

Re-Examining Gender Differences in Financial Capability

Joyce Serido, University of Arizona¹
Miranda Joseph, University of Arizona²
Sun Young Ahn, University of Arizona³
Ya Hui Kuo, University of Arizona⁴
Emma Garner, University of Arizona⁵

Many consumers are unprepared to make good financial decisions in their own behalf, as they face increasingly complex financial choices (FINRA, 2009). Although the ability to make good financial decisions is essential for all adults, the literature finds a consistent gender gap in financial knowledge, skills, and behaviors. Guided by Bem's (1974) conceptualization of gender as a continuum of personality traits (i.e., *Cognition, Personal Agency, and Psychological Mood*), rather than a dichotomous category (i.e., male, female), this study takes an alternative approach to examining the gender gap in financial capability. The study relies on survey panel-data collected from young adults (N=1,511) during the first year of college (Time 1) and a follow-up survey conducted during their fourth year of study (Time 2) at a major, four-year public university in the United States. The findings provide evidence for two distinct categories at each time point, that differed by gender at Time 1 but not at Time 2. Further, between the two time points, 31% of the men and 34% of the women moved from one cluster to the other. Finally, the time 2 financial behaviors of students in the first cluster (higher averages in cognitive ability, personal agency, and positive psychological mood) were higher compared to students in the second cluster.

References

- Bem, S. L. (1974). The measurement of psychological androgyny. *Journal of Consulting and Clinical Psychology, 42*, 155–162.
- FINRA Investor Education Foundation (2009). Financial Capability in the United States: National Survey—Executive Summary. Washington, DC. Retrieved on April 23, 2013 at <http://www.finrafoundation.org/web/groups/foundation/@foundation/documents/foundation/p120535.pdf>

Acknowledgements

Funding for this research was provided by The National Endowment for Financial Education (NEFE), the Citi Foundation and the Take Charge America Institute at the University of Arizona.

¹ The Norton School of Family & Consumer Sciences, 650 N. Park Avenue, Tucson AZ 85621-0078. Phone: 520-621-5820. Email: jserido@email.arizona.edu

² Department of Gender & Women's Studies, 925 N. Tyndall Avenue, Tucson, AZ 85721-0438. Phone: 520-621-5839. Email: mirandaj@email.arizona.edu

³ The Norton School of Family & Consumer Sciences, 650 N. Park Avenue, Tucson AZ 85621-0078. Email: syahn@email.arizona.edu

⁴ The Norton School of Family & Consumer Sciences, 650 N. Park Avenue, Tucson AZ 85621-0078. Email: yahuikuo@email.arizona.edu

⁵ The Norton School of Family & Consumer Sciences, 650 N. Park Avenue, Tucson AZ 85621-0078. Email: ekgarner@email.arizona.edu