Factors that Influence Middle Class Women’s Financial Capability: An Australian Study

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

Robyn Elizabeth Ward

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<table>
<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities &amp; Investments Commission</td>
</tr>
<tr>
<td>CIS</td>
<td>Computerized Status Index</td>
</tr>
<tr>
<td>FINRA</td>
<td>The Financial Industry Regulatory Authority</td>
</tr>
<tr>
<td>IWPR</td>
<td>Institute for Women’s Policy Research</td>
</tr>
<tr>
<td>NFER</td>
<td>National Foundation for Education Research</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
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<tr>
<td>WEGA</td>
<td>Workplace Gender Equality Agency</td>
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Abstract

As Australian society has changed over time, women have become more active participants in paid employment. Importantly, women, especially middle class women, make significant contributions to the economy. The principal aim of this thesis is to investigate factors that affect Australian middle class women’s relationship with money and finance over time. It does so by investigating three factors that underpin financial capability. These are: 1. financial socialisation, which is foundational and predisposes an individual for future economic success; 2. economic inclusion, which enables a person to be financially literate to participate in the personal financial market, and 3. a fulfilling career that provides the opportunity for an individual to be well rewarded financially. With much research focused on low socio-economic groups, the focus in this thesis is on middle class women, with class defined by income level.

Prior to the 1960s, most women worked in the unpaid domestic arena. It was only after the law and policies were changed to remove the ‘marriage bar’ in the public service sector that married women could fully participate in the labour market. These reforms plus two ‘equal pay’ cases that were influential in 1969 and 1972 signalled women’s move from the domestic to the economic realm. Women were now included in the labour force and were generally described as working class because they worked for low wages in unskilled or semi-skilled
occupations. Married women who participated in paid work and advanced from work to create a career were seen as middle class women.

The practical context in which this study arises is the problem that middle class women continue to face two main impediments in creating a secure financial future. One is that the gap in pay between women and men working full-time is nearly 20 percent. Another is that many women have interrupted work patterns due to family responsibilities. This problem is compounded by the fact that women now outlive men by at least five years, which means that, depending upon their retirement funding scheme, women will generally need more funds after they leave paid employment. This thesis argues that despite these difficulties, many middle class women have achieved their personal and economic goals. They have been able to do so because they have developed a strong capability and resilience.

The thesis investigates the nature of this developmental process by employing a constructivist-interpretive research methodology and using qualitative research methods. The empirical data was drawn from group discussions and face-to-face interviews with two distinct cohorts of women. The first cohort comprised twenty-two participants, of which five were adolescent women aged fourteen to sixteen years. The second consisted of twenty-six adult women, aged from their late twenties to mid-fifties. Analysis of these interviews resulted in the formulation of a conceptual model that identified the factors that influence women’s financial capability. The thesis focused only on examining those women who were financially successful and not
others. This thesis was anchored to factors that influenced financial capability and the role of socialisation, including socialisation theory, in this process.

Six interlinked factors were identified that contribute to financial capability. First, the women’s family provided adolescents with foundational economic knowledge. The next two factors, personal values and emotions, drove individuals’ decisions and behaviours. Fourth, experiences gained in various stages of life influenced these women’s ability to manage finances. Fifth, the importance of relationships was a significant motivator for many women to be financially resilient. This is because caring for family and others occupied a substantial portion of their lives. Finally, and predictably, good financial decision making was fundamental to women’s success or otherwise in providing for themselves and others. The thesis integrates these six factors into Sherraden’s 2010 model of financial capability to provide a richer and more accurate account of the developmental process.

Middle class women who are motivated by the values of independence, security and personal freedom tended to develop financial resilience, and thus were capable of managing their finances well. While family and ‘significant others’ were initial influences in adolescence, the process of becoming financially capable was enriched by personal attributes, either inherited or learned from diverse life experiences. The external factor of financial inclusion, as well as formal and informal education in financial literacy, also assisted them in this developmental process. The significance of this thesis lies in demonstrating the range of diverse factors that
influence the evolution of women’s financial capability. Without one or other of these factors, middle class women would be less able to manage their financial affairs, and thereby be even worse off when they retired.
Chapter 1: Introduction

1.0 Introduction

The purpose of this chapter is to provide an overview of factors that affect Australian middle class women’s relationship with money over time, specifically in regard to the evolution from adolescence to adulthood. This chapter explains the theoretical background of the thesis the research objective and question, scope of the research and the structure of the thesis.

1.1 Research Background

This thesis identifies the evolution of Australian middle class women’s financial capability from female adolescence to their maturity. The researcher worked in the financial services industry for more than ten years thus had insights into the field. Over this time, she was engaged in management and educational roles with banking and investment organisations with a specific emphasis on financial planning and women. This financial services background offered the researcher the opportunity to closely observe women’s relationship with money and assisted with in-depth observations and data analysis.

There is abundant research addressing marginalised and low socio-economic women and their financial capability yet the literature is relatively silent when addressing middle class women and financial capability. Due to the paucity of research addressing this topic, this thesis makes a contribution to existing knowledge by investigating three aspects that underpin financial
capability and describing six factors that affect women’s relationship with money over time. The three aspects are: 1. financial socialisation, which is foundational in supporting an individual to experience future economic success; 2. economic inclusion, which comprises financial knowledge to participate in the personal economic market, and 3. a fulfilling career that provides opportunity for a person to be financially well rewarded. The six factors are: 1. economic socialisation; 2. values; 3. emotions; 4. life stages; 5. relationships, and 6. financial decision-making.

Using economic socialisation theory, the study identifies how these women managed personal finances and overcame financial obstacles and change throughout their lives. This includes family relationships and their importance in contributing to the process of creating individuals’ financial capability. Findings revealed that the combination of modelling parental behaviour and that of significant others assisted women, when they were children, learn about earning, saving, and spending money responsibly. Additionally, relationships were important as they offered support during times of change. The ability to adapt and either continue from the previous position prior to change or to be in an improved position demonstrates women’s resilience when faced with life changes. This study uncovered six factors that influenced women’s financial capability. By identifying links between them that underpinned women’s resilience to overcome obstacles and take advantage of opportunities to secure their financial independence.
While existing studies address both men and women, this thesis solely addresses women and focuses on their well-being and financial capability which includes both the ability to act with sound knowledge, skills, confidence, and motivation plus the opportunity to act through access to quality financial products and services (Johnson & Sherraden 2007). Personal money management literature is plentiful whilst the literature to assist women to understand their relationship with money might be considered less so. It is common practice for many women to leave their career at the peak of their earning potential to take care of children or parents (de Bassa Scheresberg, Lusardi & Yakoboski 2014).

Women play an important role in society as either managing household budgets, single income earners or contributors in dual income relationships, thus it is vital that they are financially capable. Whether they look after themselves, or others, women need to be confident in managing their personal finances. Statistics show women outlive men and in Australia men are dying five years earlier than women (ABS 2014). In 2011, women comprised 58 percent of the United States of America (USA) workforce, 62 percent in Canada, almost 50 percent in the United Kingdom (UK) and Europe, and 59 percent in Australia. Remuneration inequalities indicate that in the USA, the gap in pay between women and men working full-time was 19 percent (IWPR 2013). For the same period in the UK, it was 11 percent (Office for National Statistics UK 2013) and 16 percent in Europe (European Commission Eurostat 2013) while in Australia in 2013, it was 18 percent (Workplace Gender Equality 2013).
In addition to the scholarly literature, industry reports or working papers addressing financial capability were utilised because of their relevance and currency (ANZ Survey 2011; ASIC Report 230 2011; de Meza et al. 2008; Dixon 2006; Elliott et al. 2010; Lusardi 2011). In these reports, the concept of capability was investigated and referenced in the literature from Sen, for example 1980, 1983, and 1999. The concept of financial capability noted in these reports commenced in the mid-2000s, for example, (Johnson & Sherraden 2007; Kempson, Collard & Moore 2006).

Financial capability research spans various disciplines with economics being the most common discipline in the USA followed by the social sciences. Disciplines such as behavioural economics, feminist economics, behavioural finance, psychology and philosophy attract researchers from the UK and the USA. In Australia, most research is predominantly located in the accounting and behavioural finance disciplines. While this fluidity and spread of disciplinary diversity confirms the concept’s relatively new standing in the various literatures, the scattered nature poses challenges in reviewing it, and impedes the further development and advancement of understanding this important concept.

1.2 Statement of the Problem

Middle class women play an important role in society as either household budget managers, single income earners or contributors in dual income relationships. Thus women need to be financially capable. Statistics show women outlive men and in Australia men are dying five
years earlier than women (ABS 2012). With government now requiring individuals to fund their own retirement and health care needs, it is imperative that women are financially capable to accommodate these future expenses.

Personal financial management would appear to be a straightforward management system as it generally implies spending less that the amount earned, and engaging in some planning for the future. For some, the challenge is applying this to everyday life. Events can be unpredictable, from a global financial crisis to a personal health issue. As individuals are vulnerable to such events, developing the necessary skills and knowledge and resilience to cope with these incidents is essential for well-being. To be capable of dealing with these events effectively, means that women need suitable skills and knowledge, supportive attitudes, good decision-making skills, and motivations and opportunities to act Money Advice Service (UK) (2013).

Literature on financial capability (ANZ 2011, 2014; De Meza, Irlenbusch & Reyniers 2008; Elliott et al. 2010; Lusardi & Mitchell 2014) reveals that there is an emphasis on measuring the outcomes of people’s financial knowledge and skills, but less is known about what people actually do after becoming literate. Capability is the practical and potential ability of a person to take action. While research includes both men and women, there are no studies specifically on women and financial capability. While existing studies address both men and women, this thesis solely addresses women and focuses on their well-being and financial capability, which includes both the ability to act with sound knowledge, skills, confidence, and motivation plus
the opportunity to act through access to quality financial products and services (Johnson & Sherraden 2007).

Women comprise a substantial proportion in the Australian workforce. Further, many manage the roles of work, caregiving, and being a relationship partner. The nature of work is changing due to technological disruption which can offer flexibility for some work tasks. However, for many women, and especially those with children, there is still further reform to take place so that they are able to take advantage of more equitable opportunities in the workplace and have access to childcare. With greater flexibility and better access to childcare, women could participate more actively in the workplace in roles that are challenging and fulfilling because the caring work can be shared. Work is integral to women’s financial capability because without earnings, they are denied choice in how they would like to create a harmonious life. Women’s sense of satisfaction offered by a mix of caring for family and meaningful paid employment enhances their well-being as needs are met through work and sharing family responsibilities.

Having established the issue of women’s challenges in becoming and maintaining their financial capability, this thesis aims to identify the factors that influence adolescent and adult women’s relationship with money over time. Socialisation theory underpins the thesis because foundational learning takes place within the family and with significant others. Additionally, adolescence was important for learning about the world through experience. A new
conceptual model shows the main factors that influence women’s evolving relationship with money. This was developed after an extensive literature review and then validated by conducting interviews and analysing data.

1.3 Research Objectives

The objective of this thesis, which was to identify middle class women’s financial relationships, led to the creation of a model that illustrates factors that influence women’s evolving relationship with money over time. Significant findings were that six factors influenced middle class adolescent women and adult women’s financial capability. These were: 1. Parental influence and the influence of significant others; 2. Values; 3. Emotions; 4. Life Stages; 5. Relationships; 6. Financial Decision-Making leading to Financial Capability.

1.4 Research Question

The primary research question underpinning this thesis is:

What are the factors that affect middle class women’s relationship with money from adolescence to maturity?

In addition, three sub-questions include:

- What are key financial experiences and events in adolescence and adulthood that have influenced women’s experiences with money?
- What are key influences on women’s money management and financial
decision-making?
- What is the relationship between financial well-being and work, values, and life stages?

