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Financial Threat and Financial Literacy on Willingness to Change the Financial Behavior

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Abstract

Grounded on "Theory of Planned Behaviour" (TPB), this study analyzes the influence of financial threat and financial literacy on 'willingness to change' the financial behavior. The 'primary data' collected from the university students by using convenience sampling technique. Multiple regression results shows that financial literacy and financial threat has significant influence on willingness to change the financial behavior of the university students. This implies that increase in the financial threat leads to change in the financial behavior, which supports the fact that investor's intention to invest is affected by different factors. Employing TPB thus offer researchers to enhance understanding in forecasting an individual financial behaviour. Limited researchers have used TPB to analyze the influence of financial literacy and financial threat on the 'willingness to change' the financial behavior of students. Therefore, this study may help the university students to understand the concept of financial threat and those who aid students in coping with emotional or behavior disorders interrelated to the financial issues.

Keywords: financial threat, financial literacy, willingness to change, behavioral finance, theory of planned behavior

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Introduction

Several factors influence an individual's intention to perform particular behavior (Armitage and Conner, 2001). Particular behavior is affected by intention or individual's attitude. It may also be influenced by the perception of the individual's social circle such as family towards performing of a behavior or individual's ability to control and perform the behavior (Alleyne (2011). Nevertheless, it is important to note that the intention and the performing of behavior differ among individuals. TPB has been practiced in many disciplines including finance and investment (East, 1993; Tonglet, Phillips, & Read, 2004). The predictors such as attitudes, subjective norms, and perceived controlled behavior are significant of person's intention to invest (Osman, Mohammed, & Amin, 2014; Sudarsono, 2015). In Malaysian context findings support the TPB, where the three variables such as attitudes, subjective norms and perceived controlled behavior have a positive and constructive influence towards the intention to trade stock online (Amin and Hamid, 2018; Gironda and Korgaonkar, 2016). TPB is deemed most appropriate due to presence of control that can be used to predict intention, because investor's intention to invest is affected by many different factors, and employing TPB thus offers researchers flexibility to include other predictors that can better help to enhance 'behavioral intention' (Ajzen, 1991; Beck and Ajzen, 1991; Rahayu and Day, 2015). According to TPB it is evident that there are two factors that determine the individual's behavior. First intention and second perceived behavioral control. The individual's intention to perform behavior is determined by the individual's attitude i.e. subjective norms and the perceived ability to control behavioral of that particular individual Ajzen (1991). Behavioral intention is useful factor to measure actual behavior (O'Connor and Armitage 2003). Actually investor's behavior is limited due to difficulty in gaining to investor's intention to invest; therefore it makes sufficient alternative measure of actual behavior. Fatefully, the young individuals suffer more due to increased unemployment (London, 2014). Since, unemployment of young people creates lack of independency, creating emotions of desperateness and hopelessness among individuals. Moreover, the difference between income and liabilities also plays an important role in individual's life (Fiksenbaum,Marjanovic, Greenglass, & Garcia-Santos, 2017; Marjanovic, Fiksenbaum, & Greenglass 2018; Marjanovic, Greenglass, Fiksenbaum, & Bell,2013b; Marjanovic, Struthers, Cribbie, & Greenglass, 2014).

Simply in bad feelings of finance people are warned to manage their financial ability to maintain their life style. It is a real consideration, that the greater discomfort caused by financial inability will create the motivation in individual to get order in its finances. However, financial literacy might be helpful in generating employment thus reducing poverty through managing the finance in an efficient way. Research demonstrates that financial literacy of colleges and university students is catered by different problems. These problems include families who are not able to manage their finances, because the parents are financially uneducated and illiterate, and then they are using basic themes of finances as they do in normal life and teach students, so it argues that students are financially illiterate (Haushofer and Fehr, 2014; Mishra, 2014; Wohl, Branscombe, & Lister, 2014). This refers to a responsibility of breaking cycle of financial illiteracy in higher education, for the students that have no grip on financial literacy or unable to manage their finances. This shows that the individuals are taking coercive measures to get their finances in preventing from experiences of financial threats a financial literacy.

