

The influence of positive affect in the relations between self-esteem, job search self-esteem and career adaptability of undergraduate Korean students

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Abstract

This study examines the influence of positive affect in the relations between self-esteem, job search self-esteem and career adaptability. Specifically, building on research in the area of positive psychology, we developed a model and tested the extent to which positive affect moderated the relations between self-esteem and job search self-esteem, and in the relations between job search self-esteem and the four sub-dimensions of the career adaptability scale namely, concern, control, curiosity and confidence. Based on the responses from 258 undergraduate university students from South Korea, the findings show that self-esteem is positively linked to job search self-esteem, while the job search self-esteem is positively linked to career adaptability and each of the sub-dimensions- concern, control, curiosity and confidence. Moreover, the effect of job search self-esteem on concern and control was moderated by students' positive affectivity. The findings contribute to the positive psychology. Practical implications and limitations of the study will be provided.

Introduction

Research interest on students' career planning and preparation for transition from college-to-work has not waned. Numerous scholars investigated constructs related to career planning including self-esteem, interest, motivation, abilities, career planning, career adaptability, ability to use information technology, ability to show initiative and to learn new skills among others (e.g., de Wind et al., 2015; Holton, 1999; Levinson and Palmer, 2005) - whether using student sample, adults, or employees near the retirement age. However, few scholars examined the link between job search self-esteem, career adaptability and the moderating role of positive affect together. These constructs are relevant in successful transition to workplace.

Career adaptability is a useful concept to evaluate an individual's strength, which enables self-preparation for future occupational changes (Savickas & Porfeli, 2012), help job candidates to fit into their work environment and manage the career changes and challenges successfully (Savickas, 1997; Zacher et al., 2015). Career adaptability is a psychosocial resource. On the other hand, positive affect is a recent positive psychology concept used in applied psychology and research in developing theory (Luthans & Youssef, 2007).

Building on research in the area of positive psychology, this study proposed a set of hypotheses between self-esteem and job search self-esteem, and explores the relations between job search self-esteem and the four sub-dimensions of the career adaptability scale namely, concern, control, curiosity and confidence. In addition, we proposed an interaction between positive affect and job search self-esteem in predicting concern, control, curiosity and confidence. Previous scholars has shown that affect can influence performance, job outcomes, and situation factors (e.g., Kaplan, Bradley, Luchman, & Haynes, 2009; Lin et al., 2011; Shaw, Duffy, Abdulla, & Singh, 2000). Thus, we examined the moderating influence of positive

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affect in the relationship between job search self-esteem and career adaptability. Based on the literature, we proposed nine hypotheses, with four hypotheses testing the moderating effect.

Our study contributes to the literature in two ways. First, this study provide a deeper insight of South Korean students' self-esteem, job search self-esteem, and their career adaptability. We validated the usefulness of the career adaptability scale (CAAS, Savickas & Porfeli, 2012) and the earlier work by the Korean scholars also. Second, the study contributes to the broader positive psychology literature by identifying the moderating impact of positive affect on the jobs search self-esteem-career adaptability link. The findings can be useful for counsellors. Future researchers can continue building on the positive affect on the school-to-work transition.

Methodology

Respondents and procedure

This study adopted the quantitative research approach to collect data. Convenience sampling method was used. The target respondents for this study were the senior students (fourth year university students) studying in South Korea. Responses were collected through an online survey conducted by a large online panel provider from 30 September to 11 October 2017, which yielded a total of 258 valid responses that were used in the study. The respondents were 124 male and 134 female and their age ranges from 22 to 29 years old.

Measurement tools

Global Self-esteem (GSE)

Self-esteem was assessed using ten items from Rosenberg's (1965) scale. A 4-point scale ranging from "strongly disagree" (value 0) to "strongly agree" (value of 3) was used. A sample item is: "I feel that I have a number of good qualities." Cronbach's alpha for this scale was 0.90 (Rosenberg, 1965).

Job Search Self-esteem (JSSE)

Job search self-esteem was assessed using ten items from Ellis (1983) scale. A 5-point scale ranging from "strongly disagree" (value 0) to "strongly agree" (value of 3) was used. A sample item is: "I doubt that I will be able to locate as many job openings as other students like me in the job market. (r)."

Career adaptability

Career adaptability (CA) was assessed with the 24 items in the Career Adaptability Scale (CAAS; Savickas & Porfeli, 2012). A 5-point Likert scale (1=Not Strong; 5=Strongest) was used. The CAAS has four subscales. A sample item is: Thinking about what my future will be like. The internal consistency reliabilities of all the scales are as follows: concern ranged from 0.79 to 0.92, control ranged from 0.64 to 0.89, curiosity ranged from 0.71 to 0.91, confidence ranged from 0.74 to 0.93, and CA ranged from 0.89 to 0.97 in various studies (Chan & Mai, 2015; Hou et al., 2012; Savickas & Porfeli, 2012). The stated consistency for the CAAS-International scale was 0.92 (Savickas & Porfeli, 2012).

Positive Affect

Positive affect was measured using 3 items from the positive and negative affect schedule (PANAS) developed by Watson, Clark, and Tellegen (1988). Respondents were asked to rate on a 5-point scale (1= Very little or not at all; 5= Very much) on the extent to which they generally experienced each mood state. The items were: "Happy," "Excited," and "Enthusiastic" The internal consistency reliabilities of all the scales is .84 (Watson et al. (1988) and it was 0.85 (Lin et al., 2011).

Data analysis

The data was analyzed using SPSS and AMOS.

Results and Conclusion

The coefficient alpha for all the scales range from 0.717 to 0.911, indicating that the scales can be used for further analysis. Among the nine hypotheses proposed, seven were accepted. Two hypotheses

testing the moderating effect of positive affect that were rejected – relates to job search self-esteem and curiosity and job search self-esteem and confidence.

Future research may want to verify the results of this study. Future research should also consider collecting longitudinal data to determine whether the moderating effect of positive affect on job search self-esteem on concern and control will remain, or disappear over the longer term (i.e., after graduation, and when the respondents change jobs). Such findings could expand the knowledge based on positive psychology as well.

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Financial Education, Marital Status and Consumer Life Subjective Wellbeing**Fuzhong Chen**

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Abstract

Using data of household consumer finance in China's urban residents in 2012, this paper investigates the impacts of financial education and marital status on consumer life subjective wellbeing. The results indicate that consumer who considers financial education to be of importance feels more satisfied, and if consumer pays more time and money on financial education, they will feel more satisfied as well. In addition, higher education level with having learned about financial and economic knowledge rather than lower education level positively contributes to consumer life subjective wellbeing. For marital status, good marital situation rather than no marriage or divorce is positively associated with life subjective wellbeing. The results are informative for consumer policy makers and investment institutions to develop effective policies and financial education programs to help improve consumer life subjective wellbeing.

