HUMAN VALUES AND ATTITUDES TOWARDS MONEY

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Abstract. *Spending money which is not earned becomes more available practice with help of the various types of cash loans. It causes social problem in society because easiness of getting money puts families at risk due to the high loan percent. Our study aims to understand ifhuman values are related to attitudes towards money and in what way if any. Values are motivational constructs that apply to abstract goals (Schwartz, 1992). Schwartz believes that the main aspect of value contents is the type of goal or the motivation it expresses (Schwartz, 1992). Also, values are abstract goals and do not effect decisions in specific situations they can work as the underlying assumptions for creating attitudes. Attitudes are more situation-specific and correlate with behavior at moderate level. In our study values were measured using Portrait Values Questionnaire, PVQ-21 (Schwartz, Melech, Lehmann, Burgess, & Harris, 2001). Attitudes towards money were measured using modified version of Money Attitude Scale (Yamauchi & Templer, 1982). Question regarding money related behavior were also asked. We surveyed one thousand and five respondents from whom 58 % were female, all age groups where presented according to Latvia's population (representative sample). Results reveal that values correlate with attitudes towards money although modestly.*
Keywords: *attitudes, attitudes towards money, human values, financial behavior.*

Introduction

Money is very important part of our life. It has motivational power and also can make people feel more secure (Furnham, 1996). Our beliefs regarding money and money skills we learn in our childhood and later as adults, we tend to use these skills based on social learning theory (Furnham, 1996). However, despite money's important role in human life in psychology, there is relatively little research done on this topic (Yamauchi & Templer, 1982). Research shows that money attitudes influence financial behavior such as money spending and money saving (Nga & Yeoh, 2015; Yamauchi & Templar, 1982). Money is not only the means of a transaction but also is a measure of achievement and subjective well-being (Farid & Lazarus, 2008). For some people, money is a materialistic trifle, while others consider money as force and capacity to draw in a relationship

(Sundarasen & Rahman, 2017). So money is not only a trading tool but it may be perceived as a symbol of validity, power, and value (Yamauchi & Templer, 1982).

In our study, we wanted to test attitudes towards money in relation to individual values and financial skills/behaviors. Understanding of the underlying forces (values) that guide people's attitudes and which in turn affect behaviors can allow developing tools that will help people to better manage their money. And we start the description of our study by explaining the value's theory, then we briefly describe values and attitudes relationships.

Values

Values as defined by Schwartz are "desirable goals, which stand above situations, vary in their importance and serve as the guiding principles in people's lives" (Schwartz, 1992: 4.). Values are motivational constructs that apply to abstract goals (Schwartz, 1992). Values are not specific objectives, for example, a person does not try to reach the goal of *benevolence* in a particular situation; however his or her actions may be motivated by this value. Schwartz believes that the main aspect of value contents is the type of goal or the motivation it expresses (Schwartz, 1992). Three types of cognitive representations of human needs characterize values: the needs of individuals as biological organisms, the need for coordinated social interaction, the need for group survival and wellbeing. In a way all of these values must be important to the functioning of a human, or else these would not be universal values of people in various parts of the world.

Based on the previous research Schwartz suggest five features of values and adds two of his own (Schwartz, 1992, 2017): 1) values are beliefs that are related to affect; 2) values refer to desirable goals; 3) values stand above specific situations; 4) values serve as standards or criteria. Schwartz stresses that in this way values underlie people's attitudes and their evaluations; 5) values are ordered in relative importance; 6) the relative importance of multiple values guides actions; 7) the impact of values on every day decisions is rarely conscious. People become aware of their values only when directly asked about their values or when they have to make decisions and two or more conflicting values "fight" for the importance in decision making (Schwartz, 2017).

