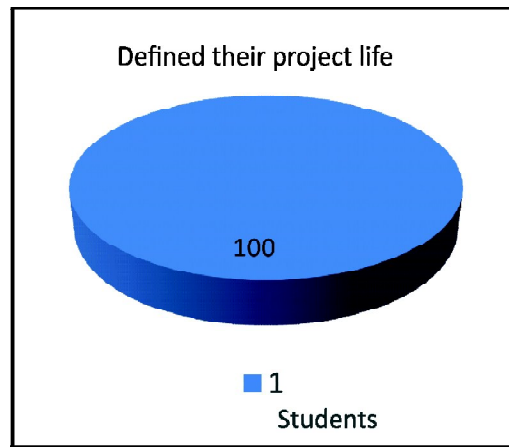
Source: Own elaboration.

**Analysis:** as can be seen in the previous figure, compared to CUCEA, in FACEAM, more women surveyed than men.

### 1. How do you define your project or life plan?

100% of the students of FACEAM have their life project defined.

**Figure 18:** Definition of students' life project.



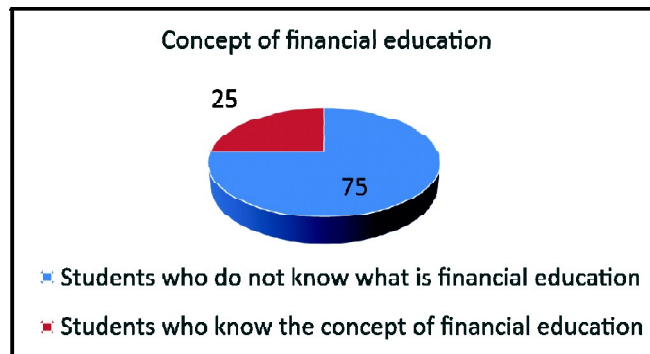
Source: Own elaboration.

**Analysis:** it is shown in the previous figure that all the students surveyed have their life project defined, compared to CUCEA, which only 90% has defined it.

### 2. What is financial education?

25% of students do not know the concept of financial education, however, 75% know the concept of financial education.

**Figure 19:** Knowledge of financial education.



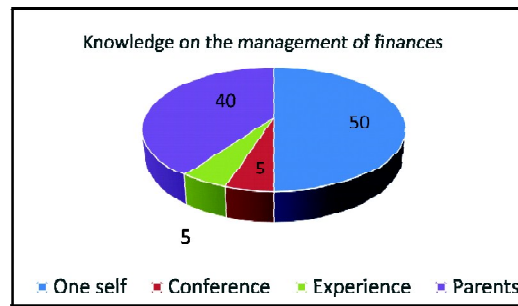
Source: Own elaboration.

**Analysis:** as can be seen in the previous figure, there are fewer FACEAM students who know the concept of financial education than in CUCEA.

**3. From whom have you received knowledge about the management of your personal finances?**

50% of the students have managed their personal finances on their own, while 40% have advised their parents, 5% has been their own experiences and the other 5% have been for conferences that have gone.

**Figure 20:** Knowledge about the management of finances.



Source: self-made.

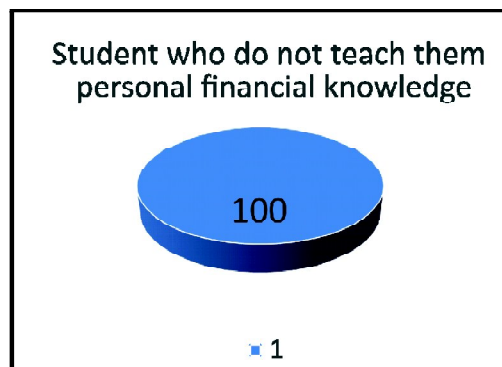
**Analysis:** in the previous figure it is appreciated that it is compared that both universities have been taught by their parents about personal finance management.

**4. Are there any subjects in your university study plans that give you knowledge about personal finances?**

A) YES B) NO

100% answered that they do not have a subject where they impart knowledge of financial education.

**Figure 21:** Students who do not teach them personal finance knowledge.



Source: self-made.

**Analysis:** it is appreciated that they do not teach financial education in their university.

**5. What is the name of the subject?**

100% have a subject currently in general finance, but they do not provide personal finance knowledge.