Keywords: Financial Education, Marital Status, Consumer Life Subjective Wellbeing, Ordered Probit Regression

1. Introduction

This study contributes to the literature of life subjective wellbeing by exploring the role of consumer financial education that is an important variable for consumer to improve their quality of life. This study also contributes to the literature of consumer different marital status on life subjective wellbeing. Consumers that are of different marital situation and financial education may have different feelings on life subjective wellbeing. This can be informative for consumer policy makers and investment institutions to develop effective policies and financial products to help improve consumer life subjective wellbeing.

2. Hypothesis

According to prior studies, hypotheses proposed in this paper are given as follows:

H1 Given economic resource and other control variables, consumer with good marital status is positively associated with life subjective wellbeing.

H2 Given economic resource and other control variables, consumer holding the importance of financial education feels more satisfied.

H3 Given economic resource and other control variables, inputting more in financial education, including time and money, is positive to consumer life subjective wellbeing.

H4 Given economic resource and other control variables, consumer with high education level and having learned about financial and economic knowledge feels more satisfied.

3. Method and Data Description

The data was collected from the survey data of household consumer finance in China's urban residents in 2012, and published by the China Financial Research Center of Tsinghua University (CCFR). The sample was distributed in 24 cities across the country. The respondents were all over the age of 25. The survey involved family assets and liabilities, income and expenditure, financial planning, financial education and so on. In order to avoid systematic errors caused by the inconsistency between questionnaires among members in the family, this paper mainly adopts the questionnaire survey data of each household. Based on this, we get 3122 effective samples. The questionnaire includes the basic information of the family members, the situation of the interviewees' financial education and the subjective attitude. Thus, it lays the foundation for the smooth development of this study.

Consumer life satisfaction is a subjective indicator that reflects the attitude of respondents. Therefore, this paper mainly adopts the subjective answer of "life satisfaction" to measure the level of life satisfaction of consumers. In the questionnaire, this paper mainly measured the life satisfaction of the respondents through the respondents' degree of life satisfaction (1-10 points rating system, 1= was very unsatisfied, 10= was very satisfied). According to the questionnaire answer, 8.46% of the consumers were very satisfied, 31.90% of the 8 points and 9 points of satisfaction, 41.90% of the 5-7 degree of satisfaction, 15.63% of the 2-4 degree of satisfaction, and 2.11% of the consumers were very unsatisfied.

To estimate accurate results, ordered probit regression was used in this paper. Meanwhile, to confirm the robustness, this paper replaced the independent variable by consumer reporting life subjective wellbeing by last year to estimate the equations again, and ordered logit regression was employed as well.

4. Empirical Results

Table 1: Results of regression on consumer subjective wellbeing by OLS

	(1) lswb	(2) lswb	(3) lswb	(4) lswb	(5) lswb
male	-0.1823** (0.0812)	-0.1793** (0.0811)	-0.1889** (0.0807)	-0.1957** (0.0808)	-0.1928** (0.0806)
age1	-1.7562** (0.8560)	-1.7906** (0.8551)	-1.7616** (0.8511)	-1.7826** (0.8519)	-1.7960** (0.8498)
age2	-1.9600** (0.8565)	-1.9867** (0.8555)	-1.9667** (0.8516)	-1.9740** (0.8524)	-1.9890** (0.8502)
age3	-1.7059** (0.8640)	-1.7395** (0.8631)	-1.6922** (0.8591)	-1.7093** (0.8599)	-1.7184** (0.8577)
age4	-1.7714** (0.8822)	-1.8010** (0.8812)	-1.7109** (0.8772)	-1.7771** (0.8780)	-1.7490** (0.8759)
marriage_1	0.2441** (0.1108)	0.2351** (0.1108)	0.2454** (0.1102)	0.2218** (0.1104)	0.2269** (0.1102)
marriage_3	-0.0072 (0.3488)	-0.0322 (0.3485)	-0.0476 (0.3469)	-0.0850 (0.3474)	-0.0955 (0.3466)
edumid	0.2774** (0.1170)	0.2720** (0.1169)	0.2230* (0.1167)	0.2411** (0.1167)	0.2144* (0.1165)
eduhigh	0.6340*** (0.1573)	0.6219*** (0.1572)	0.5534*** (0.1570)	0.5446*** (0.1574)	0.5179*** (0.1571)
hsize	-0.0701** (0.0333)	-0.0682** (0.0333)	-0.0821** (0.0332)	-0.0772** (0.0332)	-0.0816** (0.0332)
incomelevl	0.2467*** (0.0210)	0.2409*** (0.0211)	0.2311*** (0.0211)	0.2271*** (0.0212)	0.2208*** (0.0212)
incomesta	0.1076*** (0.0138)	0.1062*** (0.0138)	0.1084*** (0.0137)	0.1083*** (0.0137)	0.1077*** (0.0137)
house_yes	1.0009*** (0.1288)	0.9912*** (0.1287)	0.9407*** (0.1284)	0.9536*** (0.1284)	0.9248*** (0.1283)
havebuss	0.4038*** (0.0778)	0.3963*** (0.0778)	0.3449*** (0.0780)	0.3397*** (0.0783)	0.3205*** (0.0782)
fiptan		0.1459*** (0.0509)			0.0890* (0.0516)

feduinptm			0.2840*** (0.0470)		0.2050*** (0.0533)
feduinptt				0.1791*** (0.0325)	0.1012*** (0.0372)
_cons	4.6062*** (0.9253)	4.2467*** (0.9327)	4.3750*** (0.9208)	4.4429*** (0.9214)	4.1277*** (0.9273)
<i>Regional fixed effect</i>	Yes	Yes	Yes	Yes	Yes
<i>N</i>	3122	3122	3122	3122	3122
<i>adj. R²</i>	0.1232	0.1253	0.1332	0.1315	0.1360

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ **Table 2: Results of regression on consumer subjective wellbeing by Ordered Probit regression**