Schwartz distinguishes 10 individual values: *Power, Achievement, Stimulation, Hedonism, Self-Direction, Universalism, Benevolence, Conformity, Security* and *Tradition.* Humans can significantly differ in what meaning they ascribe to each of the basic values, however these values are made up of the same structure of motivational opposites and compatibility or the value system (Schwartz, 1992). Schwartz proposes the idea of the circular structure of values, which is confirmed by research of the past years (Maio, Pakizeh, Cheung, & Rees, 2009; Pakizeh, Gebauer, &Maio, 2009). Experiments have shown that values with

similar motivational contents in cognitive structures are placed closer to each other, whereas values with opposite or competitive motivational contents are placed further from each other (Pakizeh, Gebauer, & Maio, 2009). The word 'structure' applies to value conflicts and their compatibility, and the relative importance of values for an individual or a group is called value priority or hierarchy. All ten values may be divided into competing dimensions, which form two fundamental problems a person must solve.

Research on values looks for the link between values and behavior: do values have impact on the behavior? There may be two reasons why people should act according to values. It is firstly the consistency between belief and action. Secondly, action according to values gives satisfaction because the person receives what he or she desires (Bardi & Schwartz, 2003).

Attitudes

Research on attitudes has been done since the 1920s, however, despite its popularity, the concept of attitudes does not have a single, generally accepted definition (Manstead, 2004). All definitions of the attitude concept contain the attitude evaluation aspect – attitudes concern the attitude object and an evaluation category "bad" or "good" (Albarracín, Wang, Li, & Noguchi, 2008). Ajzen & Fishbein (2005) call a particular aim, behavior, an abstract object, a person or an event, anything that can be evaluated – an attitude object. "Attitudes can be viewed as units of social knowledge that are based on experience, belief, and feelings, which are caused by the object of the attitude" (Zanna & Rempel, 1988: pp. 7).

All attitudes are functional, regardless of their motivational basis (value-expressive, ego-defensive), because they allow making decisions quickly and with ease (Fazio, Blascovich, & Driscoll, 1992). The functional approach of attitudes has been developed with a goal to transform attitudes, because, in order to change an attitude, it is necessary to understand what the attitude is based upon. The functional approach allows classifying and researching psychological needs that form the basis of various attitudes. And the identification of these needs lets scholars develop corresponding methods for the change of attitudes.

Attitude functions are also used to clarify the values-attitudes relations. In theory, there should be a stronger connection between values and attitudes in cases when attitude has the value-expressive function (Maio & Olson, 1994). Maio & Olson conducted a study to find out whether attitude functions moderate the relations between values, attitudes, and behavior. The results showed that, as expected, the strongest connection between values and attitudes was found among the people whose attitudes expressed their values. Gregory et al. (Gregory,

Munch, & Peterson, 2002) confirm that the value-expressive function strengthens the link between values and attitudes.

It is generally believed (Dreezens, Martijn, Tenbült, Kok, & de Vries, 2005; Feather, 1980) that values influence attitudes, and, in turn, attitudes influence behavior. Values have a more general purpose and a more stable, unchanging construct than attitudes do. Attitudes are better predictors of behavior than values.

Attitudes towards Money

Money attitude research has been influenced most by Furnham (1984) and Yamauchi and Templer (1982). Motives underlying money attitudes range from striving for status and power and enhancing self-worth. Rimple says that we can conceptualize money attitude as one's perception about money (Rimple, 2012). Attitude we demonstrate in money matters are multiple, it encompasses preservation of social status as well as personal contentment

The concept of money attitude is multidimensional and it has been studied in various socio-economic and cultural settings. The multidimensionality of money is clear from different component and factors that have been discovered by various researchers, who have interpreted various meanings of money, revealed different values held by people for money and have entrusted a range of facets to money (Rimple, 2012).

According to early work by Yamauchi and Templer (1982) individuals may hold the attitude or belief that money is a symbol of success or status of anxiety among certain individuals regarding money; for some, money relieved their anxiety and for others it provoked anxiety (Brad, Sonya, Jennifer, & Ted, 2011). Research suggests that individuals who believe that money is closely related to status are more loss averse than the general population because of the perceived loss of social status associated with lower levels of wealth (Engelberg & Sjöberg, 2007). So we can assume that people with higher scores in *Power* value which is related to social status, will make well-considered financial decisions.