By addressing the research questions, the thesis contributes to the development of a conceptual model that systematically evaluates each factor from the aspects of adolescent women and adult women to assist them to become financially capable. Because of confusion with the terms financial capability and financial literacy, prior studies focused on financial literacy, especially to develop or confirm constructs based on financial literacy knowledge (Bateman et al. 2012; Johnson & Sherraden 2007; Kempson, Collard & Moore 2006: Lusardi & Mitchell 2011). This thesis is the first study that discovers factors other than financial knowledge in middle class females to extend understanding of three aspects that underpin financial capability. These are: 1. financial socialisation which provides the basis for an individual to capably manage personal finances; 2. economic inclusion which enables a person to be financially literate to participate in the personal financial market, and 3. a fulfilling career that provides opportunity for personal financial reward. These three aspects are strengthened by women’s resilience to be financially capable and describe factors that influence women from adolescence to maturity.

The triangulation of key findings from adolescent women, adult women, and the model offers a better view on the associations between constructs that emerged in this thesis. Additionally, this thesis also sets out to address an important oversight in our understanding, drawing on the
concept of financial capability of middle class women, which offers unique perspectives compared with prior studies that focused on financial literacy.

Previous research on financial capability and financial literacy has generally focused on women and men from the low socio-economic demographic. Research has also explored mixed demographics including the middle class, again including both women and men. No research has focused exclusively on middle class women. Accordingly, this thesis contends that a focus on this group of women may enhance a deeper understanding of how they relate to money by uncovering factors aside from education. Middle class women contribute to a country’s economic wealth through paying substantial tax and investing in assets, which also attract tax payments. Further, as they are busy juggling work, and family responsibilities with little time for themselves, their voice is rarely heard. Uncovering factors that contribute to their financial capability would contribute to the harmonisation of two bridging fields in women, work, and family and financial capability in the context of middle class Australian women who participate in a neoliberal society.

This thesis has both business and policy implications. The policy makers and public and private sectors may consider revisiting their financial literacy initiatives based on the findings generated from the research question. In this respect, Shefrin (2013) argues that using a collaborative approach, these parties could implement well-formulated programs, thus promoting women’s financial capability by instilling considered spending and borrowing.
decisions. This thesis sheds some light on the need for better coordination between government agencies in promoting women’s financial capability. As well, factors identified in the current thesis may guide women to manage personal finances more effectively by being aware of patterns in their decision-making which affect their capability.

1.5 Scope of the Research

This research will focus on the main factors that influence middle class female’s relationship with money over time. The identification of these factors draws on socialisation theory which focuses on the influences that shape adolescent and adult women’s response to personal finances during life stages. Feminism studies have not focused on middle class women and financial resilience as they are not part of the feminist study agenda. Instead their studies have been on lower socio-economic groups. After conducting a pilot study with twenty-two young females of which five were adolescent women aged between fourteen and sixteen years, findings indicated that financial capability was an important issue for this age group. The analysis uncovered that parents were critical in conveying to their children foundational financial knowledge and behaviour, such as saving and spending.

The final step in conducting this research was to interview a group of twenty-six middle class women, thirteen were engaged in the financial services industry and thirteen were from other areas outside this industry. Manual category topic analysis supplemented with NVivo analysis of the data identified six topics that influenced women’s financial relationships. Here, the
The present thesis looks at six factors; parental influence and that of significant others, values, emotions, life stages, relationships, and financial decision-making, leading to financial capability. The thesis focused on Australian middle class females as this demographic is not researched in the literature.

This research employed an inductive qualitative approach by using semi-structured interviews as a main method of gauging research information. By adopting a constructivist approach (Charmaz 2006; Creswell 2009), this thesis sought information from women who were deemed representative in explaining their evolving relationship with money and attaining financial capability over time. The data were systematically analysed by using both a hand coding technique and NVivo to generate thematic analyses of the crucial constructs underpinning this study. Finally, the researcher developed a conceptual model to interpret meanings of research constructs or themes to answer the research question.

1.6 Thesis Structure

Chapter 2 provides a review of females and financial capability as a research field, including financial literacy. This chapter also examines characteristics of financial capability in the USA, UK, and Australia. Different descriptions of financial capability and financial literacy are discussed, resulting in the former being used in this thesis. Socialisation theory underpinned the thesis and informed the thesis, including analysis and findings. The aim was
to identify factors and patterns that influenced women’s evolving relationship with personal finance leading to financial capability.

Chapter 3 presents the development of a conceptual framework that offers a holistic view of factors influencing Australian middle class women’s relationships with personal finance. Chapter 4 sets out the research methodology used in this thesis whereby this chapter firstly discusses the selection of qualitative research in this thesis, the selection of a research paradigm and the research design strategy. Next, this chapter clarifies the selection of participants and the research methods that were employed to generate the research data, such as interviews and document analysis. Data analysis techniques and issues pertaining to the credibility of this qualitative research are also outlined in this chapter. Finally, ethical considerations in conducting this thesis are also discussed.

Chapter 5 reports on two steps undertaken in the thesis to analyse data. Stage 1 uncovered factors that emerged from the interviews with adolescent women leading to Stage 2 where interviews with adult women were undertaken. This chapter describes the analysis of two factors that emerged from the interviews with adult women. Chapters 6 and 7 report on the analysis of four factors that were uncovered from interviews with adult women. A revision of the proposed conceptual model that was developed in Chapter 3 is presented.
Chapters 8, 9, and 10 present a comprehensive discussion of all factors identified in Chapters 5, 6, and 7 and integrates the main thesis findings with prior research identified in the literature, especially in aiming to answer the thesis research question.

Finally, Chapter 11, the conclusion, presents a review of the study undertaken in this thesis, a discussion of the implications for practice, conclusions and outlines suggestions for future research.

Chapter 2 will now offer an in-depth review and analysis of the literature related to capability, financial capability, and women. Financial capability in the United States, the United Kingdom, and Australia will be analysed to illustrate similarities and subtle differences in trends in how individuals manage personal finances. Economic socialisation and the importance of role modelling in establishing early financial behaviours will be examined. This is followed by an examination of the six factors that influence on women’s relationship with money.
Chapter 2: Literature Review

2.0 Introduction

The purpose of this chapter is to identify the systematic process used in the comprehensive search, review and analysis of literature related specifically to females, financial capability, financial literacy, and financial inclusion. The objective is to identify factors that affect women’s relationship with money, develop research questions, and develop a conceptual model of financial capability for females from adolescence to maturity. This thesis was anchored in financial capability and socialisation literature, not feminism. This is why the thesis is like it is. The thesis is not based upon feminist or finance literature, which was not within the scope of the study. The focus was not going towards empowerment, nor finance or feminism. The focus was clearly on middle class women’s financial capability and socialisation.

In capitalist societies, the ideal is a responsible, self-managing individual who is capable of making good financial choices. Liberal capitalism offers the opportunity for people to be informed and make sound decisions associated with their finances. There is substantial finance literature available addressing those who are from disadvantaged or in a lower socio-economic group, yet middle class people are rarely exclusively researched as they are part of a larger population sample. Most financial literacy research is conducted using quantitative methods to collect large numbers of responses from people in various demographics. Poor
and working class women are easier to access due to receiving government benefit or have self-identified as needing financial assistance. This means that data about their financial literacy can be easily collected and researched, contributing to the dominance of these groups in the literature (ANZ 2011, 2014; ASIC 2011). The issue is that middle class women are overlooked and rarely studied, thus this important oversight sets the rationale for this thesis where the focus was on Australian middle class women. These women are people who succeed. It is posited that the reason for their achievements could be positive deviance in that while they may, or may not, all have the perceived attributes of a meaningful life, with sound choices and successful behaviours or strategies they have created a well-functioning life. This is despite facing challenges and having no more knowledge or resources than others. The thesis is based on financial capability, not class and gender. Even with good education and good work opportunities, women must want to be financially independent. The importance of ambition and achievement are essential to assess opportunities and make suitable choices. These abilities are modelled by parents and significant others, which demonstrates the role of socialisation in childhood and adolescence for women to learn and develop personal financial management information and skills for financial resilience as adults.

From a cultural perspective, working class women too can achieve if a number of factors work in their favour. For example, access to good education, availability of attractive work opportunities, possession of a strong work ethic, support from others, and the ambition to succeed are some essentials for success. Factors can be illustrated in models but the problem
is that models do not always give a sense of a good normative model or an empirical model of what they ought to do. The original model of financial capability that sparked this research has been refined to what now may be called a liberal model of financial resilience.

**Supporting women’s resilience**

Resilience means a person is open to change, and can flexibly manage life experiences. Resilience is described as the process of avoiding adverse outcomes or doing better than expected when confronted with major assaults in the developmental process (Luthar & Cicchetti 2000; Masten 2001). Schoon and Bartley (2008) explain that it means an individual is able to stretch and adapt to the unexpected event. They can then rebound either to the original position or to a new position. Trust is an important value, because when a person trusts themselves and those around them who provide support, resilience is established and developed (Schoon & Bartley 2008). Family and relationships were important for providing the context in which women learned and developed resilient behaviours to adapt to changes in their lives. Further, the wider social context such as the workplace, community, and institutions contribute to women’s resilience by supporting and including them with resources to assist them live well. Resilience was identified as an attribute of women’s ability to manage their economic situation regardless of changes in employment and personal circumstances.

**Defining middle class in Australia**

Defining middle class has traditionally been defined in terms of income, consumption patterns, occupation and self-identification (Lopez-Calva & Ortiz-Juarez 2014) who claim that measurement depends on a particular period and place and is influenced by assets and
education. Further, they argue that analysing this group has emerged as an important issue as the middle class cohort exerts a strong influence on society, politics, and the economy because they help boost economic development through investment, consumption and saving (Lopez-Calva & Ortiz-Juarez 2014). Their research investigated a view of the middle class based on the vulnerability of poverty where people just above the poverty line are part of the middle class. If faced with an adverse financial event, they could easily revert below the line to poverty. This view was not used in this thesis as Australia is an affluent country in the developed world. Notwithstanding this fact, it is acknowledged that poverty does exist in Australia and that working class people live in Australia. The focus of this thesis though is on middle class Australian women.

Middle class in Australia is defined as having a median household real net worth in excess of $A400,000 for the period 2011-12 (ABS 6554.0 - Household Wealth and Wealth Distribution, Australia, 2011–12). Another interpretation is from McCrindle Research (2012) who claim that many Australians think they need a wage over $A100,000 per year to live comfortably, yet in 2012 many Australians lived on just over half that amount. The income range is based upon the definition of middle class provided by McCrindle Research (2012), which is a single income or contributing to a combined income of at least $A100,000 per annum. The upper limit on middle class income is $A260,000 per annum (McCrindle Research 2012). Australians think they need a wage of $A100,883 per annum to live ‘comfortably’ yet the average full-time earnings in 2012 was $A55,052 (McCrindle Research 2012). This amount is
more than three times the minimum full-time national wage of $A30,644 and well above the
average disposable household income of $A44,096 per annum after tax. Having a global
outlook and being aware of financial struggles that many are faced with in other countries,
Australians believe that $A100,883 is an adequate income. While expenses and lifestyle
expectations continue to grow, many Australians claim that they need more than the average
earnings to live comfortably. The idea of wealth is changing and lifestyle choices, private
medical cover, and children’s schooling all take priority for household income. Instead of
defining middle class from either a sociological or an economic lens, the thesis defined
middle class in terms an individual having a single income or contributing to a combined
income of between $A90,000 to $A100,000 per annum, tertiary or industry qualifications,
secure employment, and a property asset because these elements are identified in Australia as
evidence of an individual’s class (McCrindle Research 2012). Further evidence of middle
class status was evidenced by how disposable income was spent, for example, enjoying a
comfortable lifestyle that included regular overseas holidays, private school education they
had received or providing for their children, and entertaining. This definition was employed
because it was not invasive compared to a definition offered by the Australian Bureau of
Statistics, which includes mortgage. Quantitative personal information was not sought in this
thesis.