	(1) lswb	(2) lswb	(3) lswb	(4) lswb	(5) lswb
male	-0.0775* (0.0406)	-0.0759* (0.0406)	-0.0819** (0.0406)	-0.0851** (0.0407)	-0.0837** (0.0407)
age1	-0.7902* (0.4275)	-0.8107* (0.4276)	-0.7967* (0.4276)	-0.8079* (0.4276)	-0.8179* (0.4277)
age2	-0.8924** (0.4277)	-0.9085** (0.4278)	-0.9000** (0.4279)	-0.9040** (0.4278)	-0.9148** (0.4279)
age3	-0.7703* (0.4314)	-0.7907* (0.4315)	-0.7661* (0.4315)	-0.7763* (0.4315)	-0.7839* (0.4316)
age4	-0.7916* (0.4410)	-0.8088* (0.4410)	-0.7605* (0.4412)	-0.7965* (0.4411)	-0.7827* (0.4412)
marriage_1	0.1300** (0.0554)	0.1250** (0.0555)	0.1313** (0.0554)	0.1189** (0.0555)	0.1216** (0.0555)
marriage_3	0.0665 (0.1752)	0.0529 (0.1753)	0.0485 (0.1755)	0.0268 (0.1754)	0.0228 (0.1756)
edumid	0.1084* (0.0586)	0.1056* (0.0586)	0.0795 (0.0587)	0.0896 (0.0587)	0.0751 (0.0588)
eduhigh	0.3007*** (0.0790)	0.2944*** (0.0790)	0.2600*** (0.0793)	0.2557*** (0.0794)	0.2424*** (0.0795)
hsize	-0.0335** (0.0167)	-0.0324* (0.0167)	-0.0403** (0.0167)	-0.0374** (0.0167)	-0.0399** (0.0167)
incomelevl	0.1227*** (0.0107)	0.1196*** (0.0107)	0.1151*** (0.0107)	0.1129*** (0.0108)	0.1098*** (0.0108)
incomesta	0.0568*** (0.0070)	0.0561*** (0.0070)	0.0576*** (0.0070)	0.0574*** (0.0070)	0.0573*** (0.0070)
house_yes	0.4859*** (0.0645)	0.4807*** (0.0646)	0.4567*** (0.0647)	0.4633*** (0.0647)	0.4487*** (0.0647)
havebuss	0.2177*** (0.0390)	0.2139*** (0.0391)	0.1876*** (0.0393)	0.1849*** (0.0395)	0.1753*** (0.0395)
fiptan		0.0848*** (0.0255)			0.0553** (0.0260)
feduinptm			0.1557*** (0.0238)		0.1145*** (0.0270)
feduinptt				0.0957*** (0.0164)	0.0519*** (0.0188)
<i>Regional fixed effect</i>	Yes	Yes	Yes	Yes	Yes
<i>N</i>	3122	3122	3122	3122	3122
<i>Pseudo R²</i>	0.0332	0.0340	0.0364	0.0357	0.0375

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ **Table 3: Results of the impact of financial education interacted with education level on consumer life subjective wellbeing**

	(1) lswb	(2) lswb	(3) lswb	(4) lswb
male	-0.1834**	-0.1766**	-0.0780*	-0.0746*

	(0.0812)	(0.0813)	(0.0406)	(0.0406)
age1	-1.7190**	-1.6987**	-0.7734*	-0.7645*
	(0.8563)	(0.8564)	(0.4274)	(0.4273)
age2	-1.9316**	-1.9047**	-0.8793**	-0.8672**
	(0.8568)	(0.8569)	(0.4277)	(0.4276)
age3	-1.6950**	-1.6748*	-0.7639*	-0.7552*
	(0.8644)	(0.8646)	(0.4314)	(0.4314)
age4	-1.7562**	-1.7461**	-0.7822*	-0.7779*
	(0.8826)	(0.8829)	(0.4409)	(0.4410)
marriage_1	0.2368**	0.2317**	0.1269**	0.1245**
	(0.1109)	(0.1109)	(0.0554)	(0.0554)
marriage_3	0.0087	-0.0047	0.0756	0.0707
	(0.3488)	(0.3489)	(0.1750)	(0.1751)
midcoedu	0.1351*		0.0544	
	(0.0782)		(0.0391)	
highcoedu	0.5153***		0.2609***	
	(0.1428)		(0.0719)	
hsize	-0.0698**	-0.0676**	-0.0333**	-0.0324*
	(0.0334)	(0.0334)	(0.0167)	(0.0167)
incomelevl	0.2541***	0.2553***	0.1257***	0.1262***
	(0.0207)	(0.0207)	(0.0105)	(0.0105)
incomesta	0.1069**	0.1077***	0.0565***	0.0568***
	(0.0138)	(0.0138)	(0.0070)	(0.0070)
house_yes	0.9971***	1.0002***	0.4838***	0.4843***
	(0.1290)	(0.1290)	(0.0646)	(0.0646)
havebuss	0.3830**	0.3889**	0.2088**	0.2116**
	(0.0779)	(0.0778)	(0.0390)	(0.0390)
midfinedu		0.1227		0.0564
		(0.0773)		(0.0386)
highfinedu		0.5069***		0.2562***
		(0.1518)		(0.0763)
_cons	4.7058***	4.7001***		
	(0.9246)	(0.9249)		
<i>Regional fixed effect</i>	Yes	Yes	Yes	Yes
<i>N</i>	3122	3122	3122	3122
<i>adj. R²</i>	0.1223	0.1219	0.0330	0.0329

Table 4: Robustness Check

	(1) lswb	(2) Lswb1	(3) Lswb1	(4) lswb	(5) Lswb1
male	-0.0837**	-0.1467*	-0.0570	-0.1398**	-0.0847
	(0.0407)	(0.0835)	(0.0406)	(0.0696)	(0.0691)
age1	-0.8179*	-1.7378**	-0.7637*	-1.4245**	-1.2491*
	(0.4277)	(0.8794)	(0.4264)	(0.6624)	(0.6554)
age2	-0.9148**	-1.9049**	-0.8406**	-1.5858**	-1.3575**
	(0.4279)	(0.8799)	(0.4266)	(0.6628)	(0.6572)
age3	-0.7839*	-1.6723*	-0.7372*	-1.3442**	-1.1697*
	(0.4316)	(0.8877)	(0.4304)	(0.6703)	(0.6659)
age4	-0.7827*	-1.5633*	-0.6588	-1.2296*	-0.9318
	(0.4412)	(0.9064)	(0.4399)	(0.6882)	(0.6856)
marriage_1	0.1216**	0.2167*	0.1036*	0.2152**	0.1914**
	(0.0555)	(0.1140)	(0.0554)	(0.0948)	(0.0913)
marriage_3	0.0228	-0.1944	-0.0362	-0.0792	
	(0.1756)	(0.3587)	(0.1752)	(0.3036)	
edumid	0.0751	0.3243***	0.1245**	0.2010*	0.2905***
	(0.0588)	(0.1206)	(0.0587)	(0.1031)	(0.1034)
eduhigh	0.2424***	0.6221***	0.2791***	0.4615***	0.5114***
	(0.0795)	(0.1628)	(0.0794)	(0.1383)	(0.1383)
hsize	-0.0399**	-0.0781**	-0.0346**	-0.0600**	-0.0532*