Literature Review

Financial matters are personal responsibility of any individual, because financial decisions significantly impact on society and individual life style. The policymakers and researchers try to find out methods to enhance the financial capabilities of individuals (Atkinson, McKay, Collard & Kempson, 2007). In assessing the financial capability of five behaviors there are five key dimensions such as, keeping track, forward fast planning, making ends meet, and remaining informed about choosing products (FSA, 2006). Theoretically, psychology and economics laws are the basic variables of behavioral economics (Kahneman, 2003). But the concept of behavioral economics is described through the dictation of rationality embodied in a super-computer that can scrutinize the benefits and costs of every accomplishment, as a substitute it is controlled by the human, emotional, sociable and human brain most of the time (Borghans, Duckworth, Heckman, & Ter Weel, 2008). These characteristics are being studied by the researchers and psychologists

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(Kashmiri and Mahajan, 2010; Liu and Yu, 2018; O'Mara and Gaertner, 2019; Zusne and Jones, 2014). However, most of the time our rational shortcuts are not working well, therefore individuals and societies shape the behavior with integration of real time context change cognitions.

Conversely, the other side of behavior change is limited in study by the researchers. For example, the focus is to change the mind through the financial information and financial education, but this traditional intervention improves the capability of individuals in financial decision making. Through financial literacy and training individuals are more confident to make financial decisions and read financial markets that lead to change the behavior. Customary mediation may along these lines provide to broaden the hole between low and high levels, even extending policymakers to take interest on improving the budgetary capacity at the most minimal levels. It ultimately creates enthusiasm for searching intercessions to enlarge the usual approaches.

Previous research on psychological health and personality attributes are probably going to be related with both financial threat and unfavorable maladaptive outcomes. For instance, people who tend to worry have more elevated amounts of depression and uneasiness in comparison to non-worriers (Brown, Antony, & Barlow, 1992; Hara, Westra, Constantino, & Antony, 2018; Westra, Constantino, & Antony, 2016). Maladaptive outcomes, particularly financial threat have close associations with psychological health, personality of the investors and many other attributes i.e. the persons who are too much worried about the finance matters face high level of depression and anxiety in comparison with others who don't have stress (Marjanovic, Greenglass, Fiksenbaum, & Bell,2013b; Westra, Constantino, & Antony, 2016). The deficiency and inability that creates the negative perceptions and thoughts that lead to failure in achieving the personal goals (Kubzansky, Kawachi, Spiro III,Weiss, Vokonas, & Sparrow, 1997). However, the persons who face worry, feel too much insecurity and instability in their lives while making the financial decisions in comparison to persons who don't feel worry in their lives. Along with this, there is another variable such as rumination, which is also highly associated with financial threat. The rumination is defined the ability to have negative and frequent thoughts about the themes or experiences that keeps the person away in achieving the personal goals (Greenglass, Antonides, Christandl, Foster, Katter, Kaufman, & Lea, 2014).; Marjanovic, Greenglass, Fiksenbaum, & Bell,2013b; Scott, & McIntosh, 1999). The aforementioned factor has empirically effect on the maladaptive factors such as anxiety, intense level of depressions (Aldao, Nolen-Hoeksema, & Schweizer, 2010; Fiksenbaum, Marjanovic, & Greenglass, 2017) and a very severe disorder such as, post-traumatic stress (Marjanovic, Fiksenbaum, & Greenglass 2018; Marjanovic, Greenglass, Fiksenbaum, & Bell,2013b; Scott & McIntosh, 1999).

Psychology research findings, propose that financial threat have severe effects on the poverty level and becomes very difficult to overcome it. As the aversive passion state related with the financial threat are awkward to the point that sufferers will in general support promptly satisfying practices over less fulfilling objective coordinated practices (Haushofer and Fehr, 2014). This withstand the 'poverty cycle' by crafting it gradually hard to settle on comprehensive choices. Also, analyst explained that students tentatively compromised by the possibilities of lessened monetary open doors were bound to participate in unsafe betting practices contrasted with gatherings of unmerited controls (Haushofer and Fehr, 2014; Wohl, Branscombe & Lister, 2014).