Women, particularly from the middle class, play an important role in society, either managing
household budgets, as single income earners or contributors in dual income relationships, thus
it is vital that they are financially capable. Whether they look after themselves, or others, women need to be financially adept. Statistics show women outlive men and in Australia men are dying five years earlier than women (Australian Bureau of Statistics 2012). In 2011, women comprised almost 50 percent of the workforce in the UK and Europe, 58 percent in the USA, and 62 percent in Canada. In Australia, according to data provided in 2016 by the Workplace Gender Equality Agency (WGEA), women comprise 46 percent of all employees (Workplace Gender Equality Agency 2016). As a proportion of all employees, 25 percent are women working full time and 21 percent are working part time. The workforce participation rate for women is 59 percent (Australian Bureau of Statistics 2016).

These numbers are increasing as countries representative of developed economies adapt to changing societal and economic times. The global financial crisis was a significant event that created an opportunity for financial institutions, and government and regulatory bodies to review their policies. Many reasons were offered for this crisis as it demonstrated the complex relationship between banks and insurance companies, government, and people. For example, home ownership was encouraged by financiers by offering easy access to home loans to people who were perhaps least able to manage or repay a substantial debt. Working women were affected as there are pressures on societies having two income families in order to meet the costs of everyday living. As such, it is critical that women are financially capable.
Financial capability is a newly emerging concept which sees a disparate literature. This translational thesis consolidates and extends the literature to provide new knowledge in the field of financial capability. In addition, the findings may be used to educate women beyond basic financial capability to enhance their financial well-being. The literature suggests that the transition from financial literacy to capability is a linear progression. Knowledge may precede action and action may trigger a knowledge inquiry. It is this ongoing feedback and behavioural loop between knowledge and action that has the potential to offer women freedom and empowerment to confidently manage their personal finances.

A review of the literature reveals three general areas regarding women and finances that offer opportunities for further research. These are: 1. the lack of research between financial education and inclusion; 2. the lack of research between financial education, behaviour and actions; and 3. the lack of research linking economic socialisation, financial literacy, financial inclusion and financial capability. These literature oversights informed the thesis’s research question, which is *What are the factors that affect women’s relationship with money?* They led further to another more specific and refined in-depth literature review addressing the key concept of financial capability spanning the 1980s to the present, resulting in the development of a conceptual model illustrating the cyclical nature of financial capability.

In addition to the scholarly literature, industry reports or working papers addressing financial capability were utilised because of their relevance and currency (ANZ 2011, 2014; Australian
Securities & Investments Commission 2011; De Meza, Irlenbusch & Reyniers 2008; Dixon 2006; Elliott et al. 2010; Hall 1994; Lusardi 2011). In these reports, the concept of capability was investigated and referenced in the literature from Sen in the early 1980s and 1990s. In the mid-2000s, for example, Johnson and Sherraden (2007) and Kempson, Collard and Moore (2006), introduced the concept of financial capability noted in these reports.

It is argued that women make significant and valuable financial contributions to society through work, caring for others, and sound financial decision-making. This research focuses specifically on middle class women as they are employed in either well-paying roles or engaged in profitable small businesses. During interviews, while many have families and myriad responsibilities, most women expressed concern that they would prefer to be better informed and know where they could access helpful financial information that was useful. It is anticipated that uncovering factors that affect women’s relationship with money will offer valuable data that could be used by entities engaged in enhancing women’s financial resilience.

This chapter examines the similarities in financial capability between the USA, the UK, and Australia. Socialisation theory is introduced as it underpins much of the existing relevant literature. The importance of women and employment is discussed, followed by the life stage approach and the role of values in financial capability. The processes of economic socialisation, financial literacy, financial inclusion, and financial capability are then examined.
2.1 Financial capability in the USA, UK and Australia

Financial capability has been researched from mid-2000 to 2015 see (Atkinson et al. 2007; Birkenmaier, Sherraden & Curley 2013; Johnson & Sherraden 2007; Leskinen & Raijas 2006; Lusardi 2011; Lusardi & Mitchell 2014; Sherraden 2010). The concept has been used in UK reports by Dixon (2006), de Meza et al. (2008) and Elliott et al. (2010). There are many definitions of financial capability. For example, Sherraden (2010, 2013) defines financial capability as the ability to act with knowledge, skills, confidence, and motivation plus the opportunity to act through access to quality financial products and services to build financially secure lives. This practice is undertaken within a framework set up by government policies, laws, regulations and practices in which individuals have the freedom and opportunity to make their own choices (Sherraden 2010). In other words, financial capability is an individual’s ability to understand, assess, and act in their best financial interests and requires both the ability to act coupled with the opportunity to act (Johnson & Sherraden 2007).

Sherraden (2010, 2013) and Grosser and van der Gaag (2013) demonstrate how they use the concept of capability and specifically, inclusion in their research. Sherraden (2010, 2013) refers to inclusion as one aspect in developing financial capability with youth and those in a low socio-economic group. Grosser and van der Gaag (2013) identify inclusion as a principal element of girls’ employment in developing countries. The focus of this thesis is on women and financial capability and not on developed and developing nations, but inclusion highlights how capability prevails on a global scale in different societies.
No matter where females live, employment offers girls, who develop into women, the opportunity to influence families, communities, and gain financial independence (Grosser & van der Gaag 2013). Historically, in developing nations, government agencies and organisations have not consulted with this cohort about what they want. Girls and women have not been ‘empowered to define the terms of their engagement, their lives, needs, and hopes’ (Grosser & van der Gaag 2013, p. 80). It is suggested that until bureaucracies include women in discussions, their aspirations cannot be heard and addressed successfully.

In the wider context of women’s roles in the global economy, the principle of capability is illustrated by being aware of the contradiction between what is being said and what is actually happening. The umbrella of capability is exemplified by Grosser and van der Gaag (2013) in their research on working girls in developing nations being engaged in creating the futures they prefer and Sherraden (2010, 2013) who claims that a person’s financial functioning is only enhanced when ability and opportunity are present so that they can act in their best personal interest. These scholars illustrate the broad application of capability and importance of including women in programs to enhance financial security in both developing and developed nations.

Sherraden and Grinstein-Weiss (2015) identify three trends that indicate the need for increased financial capability. First, financial decision-making is more complex than in
previous times because of the increasing number of available financial products and proliferation of digital technologies in financial services. Fast and simple transactions such as banking and online spending can be challenging for many individuals, regardless of age. Second, young people are required to make decisions regarding debt for education purposes at an earlier age than a generation ago. Lastly, many families with children struggle financially following the financial crisis of 2007-08. This event, which commenced in the USA in 2007, spread throughout the world and impacted Australia in 2008. These trends indicate that financial capability, which includes relevant knowledge, skills, and inclusion is required for all individuals, and especially women, regardless of socioeconomic status.

Using an interpretative framework Leskinen and Raijas (2006) argue that ‘Financial capability can be understood as a process that evolves over a person’s life cycle and follows the current trends and circumstances in society’ (p. 14). Financial knowledge and understanding, skills and competence, and responsibility are acknowledged as elements of financial capability. In addition, they argue that ‘there are various stages and expressions of financial capability’ based upon demographic characteristics, values, attitudes or habits, phase of life, immediate environment and macro environment and its social, economic and cultural influences to complete their definition (Leskinen & Raijas 2006, p. 14). They also refer to the breadth and depth of financial capability. Breadth refers to tasks concerning financial services from the macro environment while depth refers to the micro environment or an individual’s personal
features e.g. financial knowledge and understanding, skills and competence and responsibility (Leskinen & Raijas 2006).

These definitions refer to the need for, and relationship between, an individual’s technical financial knowledge and skills coupled with the freedom and opportunity to act over the course of one’s life in society for financial stability and well-being. This blurring of language and meaning can be confusing. For example, in Australia and New Zealand (Taylor & Wagland 2011), the UK and the USA, the terms financial capability and financial literacy are often used interchangeably.

The concept of financial capability in the debate regarding personal financial responsibility is important. Many countries have programs to improve financial awareness and use the narrower concept of financial literacy (Vitt et al. 2005). Using the broader approach of financial capability offers a realistic way to explore how people think about money in their everyday lives and highlights the importance of helping change their behaviour. It is in the spirit of moving beyond financial education to explore people’s ability to act, given opportunity and freedom to do so, that personal financial capability is seen as a way to enhance a person’s well-being.

Financial capability research is scattered over various disciplines with economics being the most common discipline in the US followed by the social sciences. Disciplines such as
behavioural economics, feminist economics, behavioural finance, psychology and philosophy attract researchers from the UK and US. In Australia, most research is predominantly located in the accounting and behavioural finance disciplines. While this fluidity and spread of disciplinary diversity confirms the concept’s relatively new standing in the various literatures, the scattered nature poses challenges in reviewing it, and impedes the further development and advancement of understanding this important concept. While this research is based in Australia, the researcher will now briefly examine the concept as researched in the US, the UK and Australia.

2.1.1 The United States of America

In late 2009, the US government used the term financial capability for the first time so that Americans could gain better financial education and access to important resources to make smarter financial decisions. Earlier efforts had focussed on financial education whereas this challenge highlighted the need for access to resources, which are pivotal to successful financial decision making. While financial literacy is helpful, it is not sufficient for a majority of people to make good financial decisions and participate in a fulfilling financial life (Johnson & Sherraden 2007). Instead, they propose that financial capability includes both the ability to act with sound knowledge, skills, confidence, and motivation plus the opportunity to act through access to quality financial products and services (Johnson & Sherraden 2007). Additional findings from the US show that a single financial education session does not lead to women deciding to plan for the long term and save for the future. Women are less financially literate than men and they are aware of this deficiency (Lusardi & Mitchell 2008,
Lusardi’s view is that many Americans are financially illiterate, which is demonstrated by not planning for predictable future events, leaving themselves exposed to financial shocks as well as displaying an inability to manage debt, having a lack of basic numeracy and knowledge of fundamental economic principles (Lusardi 2011).

2.1.2 The United Kingdom

From a historical perspective, scholars and practitioners in the UK and Canada established the term financial capability to describe people’s financial knowledge and their confidence and motivation to manage personal finances. It may be noted that financial capability is the term generally used in the UK and Canada (Sherraden 2010) while financial literacy is generally used in the USA (Leskinen & Raijas 2006). According to Atkinson et al. (2007) financial capability measures a broad range of skills, behaviour and knowledge, but can broadly be understood to consist of four key areas: 1. managing money; 2. planning ahead; 3. choosing products; and 4. staying informed. It is crucial to realise that financial capability is an amorphous concept with many levels and components. This means that we cannot simply say that someone is financially capable or that they are not - people are often very capable in some areas but not in others. For example, people on low incomes are often better at keeping track of their money than those on higher incomes, but are not as good at choosing products (Dixon 2006).

2.1.3 Australia

In Australia, the terms financial capability and financial literacy are used interchangeably (Bateman et al. 2012; Fear 2008; Gallery, Newton & Palm 2011; Taylor & Wagland 2011;
Referring to the ANZ surveys conducted by The Social Research Centre, it was noted that five components of financial literacy were defined. These were: 1. keeping track of finances; 2. planning ahead; 3. choosing financial products; 4. staying informed, and 5. financial control (ANZ 2011, 2014). In a study conducted by Atkinson et al. (2007) and Lusardi’s working paper (2011) both used four areas with the former not assessing financial control and Lusardi choosing to assess Financial literacy and self-assessed skills instead of Staying informed. The differences appear subtle but the focus of all studies was on exploring financially capable behaviour. In this thesis, financial capability was researched in the context of values, coupled with the concepts of the life cycle approach and well-being.