	(0.0167)	(0.0343)	(0.0167)	(0.0291)	(0.0290)
incomelevl	0.1098***	0.1966***	0.0947***	0.1937***	0.1667***
	(0.0108)	(0.0220)	(0.0108)	(0.0188)	(0.0186)
incomesta	0.0573***	0.1163***	0.0601***	0.1043***	0.1086***
	(0.0070)	(0.0142)	(0.0070)	(0.0124)	(0.0124)
house_yes	0.4487***	0.8612***	0.3984***	0.7745***	0.6699***
	(0.0647)	(0.1328)	(0.0647)	(0.1118)	(0.1126)
havebuss	0.1753***	0.2152***	0.1221***	0.2985***	0.2221***
	(0.0395)	(0.0810)	(0.0395)	(0.0682)	(0.0681)
fiptan	0.0553**	0.1274**	0.0695***	0.1098**	0.1359***
	(0.0260)	(0.0534)	(0.0260)	(0.0451)	(0.0453)
feduinptm	0.1145***	0.1851***	0.0966***	0.1948***	0.1626***
	(0.0270)	(0.0552)	(0.0269)	(0.0464)	(0.0464)
feduinptt	0.0519***	0.0714*	0.0360*	0.0883***	0.0674**
	(0.0188)	(0.0385)	(0.0188)	(0.0329)	(0.0327)
_cons		3.7033***			
		(0.9510)			
<i>Regional fixed effect</i>	Yes	Yes	Yes	Yes	Yes
<i>N</i>	3122	3120	3120	3122	3120
<i>adj. R²</i>	0.0375	0.1107	0.0302	0.0391	0.0318

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

5. Conclusion

Using data of household consumer finance in China's urban residents in 2012, this paper investigates the impacts of financial education and marital status on consumer life subjective wellbeing. To improve the estimation results, ordered probit regression is employed as well. In addition, robustness has been check with the method of replacing the independent variable by consumer reporting life subjective wellbeing by last year to estimate the equations again. Meanwhile, ordered logit regression also has been used to test the robustness. The results indicate that consumer who considers financial education to be of importance feels more satisfied, and if consumer pays more time and money on financial education, they will feel more satisfied as well. In addition, higher education level with having learned about financial and economic knowledge rather than lower education level positively contributes to consumer life subjective wellbeing. For marital status, good marital situation rather than no marriage or divorce is positively associated with life subjective wellbeing.

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“Love All, Trust Few:” An Exploratory Study of the Perceived Reliability of Information Sources Concerning Personal Finance and Investing

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Abstract

Following the 2008 financial meltdown, trust in financial institutions and those who work in the finance industry fell dramatically. Based on a survey of two hundred respondents, financial professionals were judged to be the most reliable source of information while non-financial print media was judged to be the least reliable by respondents. Differences were found in the perceived reliability of information between groups based on gender, income and locus of control but not education. Factor analysis suggests that there are three market segments based on perceived reliability of information from various sources.

Introduction

“Love all, trust few, do wrong to none,” is the advice given in Shakespeare’s *All’s Well That Ends Well*. It might also be good advice for the public when looking for information about personal finance and investing if recent publications and popular entertainment about the financial services industry are to be believed. Recent movies have presented an image of financial professionals willing to do anything, including swindling their clients, if it will protect their profits, their lifestyles, and their jobs (e.g. *The Wolf of Wall Street*, *Margin Call*). Recent books such as *Flash Boys* (Lewis, 2015) have suggested that investing is a rigged game that individuals cannot hope to win and books such as *Pound Foolish* (Olen, 2012) and *The Big Investment Lie* (Edesess, 2007) suggested that financial advisors are little more than well-paid hucksters. Jon Stewart on *The Daily Show* (<http://www.cc.com/video-clips/0vqrim/the-daily-show-with-jon-stewart-jim-cramer-pt--1>) famously took financial news networks to task for failing to warn the public before the 2008 financial meltdown. Sapienza and Zingales (2012) found that following the financial crisis the trust individuals had in the financial systems and institutions in general had declined significantly. Brokers, the stock market, large corporations, the government, bankers, and banks were all judged to be less trustworthy than the average person. Further, government efforts to restore trust in the financial markets seemed to have little impact on popular sentiment.

At the same time the credibility of the financial and investment community is being called into question, study after study has shown the inadequate state of financial knowledge among Americans (e.g. Agnew & Szykman, 2005; Calcagno & Monticone, 2015; Lusardi & Mitchell, 2011a, 2011b). This raises the question, if people lack the knowledge to make complex financial and investing decisions on their own, who do they perceive as being reliable providers of information on financial matters?

A credible source of information has been shown to significantly impact attitudes and intended behaviors of individuals (Arora, Stoner, & Arora, 2006; Lafferty, Goldsmith, & Newell, 2002; Sternthal, Dholakia, & Leavitt, 1978). Further, individuals are more likely to discount information obtained from a less creditable source (Eagley & Chaiken, 1975). Research has shown that consumers are more likely to believe information that originates from non-profit groups, the government, and independent testing groups than information that comes from commercial sources (Lirtzman & Shuv-Ami, 1986).

The first goal of this study is to examine the perceived reliability of publically available personal financial and investment information in general and personal financial and investment information from

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various sources. Secondly, this study examines how the perceived reliability of personal financial and investment information sources varies based on select demographic and psychographic variables. Finally, the study looks for an underlying structure and market segments in the perceived reliability of information sources using factor analysis.

Literature

Arrow (1974) pointed out the importance of trust in economic transactions. He suggested that higher rates of growth and investment are associated with higher levels of trust in an economy because increased trust reduces transaction costs and improves economic efficiency.

The credibility of an information source can be thought of as being composed of three parts (Pornpitakpan, 2004). First, to trust someone in a service transaction it must be believed that they possess useful information, knowledge or expertise. Second, a person must believe that the other party has their best interest at heart when relaying the information or knowledge and is not attempting to deceive or withhold information for their own benefit. In other words, the level of credibility depends on perceived bias of the communicator. Finally, source attractiveness has been shown to influence credibility. Research has shown that a reliable source of information can be particularly persuasive when individuals lack knowledge, information, or experience of their own (Ratneshwar & Chaiken, 1991) and dimensions of source credibility are similar across cultures (Yoon, Kim and Kim, 1998).