Financial literacy is most important factor that plays a critical role in making the financial decisions, especially in making the future plans, financial issues, money matters discussion, and responding the financial threats of life (Capuano and Ramsay, 2011; Fox, Bartholomae, & Lee, 2005; Vitt, Anderson, Kent, Lyter, Siegenthaler, & Ward, 2000). This explanation describes the financial behaviors, and the common financial literacy explanation focuses on the knowledge that describes the financial matters. The knowledge about finance explains how to prepare the budget and how to follow the budget effectively and efficiently, how to invest, save and manage the credit for the future (Akoto, 2016; Postmus, Plummer, McMahon, & Zurlo, 2013). There are many sources of financial literacy such as seminars, trainings, education, intergenerational influences, and reference group influences (Morris and Perry, 2016; Perry and Morris, 2005). The main reason of too much importance of the financial literacy is that it has strongest association with the change in financial well-being and financial behavior (Hancock, Jorgensen, & Swanson, 2013; Hetling and Postmus, 2014; Postmus, Plummer, McMahon, & Zurlo, 2013). It has been observed that households with less level of financially literacy suffer intense level of financial crises and throughout their lives they face crisis in investments and savings, and very poor debit and credit history (Awais, Laber, Rasheed, & Khursheed, 2016; Braunstein and Welch, 2002; Jones, Petrie, & Murrell, 2018). No doubt changes in technology and innovation in the markets are raising the consumer's capability in managing the financial transactions due to increase in the financial literacy (Jones, Petrie, & Murrell, 2018).

For the financial wellbeing of young people, financial literacy has gained much popularity in the financial decision making. In the past decades and so for, new technologies and programs have established to promote the financial education to the consumers of America. Although a lot of programs have been developed for learning of consumers about the financial literacy, but there are very limited research to analyze the impact of financial literacy on 'willingness to change' the financial behavior of the consumers and their well-beings (Lyons, 2008). There are numerous studies who have argued that financial literacy has strong impact on the financial well beings of the consumers (Mahdzan, Zainudin, Sukor, Zainir, & Ahmad, 2019; Rao and Barber, 2005). Hence these are also confirmed that financial literacy has positive influence on the financial behavior of the students (Susanti, Rahmayanti, Padmakusumah, & Susanto, 2019).

Hypothesis Development

Currently every person is focusing to improve their finance matters, therefore this is equally important for every person to enhance their 'willingness to change' financial behaviors. In past this strategy was used by individuals to cope their bad financial situations. When financial hardship is at the lowest level, financial threat destroys the financial management of individuals and forces peoples to take some actions to change the financial behavior. A person in spite of enjoying good financial days always thinks about the finance matters while buying the shoes or another thing and will take some proactive approaches to manage the financial deficiency of near or far future. Even though the economy of the world has progressed well after the globally economic downturn but it has been observed the economic down turn has sluggish in the progressive economies such as weak productivity, lower equity and slow labor growth and investments in finance (De Bondt and Thaler, 1985; Fiksenbaum, Marjanovic, & Greenglass, 2017). One of the most important implications for individual is that financial forecasting remains at uncertain, due to this unemployment rate remained at highest level in countries. Although, considerable studies are available on the psychological perspective of financial hardships but the research is at the embryonic stage to develop the theoretical perspective in this financial area. The research is developing a model to test the relationship between 'financial threat' and 'willingness to change'

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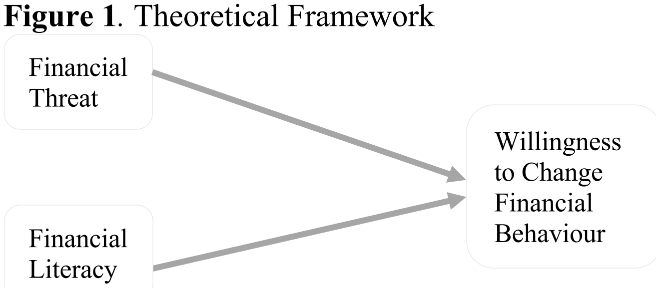
a 'financial behavior' by using TPB. The schematic diagram of the proposed relationship is illustrated in figure 01. On the basis of the above discussion it is proposed that:

- H1: Financial threat has significant influence on 'willingness to change' the financial behavior.