The similarities in financial capability between the USA, the UK, and Australia focus on exploring people’s behaviour compared to enquiring into what and how much financial knowledge people possess. Figure 2.1 identified literature that was chosen because it focused on financial capability, showing progress over time. The figure, which summarised and mapped the process, indicates that this trend has become evident in the last nine to ten years between 2006 and 2015. Prior to that time, the literature primarily focused on assessing financial knowledge and what people planned to do with money, not necessarily what they actually did. The predominant approach to researching financial capability is quantitative with the utilisation of survey methods (Bernheim & Garrett 2003; Hogarth, Beverly & Hilgert 2003; Vitt et al. 2005). Recently, mixed methods using surveys followed by interviews have been adopted (Atkinson et al. 2007; Schagen & Lines 1996). Occasionally, qualitative
methods are used such as research undertaken in the UK by De Meza, Irlenbusch and Reyniers (2008) and Elliott et al. (2010) who used interviews and case studies. In Australia, telephone surveys are most commonly used (ANZ 2011; ASIC 2011; Australian Government 2008) with follow-up interviews being conducted in recent times, such as the 2011 and 2014 ANZ Surveys. This is evidenced from a sample of studies conducted between 2006 to 2011 where qualitative and mixed methods research were used in nine instances, in addition to one empirical and one quantitative thesis. Figure 2.1 below provides a summary of research conducted between 2006 and 2014.

**Figure 2.1: Sample of Research from 2006-2014**

<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>Author/s</th>
<th>Research approach</th>
<th>Research features</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Finland</td>
<td>Leskinen &amp; Raijas (conference paper)</td>
<td>Qualitative</td>
<td>Introduces an interpretative framework of financial capability based on the life cycle approach from 3 aspects: 1. Financial knowledge and understanding; 2. Skills and competence; and 3. Responsibility.</td>
</tr>
<tr>
<td>2006</td>
<td>UK</td>
<td>Kempson, Collard &amp; Moore (conference paper)</td>
<td>Mixed method</td>
<td>Focus on developing a conceptual model and created a questionnaire to explore personal financial capability and correlation with personal circumstances</td>
</tr>
<tr>
<td>2006</td>
<td>UK</td>
<td>Dixon (report)</td>
<td>Qualitative</td>
<td>Refers to Atkinson et al work (2006) on closing the motivation gap between what people say is important and their actual behaviour</td>
</tr>
<tr>
<td>2007</td>
<td>UK</td>
<td>Atkinson et al (research)</td>
<td>Mixed method</td>
<td>Focus on mis-selling financial products; measures four areas of financial capability (refer to p.5)</td>
</tr>
<tr>
<td>2007</td>
<td>USA</td>
<td>Johnson &amp; Sherraden (research)</td>
<td>Empirical</td>
<td>Focus on progression from financial literacy to financial capability with youth</td>
</tr>
<tr>
<td>2008</td>
<td>UK</td>
<td>De Meza et al (report)</td>
<td>Qualitative</td>
<td>Focus on enhanced thinking skills, not necessarily more financial education – behavioural economics perspective</td>
</tr>
<tr>
<td>2008</td>
<td>Australia</td>
<td>Australian Government (report)</td>
<td>Mixed method</td>
<td>Focus on examining Australian women’s attitudes and behaviours to money</td>
</tr>
<tr>
<td>2010</td>
<td>UK</td>
<td>Elliott et al (report)</td>
<td>Qualitative</td>
<td>Focus on female financial behaviour</td>
</tr>
</tbody>
</table>
| 2010 | USA     | Sherraden (working) | Qualitative | Focus on financial capability, literacy,
<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>Source</th>
<th>Method</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Australia</td>
<td>ANZ (survey)</td>
<td>Mixed method</td>
<td>Focus on 5 areas of financial capability/literacy (refer to p5)</td>
</tr>
<tr>
<td>2011</td>
<td>Australia</td>
<td>ASIC Report 230 (report)</td>
<td>Mixed method</td>
<td>Focus on financial capability/literacy and behavioural change</td>
</tr>
<tr>
<td>2011</td>
<td>USA</td>
<td>Lusardi (working paper)</td>
<td>Quantitative</td>
<td>Focus on 4 areas of financial capability (refer to p.5)</td>
</tr>
<tr>
<td>2012</td>
<td>USA</td>
<td>Hung, Yoong &amp; Brown (OECD working paper)</td>
<td>Quantitative</td>
<td>Focus on gender differences in financial literacy literature</td>
</tr>
<tr>
<td>2012</td>
<td>UK</td>
<td>von Stumm, O’Creevy &amp; Furnham (research)</td>
<td>Quantitative</td>
<td>Focus on the relationship between adverse financial events, world economy and individuals’ responses based on personal attitudes, financial capability and status</td>
</tr>
<tr>
<td>2013</td>
<td>USA</td>
<td>Birkenmaier, Sherraden &amp; Curley (book)</td>
<td>Qualitative</td>
<td>Book in 3 parts of which part 2 contains 8 chapters focused on innovations in financial capability</td>
</tr>
<tr>
<td>2013</td>
<td>USA</td>
<td>Mottola (research)</td>
<td>Quantitative</td>
<td>Focus on women, financial literacy and credit card behaviour</td>
</tr>
<tr>
<td>2014</td>
<td>USA</td>
<td>Theodos, Kalish, McKernan, Ratcliffe (research)</td>
<td>Quantitative</td>
<td>Focus on financial knowledge, well-being and gender</td>
</tr>
<tr>
<td>2014</td>
<td>USA</td>
<td>de Bassa Scheresberg, Lusardi &amp; Yakoboski (report)</td>
<td>Quantitative</td>
<td>Focus on women’s financial capability and how personal decision making is influenced by career and social status</td>
</tr>
<tr>
<td>2014</td>
<td>Australia</td>
<td>ASIC Report 430 (report)</td>
<td>Mixed method</td>
<td>Focus on improving the financial well-being of Australians by advancing their financial literacy</td>
</tr>
<tr>
<td>2014</td>
<td>USA</td>
<td>Lusardi &amp; Mitchell</td>
<td>Mixed method</td>
<td>Focus on assessing economic importance of financial literacy and impact on decision-making</td>
</tr>
<tr>
<td>2014</td>
<td>Australia</td>
<td>ANZ (survey)</td>
<td>Mixed method</td>
<td>Focus on 5 areas of financial capability/literacy</td>
</tr>
</tbody>
</table>

This trend suggests that current research is concerned with the importance of behavioural change or exploring the difference between what people plan to do compared to what they actually do. This is important because, as the population ages and women outlive men by at least five years, there is an urgent focus on women to become financially capable and take personal responsibility for their future security and well-being.
An additional impact on women’s financial capability has been the spread of globalisation and the initial financial crisis that began in western countries in 2007-08 and quickly spread throughout the world (Büscher & Arsel 2012; Saith 2011; Wade 2011). The interplay between political, social and economic influences from government, policy and business appears to be more evident now than in previous times, especially since 2007. For example, in Australia, a national financial literacy strategy was developed against the background of the global financial crisis. According to the regulatory body, Australian Securities and Investments Commission (ASIC) who commissioned the strategy, ‘the crisis clearly highlighted the importance of improving financial literacy levels’ and the need to reinforce that some core concepts such as diversification and investments choices are understood (ASIC 2011, p. 8). Hence, the increasing number of factors coupled with rapid and continuing change means that women need to be financially capable to find and retain their place and voice in the world.

The work of Amartya Sen, an Indian economist and philosopher, addressed capability in the early 1980s lays the foundation for much of the current research in financial capability in the USA, the UK, Europe and Australia (Sen 1980, 1993, 1999). This approach is defined by an individual’s capability to choose to live the kind of life they value and wish to live. It is based upon personal freedom to make choices. Later, Martha Nussbaum (2000, 2002) who is a philosopher, developed a capability approach based on a philosophical perspective combined with rights for the individual by naming ten capabilities she considered central to human functions. These capabilities emphasise providing opportunities and choice with a focus on
what a person actually does, not what they say they do, and practical action. While Nussbaum stresses that the list of ten capabilities is not exhaustive or complete, they provide a starting point for a number of current capability studies. Some differences are that while Sen’s approach is founded upon enhancing individual freedom, Nussbaum’s view is founded on respecting human dignity. Sen’s approach is concerned with practical incremental improvements to people’s lives while Nussbaum’s approach has been described as idealistic as it demands the full implementation of minimal justice for all people, which as yet no country has met such high standards (Wells).

Sens’s and Nussbaum’s capability approaches have been used by other scholars in different fields such as education and health to provide a framework for analysis. Robeyns (2003, 2005, 2006) argues that the capability approach, as primarily developed by Sen and Nussbaum, is not a panacea for research on social policy and development but may provide a framework for analyses. Similarly, Kuklys (2005) uses Sen’s capability approach to develop new ways of operationalising this approach by exploring different ways of interpreting traditional data. Importantly, capability approaches have been used in a range of fields and contexts such as education, health, developing countries and financial education.

Over recent years, there appears to be interest in what people are essentially doing with their finances, not simply with what they know and what they plan to do. Examining women’s actual behaviour in relation to what they know continues to attract research interest in
women’s financial capability (Australian Government 2008). In most countries, changing social, economic, cultural and political trends mean that how people live their lives requires different financial intelligence than in previous times, thus the need for a more financially capable world is clear. Consequently, an informed analysis of how the world is evolving and what this may mean for financial priorities is important (Atkinson et al. 2007; Birkenmaier, Sherraden & Curley 2013; Dixon 2006; Hogarth, Beverly & Hilgert 2003; Lusardi & Mitchell 2014; Lusardi & Mitchell 2008; Nussbaum, MC 2001; Schagen & Lines 1996; Sherraden 2010).

2.2 Theoretical Lens

Socialisation theory informed the thesis. Socialisation is the process by which babies and infants begin to acquire the skills necessary to perform as a functioning member of their society, and are the most influential learning process one can experience. It is a lifelong process of learning skills, behaviours, and ideologies necessary for participating within his or her own society. People need social experiences to learn their culture and to survive. Although cultural variability manifests in the actions, customs, and behaviours of whole social groups (societies), the most fundamental expression of culture is found at the individual level. This expression can only occur after an individual has been socialised by his or her parents, family, extended family, and extended social networks. Socialisation essentially represents the whole process of learning throughout the life course and is a central influence on the behaviour, beliefs, and actions of adults as well as of children.
Consistent definitions of economic and financial socialisation have been offered over the past forty years. Especially for young children, family is the primary agent for them to learn about how the world works and the place of finance in this world. Definitions of financial socialisation have been broad in scope. Seminal scholars illustrate how socialisation influences the manner in which individuals manage their personal finances. For example, Furnham’s research (1987, 1999, 2001) about economic socialisation could be considered ground-breaking as the focus had moved from young children to adolescents and their developing sense of money management through receiving pocket money given by parents and significant others. Furnham also collaborated with others to continue and expand research about money behaviour with adults and children (Furnham, Adrian & Okamura 1999; Furnham, Adrian & Thomas 1984; John 1999). Further, Moschis (1985) and Moschis and Moore (1979) agreed that parents were important in modelling behaviours for their children to learn responsible decision-making. Children’s economic socialisation was now firmly on the radar. Danes (1994) argues that ‘financial socialisation is much more inclusive than learning to effectively function in the marketplace. It is the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and individual wellbeing’ (p.28). Similarly, Danes and Haberman (2007) posit that family ‘has served as a filtering point for information from the outside world and serves as a foundation for continued financial socialisation throughout an individual’s life’ (p.645). These scholars use socialisation theory as an anchor in their research to explain the importance of family to a child and adolescent’s development to maturity. It is not suggested that family
financial socialisation is the only factor or even the most intense socialising context affecting financial behaviour through a person’s life. Gudmunson and Danes (2011) argue that relatively little is known about how family socialisation as exemplified in personal family history, experience, skills, beliefs and values affect patterns of action over time and the initiation and termination of financial behavior patterns. It is argued that socialisation processes. Therefore, being aware of socialisation processes in personal finance research is important because all aspects of a person’s life are addressed, not just their work and consumer life. In sum, anchoring this thesis in socialisation theory assisted in identifying factors that influenced middle class women’s financial capability by seeing them on a holistic basis.

Other concepts that contributed to the theoretical lens were economic socialisation, emotions, values, life stages, relationships, financial decision-making leading to financial capability. These concepts were included in the literature review to introduce them in Chapter 3 because they are elements of the Conceptual Model Development.