A number of studies have found a correlation between the frequency of trading by investors and the amount of financial information collected (e.g. Barlevy & Veronesi, 2000; Holthausen & Verrecchia, 1990). In general, the findings of these studies indicate that the more information an investor has, the more signals he/she will have, and therefore the more trading will take place. Epstein and Schneider (2008) theorize that information from a more trustworthy source should lead to more trading by investors and can ultimately influence the price of assets. Miller (1977) found that anything that increased investor awareness of an equity would increase trading in that equity. Still other studies (e.g. Deaves, Luders, & Luo, 2008; DeBondt & Thaler, 1985; Statman, Thorley & Vorkink, 2006) have found that investor confidence can influence the number of trades, with more confident investors engaging in more trading. However, confident investors were found to be less sensitive to information communicated by friends and other non-professionals than to information communicated by professional sources. Abreu and Mendes (2012) found that advice from professionals resulted in more trading by individual investors. They also found that word-of-mouth communications did not increase trading as much as information from a financial professional. A number of demographic and psychographic characteristics have been found to influence an investor's use of information, including age (DaSilva & Giannikos, 2004), occupation (Christiansen, Joensenand, & Rangvid, 2008), environment (Goetzmann & Kumar, 2008) and risk aversion (Peress, 2004).

Contrary to the findings of Abreu and Mendes (2012), Ivkovic and Weisbenner (2007) found that word-of-mouth can be an important source of investor information. Ivkovic and Weisbenner (2007) found that, on average, a ten percent increase in equity ownership in one industry by a household increased the neighbors' ownership in the equities of that industry by two percent.

The packaging and method of delivery can also have an impact on the perceived credibility of information. For example, Allport and Pendley (2010) found that individuals were less likely to believe financial information that was available on a poorly designed web site. Further, a poorly designed or incomplete corporate web sites reduced the attractiveness of a company as an investment option. Kim (2014) found that the same information contained in a blog was considered less credible than when it was presented by a mainstream media source.

Methods

Two hundred participants were recruited using Amazon's Mechanical Turk web site. Mechanical Turk is a market run by the Amazon Company where individuals can be recruited to do tasks which cannot be performed by computers. It has become popular with those conducting surveys both in the private sector and in academia (Huff & Tingley, 2015; Ipeirotis, 2010). All participants were screened to be from the United States and 18 years of age or over. After completing the survey, each participant was paid \$.50 and thanked for their participation. A demographic profile of the participants is given in Table 1. The median age of the sample is slightly younger than the 2015 values reported by the US Bureau of the Census for the population in general (35 years old versus 37.6 years old). Median household income for

the sample group is lower than the Census reported median for all American households (\$41,300 for sample group versus \$53,889 for the general population). The gender distribution of the sample is the same as reported by the Census for 2015 (49 percent male for both).

Insert Table 1 About Here

Data was collected using an on-line survey. In the first part of the survey, respondents were asked to self-evaluate their performance in personal finance and investing. In the second part, respondents were asked to evaluate the reliability of financial and investing information in general and then information coming from particular sources. The sources of information respondents were questioned about included; friends and family, business TV news (such as CNBC, Bloomberg, or Fox Business News), non-business TV news (such as CNN, Fox News, or MSNBC), financial professionals, financial print media (such as the Wall Street Journal or Investors' Business Daily), non-financial print media (such as Time, USA Today, or local newspaper), financial web sites (such as Motley Fool, Yahoo Finance, Morningstar), financial blogs and opinion sites, company provided information and government sources. There were five available responses; "Very Unreliable," "Somewhat Unreliable," "Somewhat Reliable," "Very Reliable," and "Don't Know or Unsure." "Don't Know or Unsure" was coded as missing, so four of the five response categories were included in the analysis. In the third section of the questionnaire, information was collected about the individuals; including gender, age, income, education, and a three item locus of control (LOC) scale suggested by Schjoedt and Shaver (2012). The questionnaire was distributed in January 2015.

Findings

In response to the question, "How reliable do you find publically available information about personal finance and investing," one percent said that the information was very unreliable, fifteen and a half percent said that they found the information somewhat unreliable, two-thirds found the information somewhat reliable, and six and a half percent said that the information was very reliable. Ten and a half percent said that they were unsure or didn't know. The only significant differences between groups were based on income with higher income individuals finding publically available information more reliable than lower income respondents. Table 2 presents the mean responses to the question.

Insert Table 2 About Here

Figure 1 shows the responses to questions concerning the reliability of particular sources of information about personal finance and investing. An analysis of variance showed that there were significant differences between the group means. Financial professions were found to be the most reliable source of information, and were judged to be a significantly more reliable source of information about investing and personal finance than any of the other sources of information. Non-financial print and non-financial TV news were judged to be the least reliable source of information about personal finance and investing.

Respondents were questioned about two different types of sources; financial and non-financial. Among the sources that were financially oriented, financial blogs were judged to be the least reliable while financial professionals were evaluated as the most reliable. Among the non-financial sources of information, non-financial print was evaluated as the least reliable while government sources were evaluated the highest in terms of reliability.

Insert Figure 1 About Here

Results from an analysis of variance test showed that there were significant differences based on the perceived reliability of information sources, with an F value of 57.68 ($p = 0.000$). Non-financial sources tended to rank lower than financial sources of information in terms of perceived reliability. A mean separation using the Tukey method showed four divisions in the sources perceived reliability. Non-financial print, non-financial TV, financial blogs and family and friends were significantly different from other sources of information but overlapped each other. Government sources were separate from other sources and had a mean value in the middle. Company provided information, business TV news,

financial websites and financial print sources constituted another grouping. Financial professionals were significantly higher in perceived reliability than all other sources.

Insert Table 3 About Here

Individuals find the information provided by financial professional less reliable if they perceive a possible conflict of interest. Fifty-three and a half percent of respondents said that it would greatly influence the perceived reliability of information if the financial professional were compensated on a commission basis. A further forty-four and a half percent said that it would moderately influence their perception of the reliability of information they received from financial professionals if they were paid on a commission basis. Only two percent of respondents said that it would not influence their perception of the reliability of information if they found out that a financial professional was compensated on a commission basis. Figure 2 shows the responses to the question concerning commission sales and the reliability of information provided by financial professionals.