**Figure 22:** Subject where they have given knowledge of financial education.



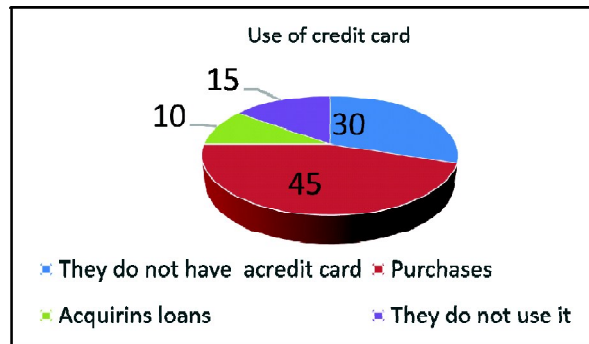
Source: self-made.

**Analysis:** in the previous figure it is appreciated that where they have given the few knowledge of financial education has been in general finances, as in CUCEA.

**6. How do you use a credit card?**

45% of FACEAM students use the credit card for purchases, 30% do not have a credit card, 15% do not use the card, while 10% use it to acquire loans.

**Figure 23:** How students use the credit card.



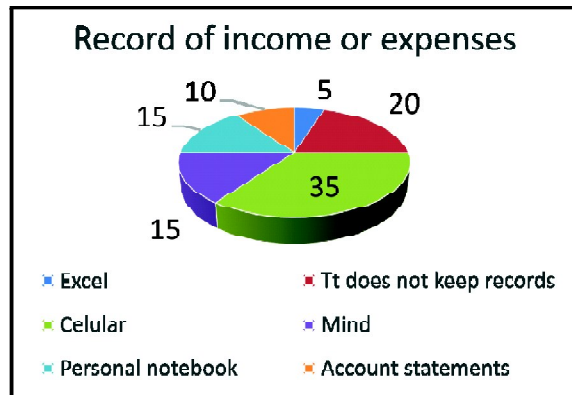
Source: self-made.

**Analysis:** in the previous figure it shows how they use their credit card.

### 7. How do you keep track of your income or expenses?

35% of FACEAM students keep track of their income or expenses on their cell phone, 20% have no record, 15% in their mind, the other 15% in a personal notebook, 10% account statements, while 5% in Excel.

**Figure 24:** Recording of income or expenses of the students.



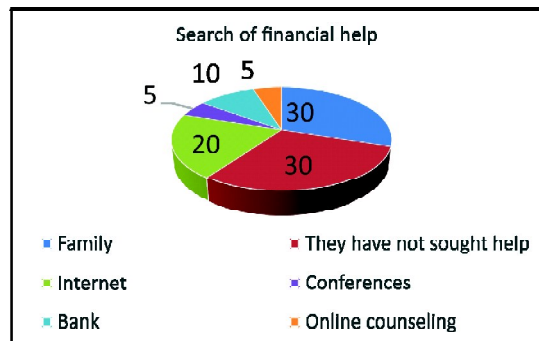
Source: self-made.

**Analysis:** we can see in the previous figure what the students record their income.

### 8. Where have you sought financial help?

30% of FACEAM students have not sought financial help, the other 30% seek help in their family, 20% in Internet, 10% in the bank, 5% in conferences, while the other 5% in online counseling.

**Figure 25:** Search for financial aid



Source: self-made.

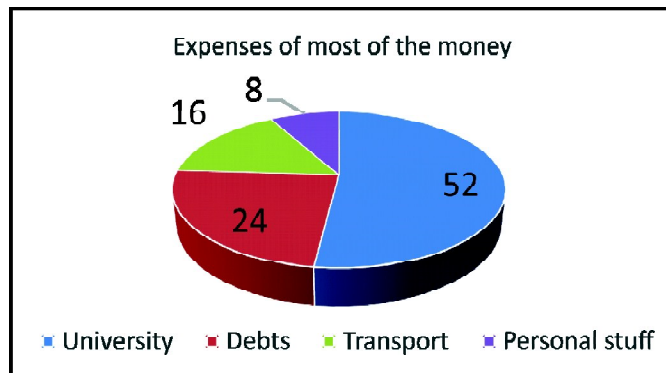


**Analysis:** the places or people where the students seek financial help are shown in the previous figure.

**9. In what do you spend most of your money?**

52% of FACEAM students use their money in college, 24% in debt, 16% 16% in transportation, while 8% in personal things.