In our study, we wanted to test whether values correlate with attitudes towards money and financial behavior? We are interested in one aspect of attitudes towards money – power-prestige attitude.

Method

Instruments
Values were measured using Portrait Values Questionnaire, PVQ-21 (Schwartz, Melech, Lehmann, Burgess, & Harris, 2001). Each description characterizes person's aims and desires that indirectly show the significance of values. For example, *this person finds it important to come up with something*

new, to be creative. The respondent must then assess to what extent the described person resembles the respondent him/herself, in a range from 1 - *not similar to me at all* to 6 - *very similar to me.* Scale reliability coefficients (Cronbach's alpha) vary between .32 and .60. Reliability coefficients of individual values are low, although the author of the method notes that values are mutually connected and several values can have the same motivational basis, which means that dimension reliability indicators must be taken into account (Schwartz, 2007).

Attitudes towards money were measured by the scale which was created based on K. T. Yamauchi and D. I. Templer (Money Attitude Scale) (Yamauchi & Templer, 1982). We used the power-prestige subscale and added questions regarding the behaviors/actions with money (financial behavior). The power-prestige attitudes subscale consists of items like *"money is the symbol of success"* and respondents have to rate them in Likert scale from *1- totally disagree* to *5- totally agree.* Reliability coefficient Cronbach's alpha for this scale is .81. The scale about behavior regarding money consists (financial behavior) of items which describes financial behavior for last six months and are like *"I pay my bills on time"* with answer options *from 1- never to 5 – every month.* Reliability coefficient Cronbach's alpha for money behavior scale is .71. For this scale, higher results mean that people spent money wisely and responsibly, paid their bills on time and saved some money for future or bigger purchase. Lower results for this scale mean that people did not pay their bills on time, took loans, did not follow their spendings etc.

Demographics survey included questions regarding age, gender, education and income level.

Participants

One thousand and five participants filled out the survey. The average age of participants *M*=45.38 (*SD*=15.05), 52 % females. More than half of the respondents have higher education 57.7 %. For distribution of income of respondents see Table 1. Not all respondents gave the answer to this question, only 72 % of the sample.

Table 1 **Distribution of the income per one family member**

Income per one family member	Frequency	Percent
Less than 240 eur	145	20.1
241-349 eur	136	18.9
350-499 eur	141	19.6
500-699 eur	140	19.5
700 or more	158	21.9
Total	721	100.0

Procedure

Surveys were distributed and collected by a social research company on December 2017 in Latvia. The sample represents all Latvian population form different regions.

Results

To answer the research question, we studied relationships among individual values and attitudes towards money (power-prestige scale) and financial behavior. Descriptive statistics are presented in Table 2.

Table 2 **Descriptive statistics of attitudes towards money, financial behaviour and individual values**

	N	Min	Max	Mean	Std. Deviation
Attitudes towards Money	1005	1	5	3.12	0.62
Financial behavior	999	1	5	3.26	0.94
Values:					
Power	1005	1	6	2.81	0.99
Achievement	1005	1	6	3.27	1.12
Hedonism	1005	1	6	3.44	1.13
Stimulation	1005	1	6	3.06	1.12
Self-Direction	1005	1	6	3.89	1.08
Universalism	1005	1	6	3.95	0.93
Benevolence	1005	1	6	3.89	0.99
Conformity	1005	1	6	3.51	1.11
Security	1005	1	6	3.98	1.10
Tradition	1005	1	6	3.88	1.04

Correlational analysis of values and attitudes show that there are statistically significant relations among values, attitudes towards money and financial behavior.

Results of correlation (Spearman's Rho) analysis showed in Table 3 demonstrate that the higher scores for values *Power, Achievement*, and *Hedonism* produce higher results (or more positive attitude) in attitude towards money – $r= .37$ ($p<0.01$), $r=.23$ ($p<0.01$), $r=.20$ ($p<0.01$) respectively. Such values as *Conformity* and *Security* also positively correlate with the attitude towards money – $r=.17$($p<0.01$) and $r=.18$ ($p<0.01$) respectively.