Insert Figure 2 About Here

An analysis of perceived reliability of sources was conducted based on gender, income, education, and locus of control score (LOC). A t-test indicated that women found non-business TV and non-business print media to be significantly more reliable than men. There were no significant differences between men and women concerning the perceived reliability of family and friends, business TV, financial professional, financial print sources, financial web sites, financial blogs, company provided information, or government provided information. Employing a median split of income categories, those with incomes above the median were significantly more likely to find non-business TV, financial print, non-financial print, and company provided information to be reliable. A t-test showed no significant differences based on a median split in income concerning the reliability of family or friends, business TV, financial professionals, financial web sites, financial blogs, or government provided information concerning personal finance and investing although those with higher incomes had higher levels of perceived reliability of information in all cases. Again, using a t-test and a median split, those with more of an internal orientation in the locus of control (LOC) questions were significantly more likely to find business TV, financial professionals, financial print media, and financial web sites to be reliable sources of information. LOC had no significant impact on the perceived reliability of information from family or friends, non-business TV, non-financial print, financial blogs or opinion sites, company provided, or government information although those with more of an internal LOC had greater perceived reliability of information in almost all cases. There were also no differences based on a median split of educational levels.

Insert Table 4 About Here

The factor analysis produced a Kaiser-Meyer-Olkin measure of sampling adequacy of .754 which is acceptable by the standards set by Hutcheson and Sofroniou (1999). The Bartlett test of sphericity is also significant with a chi-square value of 405.83. Using an Eigen value of 1.0, three factors were identified. Three factors also seemed appropriate after examining a Scree plot. Results of the rotated factor analysis is presented in Table 5.

Insert Table 5 About Here

The first factor is composed of information from friends and family, business TV news, non-business news TV, financial professionals, financial print sources and non-financial print sources. A second factor includes financial web sites and financial blogs. A final factor includes company provided information and government produced information. Each of the source items included in the survey loaded on to one and only one factor with a value greater than .5.

Discussion and Implications

It is encouraging that all financial sources of information, including the lower rated sources such as financial blogs, had mean reliability scores for personal finance and investing information above the mid-point (2.5 on a 4 point scale). This would seem to indicate that regardless of the format, respondents placed trust in financial professions.

Despite the negative publicity about those in the financial industry, respondents in this study still believed that financial services professionals provided the most reliable information. This should be good news for financial advisors and planners, investment advisors, and various other financial services workers. This trust, however, is tempered by the fact that 98 percent of respondents are distrustful of situations where personal interest might be in conflict with what is best for the client. Fee-only planners, insurance brokers, those held to a fiduciary standard and others who have no reason to promote particular products could stress that point to potential clients.

Differences in income were an important factor in determining the perceived reliability of information and information sources. It was the only significant factor in determining the perceived reliability of information in general and a significant factor for four of ten sources asked about in the survey. In all cases, higher income individuals had higher perceived reliability of information sources than did lower income individuals. This may be because higher income individuals have had more experience evaluating financial information and financial professionals.

The only two situations where gender made a significant difference involved non-financial media sources where women reported higher levels of trust than men. It should be noted that, although the results were not significantly different in the case of financial media, women found all mass media sources (i.e. print and television) to be more reliable than men.

Also of note are the higher levels of trust in financial media by those with more of an internal locus of control orientation. Internal locus of control individuals believe that they create their own outcomes in life rather than having events imposed on them by others. It would follow that those with more of an internal orientation would seek more information and have more experience with financial information sources.

Education had no significant impact on the perceived reliability of information sources. This would seem surprising in that it is easy to imagine more highly educated individuals might be more experienced in locating reliable information and be more selective in the information sources they found reliable, but in this study it did not appear to be the case.

The results of the factor analysis would suggest that there are three distinct market segments with respect to the perceived reliability of information sources. One group relies on traditional business and financial sources (e.g. business news TV, financial professionals, financial print, company information and government information). We might think of these as "Traditionals" in that the sources of information they find most reliable are traditional, specialized media. A second segment seems to rely more on informal and non-financial sources (e.g. family and friends and non-business media). We might identify this group as the "Informals." Those in the final market segment seem more reliant on electronic media sources such as financial web sites and blogs. We could identify them as "New Traditionals" in that they believe in the importance of financial competence in delivering information but prefer that it comes through non-traditional channels. While this study did not attempt to identify the characteristics of those in each segment, it would be worth exploring in order to tailor appeals appropriate to each group.

Limitations

As with any study that does not employ a purely random sampling method, it is possible that there is bias in the sample. In this study, the participants were volunteers from an on-line site, Amazon's Mechanical Turk. The study participants would need to have some level of computer sophistication. Further, those taking on-line surveys are more likely to be from moderate income households. The comparisons to the population and studies which have looked at the responses obtained on Mechanical Turk (Huff & Tingley, 2015; Ipeirotis, 2010) tend to bear this out.

It should also be noted that believing someone is a reliable source of information about personal finance and investing is not the same as trusting that individual. Trust and perceptions of reliability are related, but not identical concepts.

Finally, this study did not attempt to correlate perceptions with behavior. Believing that someone in the financial services industry is the best provider of reliable information about personal finance or

investing is not the same as taking that person's advice. Likewise, the perception that general interest TV news is a poor source of reliable information about personal finance or investing would not prevent someone from acting on an interesting news story.

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Table 1
Demographic Information of Study Participants
(n = 200)

Median Age	35 – 44 years old (35 years old)
Gender	
Male	49 percent
Female	51 percent
Median Household Income	\$40,000 - \$49,999 (\$41,300)

Table 2
Mean Values for Reliability for Personal Financial and Investing Information in General
(1=very unreliable; 4=very reliable)

How reliable do you find publically available personal finance and investing information?	Mean
All	2.88
Men	2.89
Women	2.86
Above median on three item LOC scale	2.92

Below median on three item LOC scale	2.79
Above median income	2.81
Below median income	2.97
(t-value and probability)	(-2.065*)
Above median education	2.84
Below median education	2.91

* - significant at .05 level

Table 3
Analysis of Variance of Sources of Information

Grouping based on Tukey mean separation:

ANONVA	Sum of Squares	Mean Square	F	Significance
Between Groups	297.809	33.090	57.679	0.000
Within Groups	1101.486	0.574		
Total	1399.295			

Item	Mean					
Non-financial print	2.32					
Non-business TV	2.40	2.40				
Financial Blog		2.60	2.60			
Family and Friend			2.65			
Government Sources				2.91		
Company Provided				2.95		
Business TV News				3.04	3.04	
Financial Website					3.19	3.19
Financial Print						3.37
Financial Professional						3.58

Table 4
Differences in Perceived Reliability of Information Sources About Investing and Personal Finance
(1=very unreliable; 4=very reliable)