As children and adults learn continuously from the environment that family and significant others create, these units are the most important agents of socialisation because they are the centre of the child's life. One of the most important effects is gender socialisation, as the family and significant others also teach children cultural values and attitudes about themselves and others. Gender socialisation refers to the learning of behaviour and attitudes
considered appropriate for a given sex. Boys learn to be boys and girls learn to be girls. This ‘learning’ happens by way of many different agents of socialisation such as how girls and boys are defined by how they talk, dress, and interact. This traditional view no longer applies. Some researchers and writers in socialisation theory put in place gender theory as it underpins the way we are socialised to behave culturally. Gender theory is acknowledged as being important however, it was not used as a theoretical lens in this thesis. Instead socialisation theory is the dominant theory and defines and underpins this thesis. Thus the thesis focus was on financial capability and socialisation and the thesis was anchored in literature in these areas, not feminism.

The family is important in reinforcing gender roles, but so are one’s friends, school, work and the mass media. As parents are present in a child's life from the beginning, their influence in a child's early socialisation is very important, especially in regards to gender roles. According to Wharton (2005), gender matters in social life as ‘it is one of the organising principles of the social world: it organises our identities and self-concepts, structures our interactions, and is one basis upon which power and resources are allocated’ (p. 9). Socialisation theory by parents, family, and significant others underpinned the research on adolescent women and women’s relationship with money.

In 1999, Deborah John conducted a review of the previous twenty-five years of consumer socialisation of children and saw threads drawn between the importance of parental role
modelling in helping children establish good decision-making skills to successfully manage money (John 1999). Around this same time, Furnham’s research about economic socialisation could be considered ground-breaking as the focus had moved from young children to adolescents and their developing sense of money management through receiving pocket money given by parents and significant others (1987, 1999a, 2001). Furnham also collaborated with others to continue and expand research about money behaviour with adults and children (see for example (Furnham, Adrian 1984; Furnham, A. & Argyle 1998; Furnham, Adrian & Okamura 1999).

The importance of parental influence on children’s financial education has been studied for many years. From an historical perspective, Gruenberg and Gruenberg (1937) may have been the first to research this topic and set the scene for future research conducted by others, including Marshall and Magruder (1960) who examined the relationship between parents and their children in teaching money skills. Some of their findings included the fact that if parents’ attitudes were not centred on money, children would have more knowledge of the use of money. This last aspect may refer to the fact that if parents had a more holistic life perspective, which included money but was not solely focussed on money, that children may learn the appropriate role of money. Similarly, research undertaken with children in Glasgow by Jahoda (1979) found that children construct economic systems of how they believe the world works from their current knowledge learned from family and school environments. This
early research was important in establishing how children and young people become familiar with the role of money in society and how it is managed.

Ward (1974) extended the research with children by exploring the consumer socialisation process which included the factors that influence their spending patterns. Further, Moschis (1985) and Moschis and Moore (1979) agreed that parents were important in modelling behaviours for their children to learn responsible decision-making (Moschis 1985; Moschis & Moore 1979). Children’s economic socialisation was now firmly on the radar and Danes (1994) argued that parents thought that children were not ready to manage a credit card until they were eighteen years old. While this may have been the case in the early nineties, it may still be a relevant observation. As credit is now readily available, it is vital that young people are not only able to manage credit but that they understand how it works.

In the context of a Western industrialised nation, Kirkcaldy, Furnham and Martin (2003) argue that competitively-oriented parents displayed a distinct monetary attitude profile in that they were structured and budget oriented. In their study, parents were both working in successful management roles and received high incomes. They used money as a reward for favourable behaviour such as giving pocket money for favourable behaviour. Additionally, money was used as a reinforcer for education purposes such as reward for scholarly success and as a way to teach self-sufficiency through the skills of saving, budgeting and prudent spending (Kirkcaldy, Furnham & Martin 2003). The difference in these views could be because of the years in which the studies were undertaken – 1960 and 2003. Examples of
other changes that could have an impact are the dominance of two parents working in either full or part time roles, the nature of work where management roles are open to both men and women and the fact that more women now participate in the paid workforce than in the 1960s. Despite the era, the impact and importance of parents’ influence on young children appears to be significant in explaining how they develop their responses.

Work provided experience in earning money and making financial decisions, such as saving and spending. Adolescent women explained that both parents stressed the importance of saving and offered guidance with spending decisions when asked. Wärneryd (1989) describes saving as ‘refraining from consumption during one period in favour of later possibilities for consumption’ (p. 516). Further, he suggests that parents have an integral role in teaching children to either establish a saving behaviour or not, according to the family beliefs (Wärneryd 1989). Additionally, Furnham (1987) claims that a sound work ethic and savings discipline within the family that highlights independence and behaviour that rewards delaying gratification, such as saving, helps children acquire strong achievement motivation. It is evident that parents provide an informal environment where they teach children skills and develop shared understandings of what is acceptable behaviour when interacting with the adult financial world (Danes & Haberman 2007; Furnham, Adrian 1999b).
2.3 Economic Socialisation

Economic socialisation refers to ‘the cognitive, behavioural and environmental influences that shape learning about personal finances’ (Sherraden 2010, p. 4). A person’s understanding of the economic world and their place in it begins in childhood (Furnham, Adrian 1999b; John 1999) as they acquire and develop values, attitudes, knowledge and behaviours that guide understanding and approaches to financial decisions (Ward 1974). The importance of family and the role it plays in this socialisation process can be seen as critical where children learn and understand money (Furnham, Adrian 1999b; Hira, Sabri & Loibl 2013; Moschis 1985). However, there are limits to what people learn through socialisation. For example, if parents lack sound financial knowledge and skills and demonstrate poor behaviour, this may be reflected in children’s actions. Children tend to understand their world through the one they inhabit by observation and experience. Consequently, if that environment lacks constructive financial conversation and practice, it seems unlikely that economic socialisation will lead to adept financial literacy resulting in beneficial choices (Sherraden 2010).

Financial independence is a goal of most adolescent and young women as they transition to adulthood. It is important for themselves, their parents and for the healthy development of the society (Xiao, Chatterjee & Kim 2014). Xiao, Chatterjee and Kim (2014) identify three major factors that contribute to financial independence. These are economic, family, and psychological factors. Economic factors included income from work, assets and education. Family economic factors such as parental income and investment choices were influential.
Psychological factors such as self-efficacy, personal financial management and good decision making skills aided individuals’ financial independence (Xiao, Chatterjee & Kim 2014). Parents play an important role in providing a safe and secure environment for their adolescent daughters to gain confidence and resilience as they develop into adult women.

As socialisation depends on the function of models, the importance or otherwise of their place in personal development is now examined.

### 2.3.1 Role modelling

A role model is defined as a person who demonstrates the values, attitudes, and behaviours associated with a role. Role models can also be people who characterise themselves in such a way that others admire and want to emulate them. As such, parents act as role models for their children. Aronson (2006) describes role models as ‘life models’ and argues that they are important because ‘they may illustrate possible choices that help to shape’ (p. 69) an individual’s development. Her research showed that not all women have positive experiences with role models and that some women who had faced negative experiences were less inclined to want to emulate the role model. Some women choose to construct their own lives rather than follow the paths of others (Aronson 2006). When considering women’s financial capability, this is significant because if women had a positive role model, they may have a reasonable basis for managing their personal finances and awareness about how to seek additional knowledge. On the other hand, for women who received negative role modelling or if this was non-existent, there is an urgency that they learn personal money management skills either by seeking others’ input or finding their own way. Parental role modelling of
responsible financial management is closely related to personal well-being (Murphy-Erby et al. 2013) and is vital in assisting adolescent women to confidently embrace financial education to play an active role in the marketplace.

2.4 Values

Values play a vital role in how women interact with money, live, and view the world. Hall (1994) describes values as ‘the ideals that give significance to our lives that are reflected through the priorities that we choose, and that we act on consistently and repeatedly’ (p. 21). Additionally, Hall (1994) identifies four phases of consciousness, followed by eight stages and seven cycles of personal development. While the theory is comprehensively argued and structured, it was considered too complex for this thesis. On the other hand, Schwartz (2012) identifies ten values and defines them, in part, as personal beliefs that are linked to affect and when desired goals are prioritised, a person is motivated to act. The ten values are: 1. self-direction – individual thought and action; 2. stimulation – excitement; 3. hedonism – pleasure, enjoying life; 4. achievement – personal success; 5. power – social status and prestige; 6. security – safety, harmony, stability with relationships and others; 7. conformity – restrained actions; 8. tradition – respect, commitment; 9. benevolence – preserving and enhancing others’ welfare; and 10. universalism – understanding, appreciating, tolerating and protecting all people and nature (Schwartz, S 2012, pp. 5-7).
Schwartz’s Values Theory explains the dynamic relations between distinct basic values. Actions in pursuit of any value have psychological, practical, and social consequences that may conflict or match other values. For example, having an achievement focus such as wanting to be successful may clash with benevolence values that may not enhance the welfare of others. However, pursuing achievement values such as seeking personal success is likely to strengthen actions and may align with power values such as enhancing one’s own social position and authority over others (Schwartz 2012).

People’s life circumstances provide opportunities to express some values more easily than others. Affluent women can participate in roles where power is valued more easily than those who are less wealthy because prosperous women are able to engage in financially rewarding employment. Women generally, and those with children especially, limit physically stimulating or dangerous activities. They seek and have intellectually stimulating and challenging work to balance the desire for physical risk taking as the responsibility of caring for dependents is dominant. In sum, life circumstances influence the pursuit or expression of different values depending on their rewards or personal cost (Schwartz 2012).

It was considered more helpful to use Schwartz’s values to frame this thesis as the values seemed to more appropriately align with women and their relationship with money. This is not to say that Schwartz’s theory is simple or easier to interpret than Hall’s work. The thread or fit between Schwartz and this research seemed more appropriate and better able to be interpreted in exploring women’s financial capability. These ten values were used to view this
phenomenon to explore women’s relationship with money and to ascertain if, and how, this may have changed since adolescence.

2.5 Emotions

Emotion is part of cognition, therefore an individual cannot make rational decisions if they have damaged emotions. Damasio (1994) argues that ‘being conscious of emotions’ offers a person choice in how to respond based on prior knowledge of a similar situation (p. 133). He claims that emotions and feelings are different because ‘some feelings relate to emotions’ (p. 143) and many feelings do not relate to emotions. Feelings that do not originate in emotions are called background feelings. This is how a person’s body state is described between emotions and these are called moods (Damasio 1994). Feeling an emotion is a complex process of how the body responds to an experience. Briefly, neural signals are sent through muscles and joints to specific parts of the brain, along with chemical signals reaching the central nervous system from the bloodstream. Damasio (1994) identifies five basic universal emotions: happiness, sadness, anger, fear, and disgust. He further defines a second variety of feelings based on emotions that are subtle variations of the basic five and are tuned by experience. Shades of cognitive state are connected to subtle variations of emotional body state. Some subtle universal emotions are euphoria and ecstasy, which are variations of happy, while panic and shyness are variations of fear (Damasio 1994).
Emotion and feeling are indispensable for rational decision-making where options are collected and appraised before decisions are made. In this thesis, when women are faced with change and unpredictability in areas such as employment, relationships, and preparing for the future, emotions assist them with the task of predicting an uncertain future and planning their actions.

While confidence is not a value but a feeling, it is considered an important attribute of women who capably manage their personal finances. Feelings are experienced in the body and create an emotion felt by the person, which then trigger behavioural responses. Seeking financial information and education are critical for good decision-making as well as the motivation to access suitable products and services. Additionally, an individual needs to be motivated to responsibly manage personal financial matters (Farrell, Fry & Risse 2015). Coupled with these attributes is a person’s agency to influence how they wish to live and the circumstances in which they want to live their life. As an individual organises their life, self-regulates and reflects on decisions, success and challenges, they are described as ‘contributors to their life circumstances, not just products of them’ (Bandura 2006b, p. 164). In summary, successful middle class women take responsibility for their financial and personal lives with confidence and resilience to achieve a fulfilling life.