TPB describes that, intention of every individual can be explained by the attitude of that person to achieve or act the desired behavior and to analyze the overall behavior of the person (Ajzen and Fishbein 2005). Both intension and attitude factor can jointly play a vital role in behavioral change. Education about finance may give necessary information and skill to make positive changes in management of money, saving behavior and causes reduction in debt. Further, financial literacy, behaviors and experiences shares common connections (Potrich, Vieira, & Mendes-Da-Silva, 2016; Totenhagen, Wilmarth, Serido, Curran, & Shim, 2019). Whereas; financial experience and knowledge can have significant influence on consumer behavior and lack of these factors can ruin the financial behavior of consumers (Beenstock, 2019; Lusardi, Mitchell, & Curto, 2010). However, financial literacy and financial knowledge are two different aspects (Amoah, 2016; Huston, 2010). Financial knowledge is conceptualized as the accumulation of knowledge through experience and education for managing the finance products, while financial literacy is the combined effect of confidence, ability, experience and knowledge to deal the financial matters (Fernandes, Lynch & Netemeyer, 2014; Huston, 2010; Lusardi and Mitchell, 2014). Financial literacy not just explains the financial behavior of the individuals but it also explains the changes in the financial behavior. More specifically, the students who have knowledge of the financial behavior are less inclined in risky credit behaviors, because financial literacy prevents the students form mismanaging and misuse of their credits in their daily life (Lyons, 2008). Therefore, financial literacy has a significant influence on the financial behavior of the students. In another study it is argued that differences in skills and knowledge of the young students have also influence on the financial behavior (Johnson and Sherraden, 2007). An individual with low financial literacy face problems in managing the near future debt and credit of their transactions and have less security in managing their pensions. Therefore, the financial literacy is helping the individuals in managing the finance of their future. This has become quite evident that financial literacy is required badly to assist the success of individuals. In line with this, it is also described that financial literacy is one of the most obvious factors that has significant influence on the financial behavior of the individuals (Gutter and Copur 2011). On the base of the above discussion, it is argued that:

- H2: Financial literacy has significant influence on 'willingness to change' the financial behavior.

Figure 1. Theoretical Framework



Methods

This study has been conducted in Pakistan on students of various universities located in Sindh province. The data collected in period of four months, starting from March 2019 to June 2019. A total of 520 questionnaires were distributed to the students of public and private universities of Sindh province, who were doing their bachelor and master's degree with finance specialization. Only 345 questionnaires were returned to the researcher and 39 questionnaires were not completely filled resulting in a total response rate of 71.72 percent. This study involved three constructs: financial threat, financial literacy and 'willingness to change' financial behavior. All construct were measured using five point Likert scale. Financial threat was measured using 5 items scale developed in study (Marjanovic, Greenglass, Fiksenbaum, & Bell, 2013b). This is the scale which has main focus on threat, worry, and uncertainty. There were five items of the scale on five-point ranging i.e. 5 = A great extent to 1 = Not at all. A sample item is "How uncertain do you feel?" The scale of financial literacy was adopted (Postmus, Plummer, McMahon, & Zurlo, 2013). This scale measures the economic knowledge of the participants. This scale is measured on five point Likert scale ranging from 1 = not true to 5 = very true. The sample item of this scale is "I have a good understanding of how to review my credit history". However, in order to measure the 'willingness to change' in financial behavior of the students a 15 items scale was used or adopted (Fiksenbaum, Marjanovic, & Greenglass, 2017). This measurement scale was measured on five point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Sample item is "I'm selling some of my possessions to earn extra money (e.g., car, furniture)".