Information Source	Gender	Median Split on Income	Median Split on LOC Score
Friend or Family	Male = 2.54 Female = 2.75	Low = 2.63 High = 2.68	External = 2.53 Internal = 2.70
Business TV	Male = 2.97 Female = 3.10	Low = 3.00 High = 3.09	External = 2.87 Internal = 3.11 (t = -2.30*)
Non-business TV	Male = 2.30 Female = 2.50 (t = -1.99*)	Low = 2.32 High = 2.53 (t = -2.03*)	External = 2.33 Internal = 2.43
Financial Professional	Male = 3.58 Female = 3.58	Low = 3.56 High = 3.61	External = 3.45 Internal = 3.64 (t = -2.02*)
Financial Print	Male = 3.32 Female = 3.42	Low = 3.29 High = 3.48 (t = -1.98*)	External = 3.22 Internal = 3.44 (t = -2.18*)
Non-financial Print	Male = 2.18 Female = 2.45 (t = -2.63*)	Low = 2.21 High = 2.47 (t = -2.41)	External = 2.31 Internal = 2.32
Financial Website	Male = 3.24 Female = 3.14	Low = 3.12 High = 3.29	External = 3.03 Internal = 3.26 (t = -2.20*)
Financial Blog	Male = 2.59 Female = 2.61	Low = 2.53 High = 2.69	External = 2.47 Internal = 2.65
Company Provided	Male = 2.98 Female = 2.93	Low = 2.85 High = 3.10 (t = -2.19*)	External = 2.81 Internal = 3.02
Government Provided	Male = 2.89 Female = 2.92	Low = 2.81 High = 3.05	External = 2.93 Internal = 2.89

* - significant at .05 level

Table 5
 Factor Analysis of Sources of Investment and Personal Financial Information
 KMO Measure of Sampling Adequacy - .754
 Barlett's Test of Sphericity – 405.83
 Significance - .000

Source	Factor 1	Factor 2	Factor 3
Business News Channel (e.g. CNBC, Bloomberg, Fox Business)	.563	.428	.312
Financial Professional	.622	.227	-.055
Financial Newspaper or Magazine (e.g. Wall Street Journal, Fortune, Investor's Business Daily)	.755	.185	.157
Company Released Information	.715	.001	.303
Government Sources	.658	.018	.108
Friends and Family	-.065	.828	-.050
Non-business TV News Channel (e.g. CNN, Fox News, MSNBC)	.331	.564	.332
Non-financial Newspaper or Magazine (e.g. Newsweek, USA Today, local paper)	.345	.690	.223
Financial News Web Site (e.g. Motley Fool, Morningstar, Yahoo Finance)	.190	.039	.835
Financial Blog or Opinion Site	.098	.189	.828

Figure 1

How would you rate the reliability of these sources of information about finance and investing?

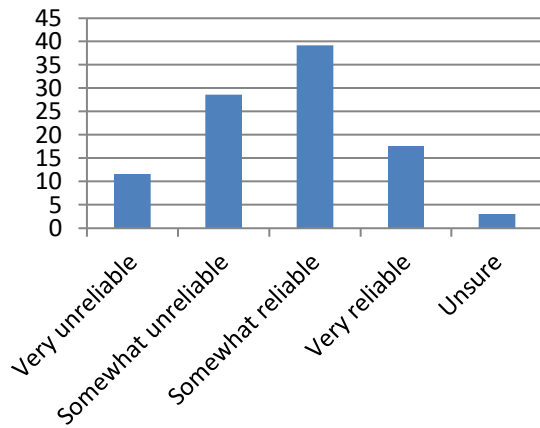
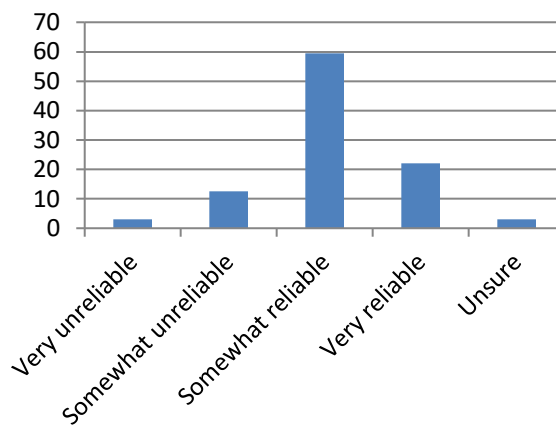
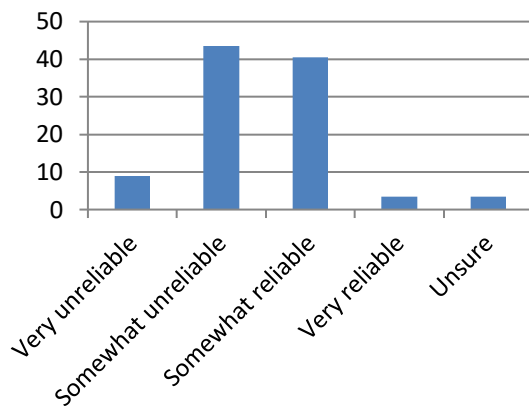
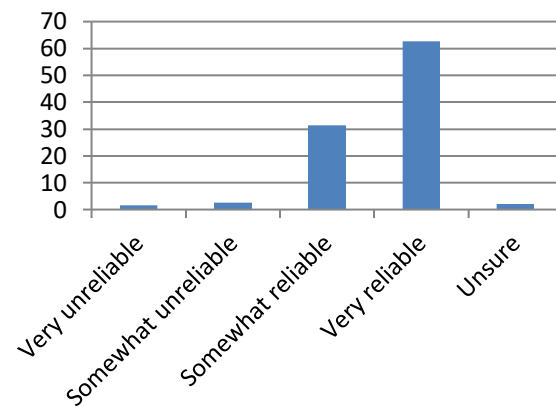
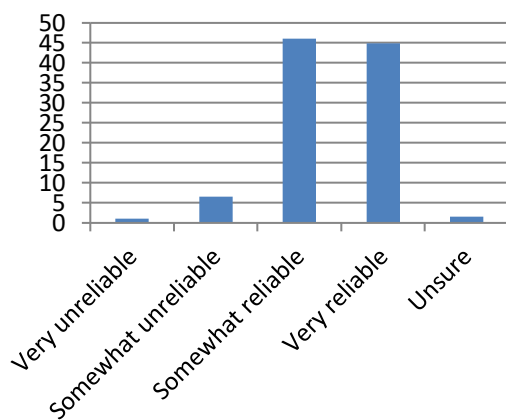
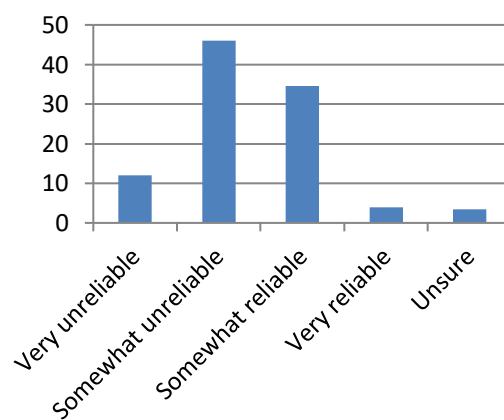
Family and Friends ($\bar{X} = 2.65$)Business News TV ($\bar{X} = 3.04$)Non-business News TV ($\bar{X} = 2.40$)Financial Professional ($\bar{X} = 3.58$)Financial Print ($\bar{X} = 3.37$)Non-financial Print ($\bar{X} = 2.32$)