Even though redundancy is not a life stage, the emotions associated with not working identified the link between middle class women and their emotional response to this event.
Damasio (2000, 2003) writes extensively on emotions, feelings, and the physical response to these, whereas Ariely (2008) and Diener and Seligman (2004) research financial choices from an economic and sociological perspective. Redundancy can lead to an identity transformation for middle class women because of the sense of loss from a role that was intellectually challenging, offering a sense of achievement and of being worthwhile. Feeling confused and vulnerable are usual responses associated with this disruption because middle class women can make choices between pursuing a career and being an at-home partner (Akerlof & Kranton 2010) but if a woman is unprepared for the impacts of this event, it can lead to adverse feelings. The sense of loss of a strong social network within the workplace and of an emotional attachment to friends are felt by women who are made redundant (Blyton & Jenkins 2012). Friendships built up over time are disrupted and adapting to change from being employed to not working is an event that requires resilience to overcome as women’s identity, sense of pride, and status are challenged (Blyton & Jenkins 2012). Similarly, Weller (2012) argues that individuals’ experiences following redundancy must incorporate employment, well-being, and financial effects. This study concentrated on people who lost their jobs in the 2001 collapse of Ansett Airlines, an Australian airline, with employees losing their careers and savings. Weller (2012) contends that this experience highlights the fact that the relationships between employment, emotional, and financial outcomes of job loss are changing.
Redundancy has moved from being solely a labour market issue as career impacts affect finances which affect personal well-being. Job losses need to be considered along with mechanisms that assist people to find employment and provide options to access finance. Women’s determination to overcome adversity in the quest to be financially independent and secure demonstrates many abilities. By being emotionally resilient and able to self-regulate their emotional state, women act responsibly to earn an income so as to maintain their personal and financial well-being.

Arlie Hochschild is recognised as the seminal writer in emotion labour and emotion work. Hochschild (1979) argues gestures of emotion work that are exchanged in private can be exchanged in the market place in the form of labour. Emotional labour or emotion work is defined as an unpaid form of labour. It was usually performed in the service sector such as day care centres, nursing homes, hospitals, and stores (Hochschild 2012). However, Hochschild (2012) asserts that current economic trends such as ‘the profit-seeking drive for efficiency, the downsizing of public services, the growing gap between rich and poor, and globalization’ (p. xii) are fostering different situations that call for emotional labour. This is an American perspective but could apply to Australia as these trends are evident and affect the current economic and social state of many people. Regardless of previous notions that emotional labour was centred mainly in service sector roles, because of the profit motive, it is apparent that current trends mean that the impact of emotional labour has spread to many occupations. As organisations resize their workforce, redundancy is a tool that is commonly used to effect
change. It is this self-management of emotions and feeling that contributes to women’s well-being as well as to that of the organisation.

Women in the paid workforce is now accepted practice in developed and many developing countries. Bendien’s (2014) research focuses on professional, well-educated Dutch women who entered the workforce in the 1970s to 1980s and were able to build an uninterrupted working career. Further, most policy makers are still strongly influenced by cultural history and the traditional division of labour, which sees males as the main breadwinner and women as engaged in both paid employment and unpaid work in the home (Bendien 2014). Women in Australia work and live in a similar economic environment to The Netherlands with sophisticated social structures and cultural heritages (Singh & Cabraal 2006). Many women are able to choose between full- and part-time work or to not work, but many are constrained in their choices because the priorities are entrenched in traditional models of labour division.

Other emotions were identified with finance. As work is central to financial security, well-paying roles offered freedom to live a balanced life and provide happiness to self and others. Conversely, the pressure and stress of balancing work and family commitments sits with a fear of not having enough money, and the struggle at times to pay for expenses. The relationship between money and personal lives is central to Zelizer’s (1989, 2005) seminal works that interpret the social meaning of money and how culture and society change its structure by how money is issued, controlled by institutions, restricted, and used by
individuals. Similarly, Bandelj (2012) argues that economic behaviour is like any other behaviour that is embedded in social interactions. As such, individuals are affected by others and these relations exert significant impact on economic decisions because emotional feelings of economic exchange are as important as the rational choices an individual makes. The acquisition of large amounts of money may not be a person’s goal as it is generally seen as more of a tool and does not by itself ensure well-being. Middle class women understand that despite how much money one has, if other factors such as, relationships, health, and choice to work or otherwise are not present, then happiness will remain elusive regardless of how much money one has.

2.6 The Life Stage Approach

From a sociological perspective, the life stage approach explains a person’s pathway through successive stages of life from birth, through adolescence, adult life, and old age to death. The literature uses three terms: 1. life cycle, 2. life stages, and 3. life course interchangeably. In this thesis, the term life stage is used because it states the temporal relationship between life and events, even if those events are not sequential or may not even occur. Using the life stage approach was utilised to develop a model identifying stages of females’ personal money management skills to financial capability.

The life stage approach goes back to the 1950s. For example, Havighurst (1953) is one of the earliest writers on adult development, identifying ages, roles and expectations as fundamental
assumptions in development theory. Other seminal writers in this field include Eriksen (1959) eight stages of psychosocial development, describing the impact of social experience throughout a lifetime. Another is Piaget (1955) who developed the four-stage theory of cognitive development for children from birth to 16 years. Development may be seen as either discontinuous where individuals pass through distinct stages but do not necessarily develop a behaviour at a specific time, or continuous where development takes place gradually with ongoing changes over a life. Whichever perspective is chosen, there can be no question that most women in this research have the freedom to choose how and when they wish to live their lives.

According to Havighurst (1953), adulthood tasks arise from a combination of social expectations and personal values. These tasks emerge as part of the life course, which can be identified as six major stages: 1. infancy and early childhood (birth till 6 years); 2. middle childhood (7-12 years); 3. adolescence (13-18 years); 4. early adulthood (19-30 years); 5. middle age (31-60 years); and 6. later maturity (61+ years).

From these stages, Havighurst (1953) identified that each person has three sources of developmental tasks. First, there are tasks that arise from physical maturation e.g. learning to walk, talk, and control bodily functions. This is followed by tasks that arise from personal values e.g. choosing an occupation, contemplating one’s philosophical outlook, and third,
there are tasks that have their source in societal pressures e.g. learning to read, learning to be a responsible person.

For the purposes of this thesis, the focus is on three stages – adolescence, early adulthood, and middle age using stages described by (Havighurst 1953). Some examples of each stage are described. Adolescent development indicators may include achieving emotional independence of parents and other adults, preparing for marriage and family life, preparing for a career, acquiring values and an ethical system as a behavioural guide, and developing an ideology or philosophy on life. Early adulthood indicators might comprise starting work, selecting a partner, getting married, starting a family, raising a family, and managing a home. Finally, developmental tasks of middle age may be establishing and maintaining an economic standard of living, family responsibilities, accepting and adjusting to changes of middle age, and adjusting to ageing parents (Havighurst 1953). This is important because the ages of the women in this thesis are representative of these developmental tasks.

The life stage approach helps describe and analyse women’s financial capability. It is suggested that different capabilities are related to different life stages in that women at different ages and stages might be expected to have different financial capabilities in order to make informed decisions (Leskinen & Raijas 2006). For example, young women from their late teens to early adulthood are likely to experience a longer time in higher education coupled with delayed decisions to marry and become a parent and the ever-present notion of job
instability. This reflects the development of life as they participate in wealthy industrialised societies (Arnett, J. 2000). Leading independent lives and taking responsibility for managing their personal financial affairs, young women are hopefully enhancing their financial capability as they understand the use of debt and credit and potential problems. As women mature, their ability to capably manage personal finances requires an assured skill as there are numerous risks involved in making financial decisions.

The existing literature on the life stage approach appears to agree that many women in full-time employment experience steadily increasing financial satisfaction from the thirties onwards, enjoying an optimum earning period in their forties. Part of this satisfaction could be explained by the fact that carefully chosen assets have increased in value while debt has reduced or been extinguished (Plagnol 2011). Many researchers agree that individual well-being is not fixed but is influenced by life circumstances that change over a lifetime. Perhaps it is not so much the amount of money that is accumulated or not over time, but the influence of aspirations which is a social phenomenon (Plagnol 2011). For example, in late Middle age to Later Maturity, a woman may have increased expenditure on health and leisure activities and less family, work, asset acquisition and debt servicing requirements, resulting in a redirection of available funds to support her sense of well-being. While events in life do not necessarily follow a linear or sequential pattern, most individuals progress through at least some if not most stages. Women’s presence in the paid workforce offers opportunities and challenges for greater contributions to themselves and families.
2.6.1 Women and Work

While existing studies address both men and women, this thesis solely addresses women and focuses on their well-being and financial capability. This includes both the ability to act with sound knowledge, skills, confidence, and motivation plus the opportunity to act through access to quality financial products and services (Johnson & Sherraden 2007). Personal money management literature is plentiful whilst the literature to assist women understand their relationship with money might be considered less so.

It is common practice for many women to leave their career at the peak of their earning potential to take care of children or parents (de Bassa Scheresberg, Lusardi & Yakoboski 2014). In 2011, women comprised 58 percent of the United States of America (USA) workforce, 62 percent in Canada, almost 50 percent in the United Kingdom (UK) and Europe, and 65 percent in Australia. Remuneration inequalities indicate that in the USA, the gap in pay between women and men working full-time was 19 percent (IWPR 2013). For the same period in the UK, it was 11 percent (Office for National Statistics UK 2012) and 16 percent in Europe (European Commission eurostat 2013) while in Australia in 2013, it was 18 percent (Workplace Gender Equality Agency 2016). In a recent USA study conducted by The Urban Institute with data from the FINRA Investor Education Foundation, research confirmed the fact that while women have lower employment rates and lower average earnings than men, different financial knowledge and behaviours can influence men and women’s financial
situations and well-being (Theodos et al. 2014). As the global financial crisis of 2007-8 continues to exert its influence, it is critical that women are financially capable.

Many women are concerned with providing for or caring for themselves and others for financial and personal well-being. When women are able to support themselves or contribute to the household income, they are enabled to create a desirable lifestyle for themselves and their families (Figart & Warnecke 2013). The economy does not exist in a vacuum, it is embedded in society, so all factors that shape behaviours shape an economy as well (Figart & Warnecke 2013).

The lives of many women in relation to work have changed over the past thirty years. For example, organisational and legislative changes introduced to the workplace better integrate and consider women’s place at work. While much has been accomplished, there is more to do with the pace described as slow by some, for others it is fast. As ‘women have listened for centuries to men’s voices and the theories of development that their experience informs, so women have come more recently to notice not only the silence of women but the difficulty in hearing what they say when they speak’ (Gilligan 1982, p. 173). The roles of caring, relationships and responsibility are generally undertaken by women. As such, if men could consider the importance of these roles and that many women bring elements of these to the workplace as well as fulfil professional obligations, operating inclusively men could expand their vision of mature collaborative work practice. In failing to see life differently from a woman’s perspective and to hear women’s voices, there is an assumption that there is a single
mode of social experience and interpretation. Thought, language, and communication are crucial in understanding the complexity of women’s experience (Gilligan 1982). ‘The capacity to use language is perhaps the single most liberating characteristic of human beings’ as it frees people from time and place limitations, therefore epitomising freedom and self-determination (Schwartz, B 2000, p. 81). For women’s voices to be heard, thoughts must be organised using clearly articulated and well-chosen language to form messages that say the things that matter for and about women.

Women involved in caring and domestic work may receive little or no income for their efforts. As such, well-being should be a central indicator of economic success, not necessarily measured in quantitative terms, but perhaps by how much power an individual has in making choices about how they would like to live their life. In summary, the relationship of women and their engagement with work, whether paid or unpaid, is pivotal to their sense of financial capability and place in society. The oversight in the literature is identified as a lack of research between women, work and financial inclusion and led to the research question that informed this thesis.