**Figure 26:** Expenses of most of the students' money.



Source: self-made.

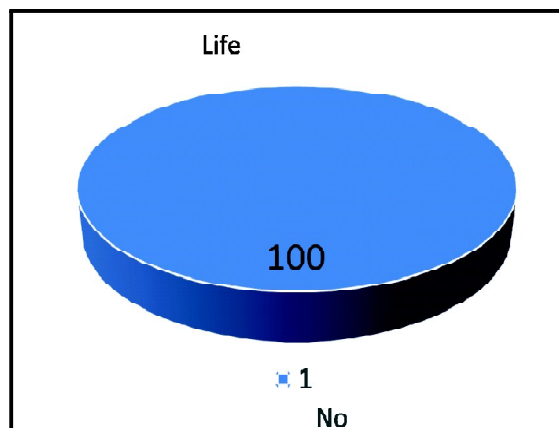
**Analysis:** can be seen in the previous figure where students spend most of their money.

**10. Do you have life insurance?**

A) YES B) NO

100% of FACEAM students do not have life insurance.

**Figura 27:** Students do not have life insurance

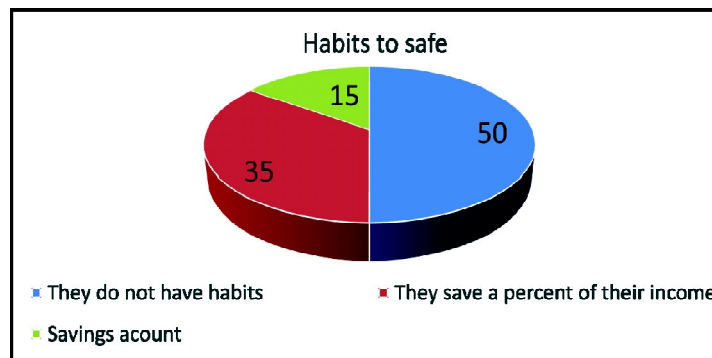


**Analysis:** As shown in the previous image, no student of the respondents has life insurance.

### 11. How are your habits to save?

50% of FACEAM students do not have habits to save, 35% save one percent of their income either weekly, biweekly or monthly, while 15% have a savings account.

**Figure 28:** Habits to save students



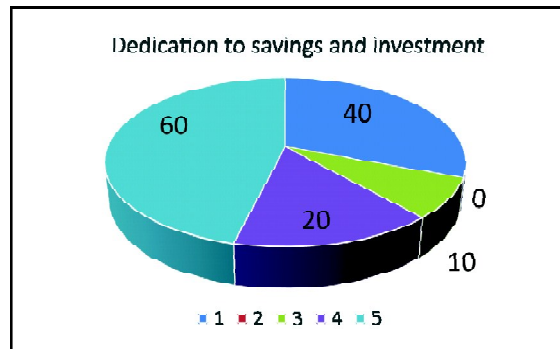
Source: self-made.

**Analysis:** as seen in the previous image you can see how good or bad are the habits of the students of FACEAM.

### 12. If you receive personal income, what percentage do you invest in saving? From 1-100%

30% of FACEAM students save nothing, 25% save 10%, 20% save 40%, the other 20% save 20%, while 5% save 60%.

**Figure 29:** Dedication of students to savings and investment



Source: self-made.

**Analysis:** it can be seen in the previous figure by means of percentages, which is the students' dedication to saving.

## 7. HYPOTHESIS TESTING

### A. General hypothesis $H_A = X_0 \rightarrow Y_0$

The independent variable which is limited financial education in university study programs has a relationship with the depend variable which is Millennials financial education because in the generation Millenials, especially university students have no knowledge about financial education, because they no interesting to investigate about it. Even the university programs do not teach about personal finances, and it is important that the universities teach about it or to have more information in internet or books because university students need it now and they are going to need it in the future for their companies, or in their jobs. Financial education is a big tool for the administration.