Figure 1 (continued)

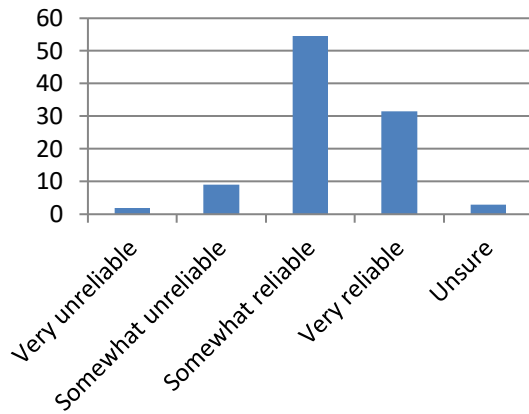
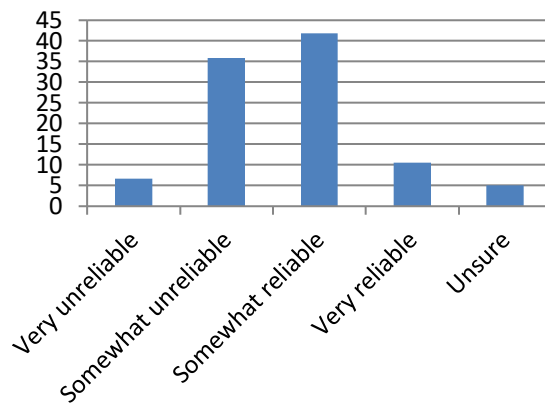
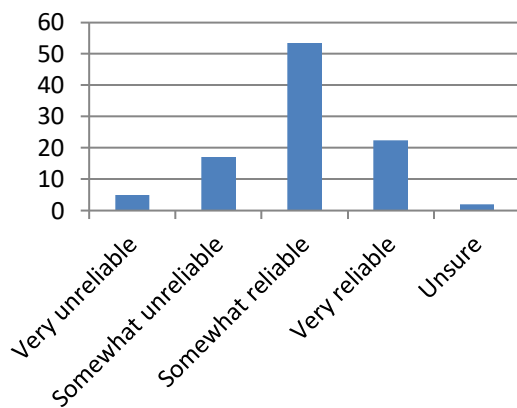
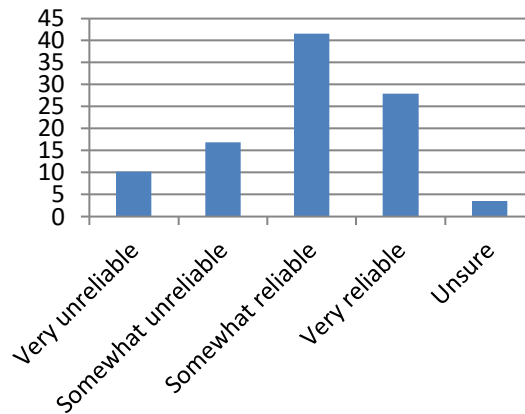
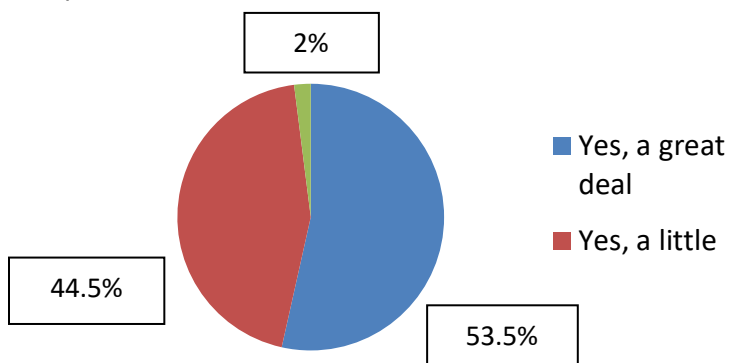
Financial Website ($\bar{X} = 3.19$)Financial Blog ($\bar{X} = 2.60$)Company Provided ($\bar{X} = 2.95$)Government ($\bar{X} = 2.91$)

Figure 2

If you found out that a financial professional was paid on the basis of how many financial products he/she sold (commission sales), would it have an impact on how reliable you viewed the information they provided?



Exploring the relationship between social network on life satisfaction of single households**Ji Kyeung Ha, Sungkyunkwan University¹****Kyoung Tae Kim, University of Alabama²****Abstract**

The population of single households has been increased gradually, which is a global demographic pattern not limited only to Korea. Among OECD countries, Korea is one of the countries with the fast growing population of single households. In particular, single households have been elevated from only 9% in 1990, 16% in 2000, and to 27% in 2015 (Statistics Korea, 2015). The main purpose of this study to examine the relation between social network and life satisfaction of single households. In order to understand social network, financial status and life satisfaction of single households more comprehensively, we also provided results of all households used as a reference group. Results from the Korean Labor and Income Panel Study (KLIPS) dataset indicated that satisfaction of social network increased the life satisfaction of single households. However, the level of participation in social network activities was not found to be significant. With respect to financial status variables, total assets were positively related to the level of life satisfaction of single households. Further, results from analyses with all households showed that the level of participation in social network activities was positively associated with the level of life satisfaction and the satisfaction of social network also increased the level of life satisfaction. To our knowledge, this study is the first attempt to address the important role of social network to improve the level of life satisfaction of single households, which implies that more social welfare polies are required incorporating the importance of social network. Given the unique characteristics of single households, this study suggest researchers and policy makers consider various approaches for further analyses of single households.

Keywords: Social network; Life satisfaction; Single households; Korean Labor and Income Panel Study**JEL classification:** D10, Z1**References**

Statistics Korea. (2015). Population Census.

http://kostat.go.kr/portal/korea/kor_nw/2/2/1/index.board?bmode=read&bSeq=&aSeq=356061&pageNo=1&rowNum=10&navCount=10&currPg=&sTarget=title&sTxt

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