2.7 Relationships

Scholars who research well-being have identified that meaningful relationships, usually with close family members and friends, is a major area where individuals find or create lasting happiness (Halpern & Cheung 2008). Coupled with relationships is the area of work where
people create satisfying lives. These two areas identified by Halpern and Cheung (2008) are where women especially can use their ‘strengths to contribute to something that is “bigger” and more lasting’ than the individual (p. 229). Interacting with others who women care about deeply gives the opportunity to experience positive emotions and well-being.

Implicit in conducting relationships is caring for others. Women generally do this, especially for children and in some cases, ageing parents. Women’s relationships are rich and varied. Whether their primary relationships are with partners and children or they are single, the people in women’s lives give them meaning. Singh and Cabraal (2006) claim that a person’s life stages do not necessarily follow patterns from the 1980s but for much of the 20th century, which were signposted by marriage and children. In the 21st century, de facto relationships are more common, sometimes leading to marriage and children and possibly divorce, remarrying and being part of a step or blended family (Singh & Cabaaal 2006). Similarly, Vogler, Lyonette and Wiggins (2008) argue that ‘managing and controlling money are two separate functions and that managing it is only likely to become a source of power when income is high enough to enable real spending decisions and broader strategic decisions’ (p. 119). Gender stereotypes were evidenced by women tending to have more interest in the domestic sphere while men were more interested in technical or outdoor pursuits. In this thesis, as the women’s relationships were based on a more equal foundation, they preferred to manage household finances. While men chose not to be involved in this task, they wanted to be involved in major acquisitions.
Any discussion on relationships must embrace the importance of meaningful work as the workplace is an environment where many women’s relationships are formed. As a majority of women are in paid full-time work, the circle of relationships in this environment reflects that of family in that one brings one’s self to the workplace and exchanges time and effort for financial reward. Distributing personal finances is a responsible task. Vogler and Pahl (1993) contend that women’s full-time employment has meant greater equality within households, not just greater participation in work. This has resulted in a shift from housekeeping allowance systems of the 1970-1980s to a system of pooling. Pooling is a typology of four distinct systems to describe the allocation of money in a household and was developed by (Pahl (1983)). Briefly, the patterns are: the whole wage system, where usually one partner is responsible for managing money; the allowance system where the main earner retains control of income and hands out a specific amount of expenses; the shared management or pooling system where both partners have equal access to all money and equal responsibility for spending; and the independent management system where each partner keeps their income separate, neither has access to all household money, and each is responsible for specific expenses.

Scholars have enhanced this typology over time, see for example (Pahl 1990; Vogler 2005; Vogler & Pahl 1993) to include two more patterns, pooled money that women control and pooled money that men control. Middle class women managing household income may enjoy
the role and the systems they implement because they earn either more than their partners or an equal amount.

The triumvirate of meaningful work, deep relationships and happiness as proposed by Halpern and Cheung (2008) indicates that if a women has these three elements in her life then she is possibly leading a sustainable and satisfying life. It is acknowledged that money cannot buy happiness but if an individual lives below the poverty line, money can solve the problem because they would be able to buy basic needs. Assuming that middle class women have sufficient income to cover living expenses, discretionary spending, and investment decisions, and they have satisfying work and healthy relationships, then their level of happiness should be reasonably high. If there was sufficient money to maintain their financial independence and well-being, this is what money meant to them.

2.8 Financial Decision-Making

From day-to-day budgeting to meet basic needs, to decisions about accessing the easy availability of credit cards, lines of credit, home loans and offset accounts to long-term planning for family, health and retirement that unfolds over time, an understanding of all these elements is vital as they have implications in earning potential and wealth accumulation (Leung 2011).

In the social sciences, having a view of how human nature works provides a background to discussions on specific behaviours. In the 1970s, social scientists broadly accepted two views:
that generally people are rational with sound normal thinking; and it is only when emotions such as fear and affection come into play that individuals can become irrational; and errors in thinking are a result of the mechanism to think rather than corrupted thoughts by emotion (Kahneman 2011). Hira (2012) argues that financial decision-making is influenced not just by economic and mathematical knowledge but by personal attitudes, beliefs, and values that promote the long term well-being of families and communities. Human behaviour is complex and the financial aspects of this behaviour are as complex or even more so because some individuals attribute emotional qualities to money. Many environmental and personal factors influence individuals’ behaviour. Some environmental factors include a country’s economic situation, market practices, work, school, and media while personal factors include psychology, cognition, and family (Hira 2012). Understanding how some of these factors interact and influence each other is important to understand how women make decisions considering their values, beliefs, and attitudes to finance.

Psychology

Amos Tversky and Daniel Kahneman are considered seminal scholars in the extensive field of decision-making, choices, and risk and argue that individuals are not rational and logical, see for example (Kahneman 2003, 2011; Kahneman & Tversky 1979, 1984; Tversky & Kahneman 1974, 1981). They are credited with establishing a judgement theory claiming that people mostly make decisions when they are uncertain by using heuristics and biases. Heuristics are rules of thumb that are usually effective but can lead to errors of judgement because they are generally biased as there is not always the time to investigate very available
option (Tversky & Kahneman 1974). After establishing their judgement theory using heuristics and biases, they followed with important work on decision-making creating Prospect Theory (Kahneman & Tversky 1979) or a theory of choice evaluated in terms of gains and losses. This is considered more influential than their work on judgement as Prospect Theory is one of the foundations of behavioural economics (Kahneman 2011).

Kahneman’s (2011) latest work examines how the mind works drawing on recent cognitive and social psychology developments, such as the concept of expert intuition and the importance of emotion in making intuitive judgements and choices. Individuals are intuitive thinkers and sometimes that intuition is imperfect, which means that judgements and choices often differ substantially from economic and statistical predictions. Intuitive thinking relies on heuristics, perception and memory and is called fast thinking or System 1 thinking while slow thinking or System 2 thinking is more deliberate and requires more effort (Kahneman 2011).

Making good decisions is a serious and complex process. Thaler and Sunstein (2008) argue that a potential response to complexity might be to simplify a problem but to eliminate complexity is to stifle innovation. Instead, they posit that ‘regulators should take steps to help people manage complexity, to resist temptation and to avoid being misled by social influences’ (Thaler & Sustain 2008, p. 259). This means ‘nudging’ people to make different decisions by structuring the environment to influence the choices people make. For example, regulators could assist individuals understand risks associated with various investments by
making sure that financial product information is clearly written in language that is easily understood (Thaler & Sustain 2008). Making good financial decisions is even more critical because money is a finite resource that offers the possibility to create the kind of life that a woman aspires to have for herself and her family. Some broad stages in the decision-making process include using heuristics and being aware, or not, of biases, assessing risk to make a possible gain coupled with the ability to limit or sustain a loss, the role of intuition, the importance of emotion, and the ability to understand when fast and slow thinking is taking place. Making good decisions is more important than knowing how they are made because always the outcome is the best indicator of that decision.

Risk

Financial decision-making is strongly influenced by a person’s understanding of risk and how it relates to uncertainty. The difference between risk and uncertainty is important to understand because there is generally confusion about their meanings and this can lead to an individual limiting their financial choices. Risk can be defined as the chance of adverse consequences or exposing oneself to loss (Oxford Dictionary 1988). Risk, however, is not uncertainty. Risk is measurable while uncertainty is not. The following analogy may explain the difference between risk and uncertainty (Chemay 2015). Risk is like analysing historic data for a particular event, say a race and adjusting the route based on traffic accidents. Uncertainty is running down a mountain and slipping on a wet surface only to discover a snake at the next bend. Time spent rationally analysing route information now counts for nothing. The response is instead instinctive, relying on ‘gut feel’ rather than analysis. The
runner would be advised to stay calm, continue running making sure to go around the snake’s tail and with luck, the runner may finish the race. If the runner panics and strikes the snake, it may result in a painful end (Chemay 2015).

In examining risk and its role in financial decision-making, Bajtelsmit and Bernasek (1996) argue that one is able to observe the outcomes of decisions rather than the decision-making process itself. Similarly, Schubert et al. (1999) observe that women are more risk-prone towards losses and men are more risk-prone towards gains in a gambling setting. However, when decisions were about investment and insurance choices, they found no differences in risk attitudes. This leads to the conclusion that risky financial decisions are inherently about context and that preconceived ideas about ‘the risk attitudes of female investors and managers may be more prejudice than fact’ (p. 385). Further evidence supports the claim of West and Worthington (2014) who conclude that women are only slightly less willing to invest in shares and business ownership, which are perceived as risky. They argue that wealth was more important in explaining women’s ability to take risk than income and education. In addition, West and Worthington (2014) claim that wealth is more important than income and education in explaining women’s financial risk-taking.

Conversely, Faff, Hallahan and McKenzie (2011) contend that women and men have different attitudes in their financial risk taking with women being less risk tolerant than men, especially with respect to age. Data such as marital status, number of dependents, education, income, and
net assets were also collected as these influence decisions. Faff, Hallahan and McKenzie (2011) state that by 2030 as women will make up approximately 70 percent of the Australian ageing population, their decisions will have a significant influence on broad economic prosperity. If women have a conservative approach to risk, there will be more conservative investment decisions made, which will result in lower levels of wealth for women in retirement (Faff, Hallahan & McKenzie 2011). Further, Montford and Goldsmith (2015) argue that many women invest too conservatively and raise the concern as they typically live longer than men and will rely on accumulated savings for a longer time. This view rests on the assumption that women do have conservative attitudes to risk but findings in this thesis revealed that while women may make safe decisions, they do invest in shares and business, both of which are described as risky. While the views are different, different population samples, such as survey results analysed using a quantitative method design, could account for this difference.

Taking into account that outcomes from decisions are all that can be observed and that the context in which decisions are made is significant, it is argued that risk is but one factor in the process of making choices. Some other influential factors are values, education, life experience and resilience which combine to enhance women’s financial capability.

*Managing personal finances*

Single middle class women see life with opportunities and many budget and invest to be financially independent and secure (Henry 2005) while women with families budget for their
retirement and to provide for their children. In developed capitalist countries, this goal is
challenging because individuals, and especially women are required to take more risks
because they live longer, they have lower earnings, and have less wealth because of job
interruptions due to having children (Bajtelsmit & Bernasek 1996). These issues prevail in
most developed countries and in Australia, government implications of having a user pays
health system, a flexible labour market and the responsibility to fund one’s retirement (Fear
2008) add further complexity to this situation as all these issues require understanding to make
good financial decisions.

Fonseca et al. (2012) put forward the view that women usually undertake household functions
and men make financial decisions thereby acquiring more financial knowledge. As well,
women and men with similar education take on the same number of financial responsibilities
and that as their education increases, they take on more economic activities. In contrast,
Rowley, Lown and Piercy (2012) posit that by adopting positive financial behaviours,
individuals could make better financial decisions and cope with change. As the participants in
their study had made positive changes in their behaviour to qualify for program inclusion, it is
unclear if effects of the behavioural change program that included financial decision-making
would continue after the program.

Money coming into a household can be seen as a source of power and who controls it is
important (Ferree 1990). Similarly, Pahl (2008) claims that couples need ‘to find a balance
between being a financial unit and being two separate, financially autonomous individuals’ (p. 589) and that de facto couples managed individual accounts (Pahl 2000, 2008). Further, Pahl (2008) argues that the pattern of individualisation of family finances is not as prevalent in the UK as it is globally. In the US, the use of credit cards to manage household finances is prevalent among middle class women. A similar behaviour is common in Australia. To budget using a credit card means that self-control is an important factor in spending and borrowing behaviour and middle class women are more likely than lower income groups to pay the entire balance each month (Shefrin & Nicols 2014). This sense of control was central to women’s goal of providing adequately for themselves and their families.