Data Analysis

The majority of the respondents were male students which accounted for 72.2% and the female students were 27.8% of the total number of respondents. The data collected depicted that 48.7% of the respondents were in the age of 16 to 20 years old, 37.6% of the respondents were 21 to 25 years old and 13.7% of the respondents were 26 to 30 years old. However, 49.7 % of the respondents were currently not employed, 34.6% of the respondents were part time employed and 15.7% of the respondents were working as full time employee in different organizations.

Table 1. Respondents' Profile

Characteristics	Frequency	Percentage
Gender		
Male	221	72.2
Female	85	27.8
Age (years)		
16-20	149	48.7
21-25	115	37.6
26-30	42	13.7
Employment Status		
Unemployed	152	49.7
Part-time employed	106	34.6
Full-time employed	48	15.7

Factor analysis is the appropriate statistical tool to create the accurate reliability and validity of the scales. To conduct the factor analysis, it is mandatory to check whether the sample is suitable or not. Therefore, in this study, data have been screened from the missing value, aberrant values and outliers. For factor analysis, it is also necessary to have the sufficient sample size. The study shows

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that sample size is 288 after deleting the 18 multivariate outliers and this is permissible for the factor analysis. It is stated that the minimum sample size should not be less than 50 and preferably the data should be larger than 100 (Hair, Black, Babin, & Anderson, 2010). However, it is also arguable that sample size is not a big issue if the factors loadings are above 0.60 (Gualdagnoli and Velicer, 1988). Similarly, violation of assumption about factor analysis such as sample size is not an issue, such violations simply reduces the observed correlations (MacCallum, Widaman, Preacher, & Hong, 2001). The five items of financial threat, thirteen items of financial literacy and fifteen items of 'willingness to change' financial behavior were accomplished by PCA using SPSS Version 21. After running the EFA no items of financial threat, financial literacy and 'willingness to change' financial behavior were excluded due to high factor loading above 0.50. In the study, items with factor loading above 0.50 have been retained. It is suggested that values between 0.50-0.70 are considered as mediocre, 0.70-0.8 are considered as good and values between 0.8-0.9 are considered as superb (Nayyar 2012). The statistical results of the measures of sample adequacy (KMO = 0.931), Bartlett Test of Sphericity = 6981.55, Significance = 0.000, Factor loading > 0.50) depicts the data collected for the current study as appropriate for factor analysis as given in Table 2.

Table 2. KMO and Sphericity

KMO	0.931
Bartlett's test of Sphericity Approx. Chi-Square	6981.55
Sig.	0.000

Note. Extraction Method: PCA-Rotation Method: Varimax with Kaiser Normalization.

Reliability is the degree to which items make up the scale are all measuring the same underlying attribute (Pallant, 2013). It is the uniformity of results measuring the items of variables repeatedly (Kim, Park, & Jeong, 2004). Table 3 depicts the result of Cronbach's Alpha for all three variables of current study which are financial threat (α = 0.893), Financial Literacy (α = 0.939), and 'willingness to change' financial behavior (α = 0.936) representing all the respective items of the variables which meet the standards for further analysis (Hair, Black, Babin, & Anderson, 2010).

Table 3. Reliability

Variable	**Cronbach's Alpha**
Financial Threat	0.893
Financial Literacy	0.939
Willingness to change Financial Behavior	0.936

A Pearson correlation used to find the significant relationship among variables as shown in Table 4. Correlation test is used to analyze the association between the variables indicating that financial threat has significant association with 'willingness to change' financial behavior ($r = 0.402$ while $p < .01$), financial literacy has significant association with 'willingness to change' financial behavior ($r = 0.520$ while $p < .01$). Also the financial literacy also have significant association with financial literacy ($r = 0.356$ while $p < .01$). The relationship between variables is strong as illustrated in the Table 4.