The limited financial education in the study programs affects the financial education of the Millennials. By the surveys carried out to the forty students of both universities, in addition to the information gathered, it was possible to verify that there is limited financial education in the Millennials generation, besides that the educational programs do not teach them to carry good personal finances in their life. This situation creates serious problems in the generation of Millennials since they do not have a good administration, which causes that they have many debts and do not have savings for your future.

### B. Specific hypotheses

$$H_1 = X_1 \rightarrow Y_1$$

The limited financial education in the study programs affects the financial fragility of the Millennials. According to the results of this research, it is proven that the Millennials generation does not have a financial education, which is why this affects their financial fragility. As they do not have a correct administration, their generation has many debts and generates many unnecessary expenses.

$$H_2 = X_2 \rightarrow Y_2$$

The limited financial education in the study programs affects the savings of the Millennials. The results of this research prove that the generation of Millennials has no knowledge of financial education, which is why it has no savings in their personal finances, therefore, since they do not have savings, they have the possibility that in a future do not have good personal finances.

The results of this research prove what was said by Rodríguez Martínez (2013) in his findings that there is a lack of knowledge about financial aspects among the students surveyed. Therefore, comparing the results of this research with those of

Rodríguez Martínez, the students, in this case of the Millennials generation, have limited knowledge about financial education. The results of this research verifies what has been said also by Renata Cabrera (2012) that it is very important to know about financial education. Also that nowadays accessibility is easy to know about this subject compared to in the past. Therefore, compared to the results of this research, the Millennials generation does not know about financial education but they have the tools to know more about this topic, an example would be technology.

The results of this investigation prove what was stated by Huchín Flores & Simón (2011), since he mentions that according to his conclusions, some children may get to know more about financial education than others, depending on how much information they have acquired. Therefore, compared to the subtracts of this research, some students of the university know more than others, even if the information is minimal.

### **C. Findings**

The Millennial generation of the Faculty of Economic and Administrative Sciences and the University Center for Economic and Managerial Sciences of the career of business administration, do not have knowledge about financial education. The universities have limited information on financial education. The subjects that the universities teach do not help the students to know about personal finances, which, this means that they do not have the knowledge, some also look for information on the other hand or simply not looking for.

### **D. Contributions**

The theoretical-practical approach allows to combine the documentary research required by the conceptualization and the theoretical framework of this research, so that once the empirical review was made, there are no studies on Financial Education and the limited information in the study programs of the universities in the Millennial generation. In this sense, this research is original and innovative and has a complete and reliable analysis report, supported by graphics, in addition to the surveys applied to students.

The results of this research prove that the generation of Millennials studying the career of business administration do not have the knowledge of financial education, in addition to the study programs of the universities where the research was conducted; the information on financial education is limited.

### **E. Implications**

Universities, careers, and study programs must offer more financial education to all students, but especially to those in the administrative-economic areas. The design of public policy where institutional programs of public bodies should be proposed

that they should offer free advice to young people who can acquire the necessary knowledge in their personal finances management.

The banking and financial institutions of the country should prepare brochures where they adequately explain the proper use of credit cards, in addition to disclosing more about the interest rate, how it is handled, etc. And also make known about their investment funds or savings plans. Young Millennials should take advantage of technological advances to improve their knowledge, since within the technology they can research a lot about financial education.

#### **F. Future research lines**

The continuity of this research should be carried out, not only for the career of administration but for the other careers, to find out what their knowledge of financial education is, and also to know if in their study programs they promote financial education. Also, it is important to investigate in depth why the university academic programs do not provide knowledge of financial education, as it is a knowledge that students require as being part of the generation Millennials. It is a generation focused on entrepreneurship, and lacking this knowledge, they do not know about investment or other things that can help them in the future.

#### **G. Limitations of this research**

The application of the surveys to the students of the University of Guadalajara and the Autonomous University of Sinaloa was limited as being a sample for the whole program. Also, there is limited information from some sources.

#### **H. Recommendations**

- 1) It is important to have an expense control: make a personal budget, know how much to spend both in cash and debt payments, as well as for own expenses.
- 2) Reduce debts: when already paid the debts, an amount of money should be saved.
- 3) Look for a bank where to open a savings account: when saving in a bank, this can generate profits.
- 4) Start saving for the old age: this is a very important fact since in very few cases the pension is insufficient to ensure an income that is similar to the salary.

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