Table 3 **Spearman's Rho coefficient for values, attitudes towards money and financial behaviour**

Values	Attitudes towards Money	Financial Behavior
Power	**.373****	.02
Achievement	**.233****	.05
Hedonism	**.201****	.003
Stimulation	**.068***	.015
Self-Direction	.036	**.083****
Universalism	.022	**.104****
Benevolence	.010	**.140****
Conformity	**.166****	**.152****
Security	**.184****	**.135****
Tradition	.036	**.102****

* p<0.05, **p<0.01

On the other hand, the same values of *Power*, *Achievement* and *Hedonism* do not correlate with financial behaviour. Financial behaviour positively correlates with values *Conformity* (r=.15, p<.01), *Benevolence* (r= .14, p< .01), *Security* (r= .14, p< .01), *Universalism* (r= .10, p< .01), *Tradition* (r= .10, p< .01), and *Self-Direction* (r= .08, p< .01)

From the analysis of demographical factors and attitudes towards money and financial behaviour we can conclude that with age positive attitude towards money increases ($F(5, 999)$=1.88 p<0.09 for all groups, analysis of between-group differences reveal that older people score higher on attitudes towards money) and people with age become financially wiser $F(5, 992)$=3.46 p<0.001 (for descriptive statistics (see Table 4).

Table 4 **Descriptive statistics for attitude towards money and financial behavior in different age groups and ANOVA results**

	Age	N	Mean	SD
Attitude towards Money	18 - 24	96	2.97	0.58
	25 - 34	211	3.15	0.64
	35 - 44	190	3.16	0.59
	45 - 54	192	3.07	0.65
	55 - 63	170	3.18	0.64
	64 and older	146	3.15	0.59
Financial Behavior	18 - 24	94	3.01	0.94
	25 - 34	211	3.23	0.88
	35 - 44	189	3.21	0.92
	45 - 54	191	3.20	0.97
	55 - 63	168	3.36	0.97
	64 and older	146	3.47	0.91

Income level does not correlate with the attitude towards money but it correlates with financial behavior $r= .083, p<.03$. People with higher income level make more responsible decisions regarding their money as well as people with higher education level ($r= .07, p= .02$)

Conclusions

The results of the research confirm the circular structure of individual values since self-enhancing values (Power, Achievements, Hedonism) positively correlate with the attitude towards money, but those aimed at the well-being of others (Universalism, Benevolence) do not correlate at all with the attitude towards money. It shows that these values have different motivating forces (Schwartz, 1992).

From the perspective of the research question, the results show that values such as Power and Achievement which are also associated with the desire for a high social status positively correlate with the attitude towards money, specifically with power-prestige attitude. This is theoretically a logical outcome. In turn, these same values do not correlate with financial behavior, which means that these values do not relate to financial decisions. This contradicts Engelberg and Sjöberg's study (Engelberg & Sjöberg, 2007), in which they conclude that people for whom social status is important are more afraid of losing material well-being because they feel that it is closely related to social status. From this conclusion, one could expect that people with high scores in values Power and Achievement should have wiser financial behavior. Our study does not support this assumption. It seems that people who value Power and Achievement and money more are not better or worse than others in financial behavior.

Financial behavior positively correlates with values such as Universalism, Benevolence, Conformity, Tradition, and Security. The more important these values are more wisely person handles the money. This can easily be explained by values Security and Conformity because wise money handling allows people to feel more secure and maintain good relationships with their loved ones. The same values are positively correlated with the attitude towards money. This means that people who have a significant Security and Conformity values think of money as of a source of high status and wisely spend money.

Interesting is the fact that with age people show higher results in attitude towards money (positive attitude) and in financial behavior (spends wisely). In addition, the study does not show a correlation between age and income.

The research is only at an early stage and given that attitude towards money has not been studied much in psychology, this area of study has a great potential.

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