Table 4. Correlation

Variable	1	2	3
Financial Threat	1		
2. Financial Literacy	0.356**	1	
3. 'Willingness to change' Financial Behavior	0.402**	0.520**	1

Note. **Correlation is significant at the 0.01 level (2-tailed).

Multiple regression performed for testing the hypothesis by using SPSS. Hypothesis 1 postulates that financial threat has a positive significant relationship with 'willingness to change' financial behavior of students. As shown in Table 5, that financial threat has a positive and significant relationship with 'willingness to change' financial behavior of the students ($\beta = 0.249$; $p = 0.00$), therefore, hypothesis 1 is supported. Hypothesis 2 postulates that 'financial literacy' has a constructive and positive relationship with 'willingness to change' the financial behavior of students. The results given in Table 5 demonstrated that financial literacy has a positive and significant relationship with 'willingness to change' financial behavior of the students ($\beta = 0.431$; $p = 0.00$), therefore, hypothesis 2 is also supported.

Table 5. Multiple Regression

Independent Variables	Willingness to change financial behavior			***R2***
	Standardized Beta	***t-value***	***Sig.***	
(Constant)		5.458	.000	0.324
Financial Threat	0.249	4.781	.000	
Financial Literacy	0.431	8.279	.000	

Discussion

The results of the analysis showed a significant positive relationship between financial threat and 'willingness to change' the financial behavior of university students. This implies that increase in the financial threat will lead to change in the financial behavior of the students. The correlation and regression analysis results depict that in the context of public universities in Pakistan, students are more inclined in changing the financial behavior due to the financial threats. Hence achieved the aim of study i.e. empirically investigates the relation between 'financial threat', 'financial literacy' and 'willingness to change' the 'financial behavior'.

The economic conditions drastically changed after the great economic recession. This had massive impact on employment trends, physical and psychological well-being of people. The people are disturb about the economic condition, because they are uncertain and insecure concerning about their employment and finances (Bartholomae and Fox, 2010; Fiksenbaum, Marjanovic, & Greenglass, 2017; Williams, D. T., Cheadle, & Goosby, 2015). When we talk about the existing global economic condition, unfortunately then debt, unemployment and economic hardship are dominant part of economy. These things leave lasting impact for many individuals. When people are unemployed, and their work situation is perilous, along with facing debt in an economy, then this economic condition causes stress for people and make them weak and more defenseless. Based on past researches we find out that there exist associations and link among debt, anxiety, economic hardship, and financial threat(Potrich, Vieira, & Mendes-Da-Silva, 2016; Totenhagen, Wilmarth, Serido, Curran, & Shim, 2019; Beenstock, 2019; Lusardi, Mitchell, & Curto, 2010). With basic purpose of this study to investigate a cohesive model that discovers reasons for emotional and cognitive responses to financial stressors, results of psychological mechanism helps in economic

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hardship, anxiety, and debt to motivate for change in financial behavior involve in job searching activities.

The findings of this study determine that the persons who have more financial threat are motivated and interested towards the change in financial behavior. Individuals are possibly to report the more psychological suffering and stress who were feeling more endangered by change in financial situation. So, people with more financial threat report more psychological agony. And people who reported lower levels of financial threat shows less stress and agony. As the literature describe a transactional theory about this situation that, distress and agony are basic function of stress appraisal. And an individual's personal choices and resources decide how to handle the stressor. Such as a person's self-effectiveness and efficiency plays a role in reducing the stress factor. If we collectively organized the data, then data shows that financial threat has effect on willingness to transform the financial behavior.

In addressing the second hypothesis related to the relationship between the financial literacy and 'willingness to change' the financial behavior of university students, indicates significant positive relationship between financial literacy and willing to change the financial behavior. The results specify, as the level of financial literacy enhances the university students are more inclined to change their financial behavior and they opts different ways for savings and to spend their limited budget. The important findings of our study are that financial literacy acts as a significant predictor and shows the 'willingness to change' the financial behavior. This encourages people to gain the skills and knowledge. However financial literacy is an important factor that affects the life of individual and their financial well-being. This is our purpose and intention to create awareness about the importance of financial literacy. Because this can give more concentration to researchers and policy makers giving more focus on empowering the population economically.

Implications

The unemployed youth graduating from university may understand the concept of financial threat and move for investing themselves instead of seeking jobs. For instance, some students might be exhibiting the sign of distress such as, anxiety and worry because of student loans and debt. In such situations, they could need help of professionally experienced persons who aid students in coping with emotional behavior disorders interrelated to the financial issues. This can be proved helpful for researchers to develop an understanding about poor financial conditions of customers that ultimately affect the financial decision-making process. Government must take initiative actions to reduce the unemployment through understanding the financial distress to students at university level. The government must offer programs which help individuals in coping with the negative effects of joblessness and redundancy. This is the fact that many young people are suffering from excessively high redundancy rate having long-lasting effect on students related to employment perspective and future incomes.

Therefore, it is the need of time that we should change the current prospectus of studies. And focus must be on young people to prepare them for the world of work. Only by doing this we can gain stability and equilibrium in the labor market. This can be accomplished by the high quality and excellence work experiences such as internships, training and apprenticeships providing the best way for work experiences. There must be balance between debt and economic hardships to moderate the effects of debt and economic hardships. For instance, the financial conditions of students may change by appropriate money and debt guidance.

Limitation and Way Forward

Even though this research provide insightful findings and contributing to both theoretical and practical evidence, there are some limitations that need to be addressed. These limitations are predominantly in the respect of methodology and generalizability of the study. Such limitations mostly arise due to time and money constraints. Like many academic studies, the current research study presents the limitations and recommendations for future researchers to extend the status of knowledge in the pitch of financial behavior. Therefore, the limitations of this study are important and worth to note that gives the clear understandings and explanations to the findings. There are two perspectives investigated in this study, first the data used in this study is correlational, therefore, we cannot make underlying or contributory statements and assumptions based on the data, and this suggest further research for this purpose. However, we recommended few hypothesis which can be tested and verified easily. If we talk about the longitudinal researches which permit us that we can investigate our hypothesis more accurately. The hypothesis says that financial threat can signal or prompt constructive financial behavior. We categorize the variables like situational and personality traits that make happen this behavior more likely. This design of research helps us to identify and recognize those variables.

Second important thing is that, data gathered from sample of undergraduate student. There may be factor of cynicism and uncertainty among readers. Therefore, the findings of the data cannot be generalized. However, apart from the convenience and suitability of students, we precisely decided to conduct our study with them for numerous reasons. For example, there are many university students that deal with high costs. Hence, they are potent stressors and these things are associated with following higher education for example accumulating debt. In terms of studies conducted in past, all of them demonstrated the similar results on the construct of financial threat with respect to diverse groups of university samples (Marjanovic, Greenglass, Fiksenbaum, & Bell, 2013b). We claim that this consistency with samples happens because although there are many definite and clear-cut differences that make them separate and dissimilar. In spite of these differences, financial threat affects the adults in the same way. For example, most students deal with the pressure of earning, they make less money than they spend. When the earnings and spending relation is unfavorable then this builds great pressure on them. This gives the impression that their financial situations are unstable and insufficient. In such cases of the research, it would be sensible to investigate the relations in more diverse populations. Researcher must include and investigate older uneducated and less prosperous people. In conclusion, it is accepted that there are other variables of interest which are present but are not measured here. But may prove helpful in explaining what relation exists between financial threat, situational and psychological wellbeing. For example, the regularly poor people endure many hardships in their life and they have only few opportunities available to handle those economic hardships from available credit. This might create the feelings of hopelessness and impossibility for them. Also, when opportunities and choices are available, then these kinds of situations discourage people from making good financial choices (Carvalho, Meier, Wang, 2016; Chetty, 2015). Future studies must aim to discover these associations and use the diversifed methodologies and samples for verifying and test purposes.

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