Individuals and couples manage their economic affairs in ways that suit their situations. Sherraden, McBride and Beverly (2010) argue that low-income families make financial decisions and manage their expenses through hard work, faith, and frugality, despite challenges of high expenses and low incomes. Middle class women could be described as having similar attributes such as hard work and disciplined budgeting to manage their economic circumstances, which indicates that despite socio-economic conditions, individuals adopt similar basic behaviours that assist them to cover basic financial needs based on their values, priorities, and constraints. Financial capability lies at the heart of this discussion and part of this process is the role of budgeting or more specifically mental accounting.
Mental accounting

Mental accounting is described by Antonides, de Groot and van Raaij (2011) as ‘the psychological separation of different economic categories’ (p. 546) and by De Meza, Irlenbusch and Reyniers (2008) as ‘a set of cognitive operations used by individuals and households to organise, evaluate and keep track of financial activities’ (p. 95). Individuals use mental accounting as a way to partition the way they think about issues and how they are going to structure solutions to manage issues. For example, discreet budgets are earmarked for weekly supermarket spending, expenditure on children’s activities, and monthly mortgage payments.

Shefrin (2013) describes mental accounting adding the importance of emotions and posits that this heuristic is ‘designed to help people face temptation successfully and override their fast thinking impulses’ (p. 16). Emotions are part of fast thinking. As women act responsibly to meet financial obligations, they make and follow their rules about allocating funds to particular categories so that they meet obligations and do not break this commitment. Antonides, de Groot and van Raaij (2011) contend that mental budgeting is practised to keep control of household finances, especially when financial means are limited, which means that households with higher income and wealth would practise this less. The role of budgeting is significant in personal financial management so that sound investment decisions can be made.
Investment practices

Leung (2011) investigates financial management practices to achieve goals and their relation to social reproduction. Leung (2011) argues that the working class use coping practices to manage day-to-day financial obligations with little left for long-term planning; middle class use balancing practices to juggle busy family lives and career using financial trade-offs to maintain stability while upper middle class who are settled in their status utilise achieving practices to focus on the growth of themselves and families. Leung (2011) used the Coleman Computerized Status Index (CSI) which assigns a number class, for example, working class 13-23, middle class 24-36, and upper middle class 37-53 based on education, occupation, residence, and family income (Coleman 1983).

Education is a key driver for economic success and is critical to achievement in a first world society because this is a stepping stone to well-paying employment, which is one ingredient in the mix for attaining financial capability. Additionally, budgeting and managing work, family, and self are undertaken by many women regardless of their status. However, while Leung argues that upper middle class individuals carry out achieving practices that they are confident will lead them ‘to long-term financial independence, wealth accumulation and [a] well-balanced life style’ (p. 235), middle class women may have the same aspirations as the upper middle class group.
2.9 Financial Capability

Margaret Sherraden (2010) argues that it is unclear if greater financial literacy will reduce financial vulnerability in low-income households if large institutions do not or are unwilling to provide appropriate financial products for this demographic. She proposes an alternative concept of financial capability. When attempting to define the word capability, there are several definitions offered in a dictionary. One refers to natural ability, the power or practical ability necessary for doing something. A second definition explains capability as a range of ability, the potential ability of a person or an entity to do something. While there are other definitions offered, the one that will be used in this thesis describes capability as the practical and potential ability of a person to take action. This definition aligns with Sherraden (2010, p. 1) who states that financial capability ‘includes both the ability to act (knowledge, skills, confidence, and motivation) and the opportunity to act (through access to quality financial products and services)’.

Implicit in financial inclusion is the notion that education, products, service and advice is available and accessible for anyone who wishes to participate fully in the consumer financial market place. Between 8 and 12 October 2007, Citibank conducted a study, The Citi Fin-Q Survey comprising a survey of 4,400 people across eleven countries with a representative sample of 400 Australian adults, aged 18 or older. Analysis identified that most people ‘believe they understand and have the ability to save (88%) and budget (90%)’ (Citibank 2008). ‘While there is no data focussing specifically on financial exclusion, analysis of the
Roy Morgan Finance Monitor data indicated 0.8 percent of Australia’s adult population, or over 120,000 people, could be considered totally excluded with no ownership of financial products. Around six percent of adults had minimum financial access owning only a transaction account’ (ANZ 2004, p. iii). Further, most people hold investments, especially direct shares. Approximately a third of share owners have acquired these shares passively, usually in their superannuation, while two-thirds have actively acquired their shares. These figures are based on a base Australian population of 53,307 and a base of 1,217 for the investor population (ASIC 2011).

What this seems to indicate is that people tend to be confident with day to day money management concepts like budgeting, credit, savings and debt as accounts and cards are relatively easy to use and readily available. However, they seem to struggle with more complex concepts such as investments, superannuation and retirement saving (ASIC 2011). This is concerning because as the population is ageing and more responsibility for planning rests with the individual, it is in the best interests of government, society and industry to provide education, products, service and advice about these complex topics to individuals in a supportive environment so that financial stability and well-being is encouraged and sustained.

In contrast, those adult Australians who could be considered financially excluded, are most at risk of being in poverty, people from Indigenous backgrounds, those with a disability and people who receive social security benefits (ANZ 2004). There are complex reasons for this
disparity regardless of place in the world. While efforts are made and are ongoing so that people are able to achieve financial stability, it may be useful for financial institutions to consider specific products and service for those who are financially illiterate and yet to become financially capable.

In summary, the lack of research between financial education, behaviour and actions and the lack of research linking economic socialisation, financial literacy, financial inclusion and financial capability helped formulate the research question which is *What are the factors that affect female’s relationship with money over time?* The focused contribution was on middle class women’s financial capability by identifying six factors that built upon Sherridan’s (2010) model and contributed to new knowledge.

### 2.9.1 Financial Literacy

Financial literacy has been proposed widely as an effective approach to prepare people to manage their finances. Over the years, many definitions of financial literacy have been provided, and these definitions range significantly in complexity and emphasis. Vitt et al. (2005) define personal financial literacy as ‘the ability to read, analyse, manage and write about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy’ (p. 7). The National Foundation of
Education in the UK defined financial literacy as the ability to make informed judgements and to take effective decisions regarding the use and management of money. The NatWest Group Charitable Trust then commissioned the NFER to investigate financial literacy education in school curricula in the UK and this definition has been used by other organisations in their investigations (see for example, Schagen & Lines 1997; ANZ Surveys of Adult Financial Literacy in Australia 2002, 2005, 2008, 2011 and 2015). Financial literacy is also described as ‘the ability to use knowledge and skills to manage financial resources effectively for lifetime financial security’ (Jump$tart et al. 2007, p. 4). However financial literacy is described, it is a vital component in becoming financially capable. Financial literacy is critical in enabling people to manage their finances, provided they have the opportunity to do so, and coupled with reasonable decision-making ability.

In Australia, consultation feedback indicated that the definition of financial literacy should be expanded to reflect the role that personal circumstances and cultural contexts play in shaping individuals’ financial attitudes and behaviours (ASIC 2013). While some respondents favoured retaining the term ‘financial literacy’ for national and global consistency, the 2014-17 Strategy retains financial literacy as its focus, and acknowledges the role it plays in creating financial capability (ASIC 2013). This recent development shows the acceptance by policy makers, business, and community organisations that literacy is part of the dynamic and ongoing process of developing financial capability.
Financial education means the knowledge and skills to manage personal and household finances. A review of the literature reveals that there is mostly agreement that financial education does not by itself always lead to improved financial literacy. According to Sherraden (2010), financial education in the US has promising, yet mixed results. For example, some educational programs target specific groups such as schools while at other times the audience is employees and communities, especially those that are financially vulnerable. As well, the program content seems to vary widely from topics such as budgeting, spending, planning, bill paying, and saving to managed investments, superannuation and risk management. In the US, financial education is available to parents in the form of children’s development account programs (Huang, Nam & Sherraden 2013; Sherraden et al. 2013). These accounts are provided by a variety providers to enable parents to save for their children’s education from primary school through to college. Similarly, in Australia and New Zealand, the majority of programs are devised by private providers (Taylor & Wagland 2011) who found that programs were especially required for those in the lower socio economic groups. Further, Taylor and Wagland (2013) argue that in Australia there has been no academic research regarding the effectiveness of teaching financial literacy in schools. This is despite published evidence of limited success in the US, the UK and Europe. The suggestion is that financial education should start in primary school instead of high school, and ‘putting real money and spending decisions into kids’ [children’s] hands’ (Taylor & Wagland, p. 80). This action would assist children to physically and emotionally connect with money and experience the consequences of their decisions. It would also provide the opportunity to speak
openly about emotions and the social interactions that are associated with spending and saving money (Taylor & Wagland 2013).

In the USA, limited or negative results for financial education have been reported following the Jump$tart Coalition surveys of high school students for over a decade (Sherraden 2010). It seems that again, the issue may not be one of more education but specific education that leads a person to want to change or at least assess their behaviour in relation to personal finances. Lusardi (2015) argues that given the low level of financial literacy in the US, it should be included in the school curriculum so that people are informed before they make important personal decisions such as funding further education. While including financial literacy in the school curriculum appears to have limited success, it may be a beneficial place to begin. Lusardi (2015) designed three simple questions to measure levels of financial knowledge as well as to assess degrees of financial sophistication. The questions pertained to knowledge of compound interest, inflation, and risk diversification. This information can be taught. Learning to be financially literate is ‘a lifelong learning activity’ (p. 82) and involves a number of initiatives such as technology, workplace programs, and institutions providing simple products and affordable services and advice (Taylor & Wagland 2013). The effects of people receiving financial advice are not well known or if it can improve financial decision making. Lusardi and Mitchell (2014) contend that ‘in practice, most people rely on family and friends for their financial decisions’ (p. 37). Perhaps instead of providing financial education and explaining behavioural choices a focus could be on offering the opportunity to change
behaviours that enhance one’s financial situation. The oversight in the literature indicating a lack of research between financial education and inclusion led to the research question that informed this thesis.

2.9.2 Financial Inclusion

Financial inclusion is the ability to access appropriate financial education and advice with quality financial products so that individuals are offered the opportunity to exercise choice to acquire financial stability and well-being. Financial inclusion is a relatively recent addition in the literature from 2007 until 2011 and is evident in research conducted by Johnson and Sherraden (2007), Sherraden (2010), and Taylor and Wagland (2011). Evidence exists that combining financial education and experience with financial products can make a difference, especially with children and school banking projects (Johnson & Sherraden 2007; Sherraden 2010; Taylor & Wagland 2011). When the learning is associated with a product, the experience may be more beneficial for the children because they are combining learning with doing. The internal capabilities, as offered by Nussbaum (2000) and in this case financial knowledge and skill and external conditions such as financial products and services are both important. The combined interaction of the internal capabilities and the external conditions makes them more powerful than their separate parts. Financial education without access to financial products and services or vice versa is potentially harmful and most likely ineffective (Sherraden 2010).
Inclusion from a developing country standpoint means an individual feels that they are making a valued contribution to their family and society. Grosser and van der Gaag (2013) examine inclusion and its relationships with corporate social responsibility in the private sector from the perspective of girls in developing nations. Research on female inclusion in developing countries is relevant and provides a balance to women’s inclusion in developed countries. By illustrating that all women aspire to be treated as equals in the workplace so that they may have the freedom to live how they wish. This freedom is a privilege for middle class Australian women compared to those in developing countries. The link with financial capability may appear tenuous but there are parallels. The understanding of financial capability in this thesis was provided by seminal scholars, Amartya Sen and Martha Nussbaum. Stereotypes persist such as ‘girls look after their families, go to work, change the world, while boys play and laze around’ (p. 78). This is not generally the picture in middle class Australia but many women work long hours and undertake the majority of work in the home. Grosser and van der Gaag (2013) argue that girls and women can change the world, especially in developing countries. However, they need to be consulted about development issues and empowered to define how they would like to be engaged. Until then, ‘their lives, needs, and hope cannot be addressed effectively’ (Grosser & van der Gaag 2013, p. 80). The similarity to financial capability is that what is being said or how one describes their personal money management skills is often different from what is actually happening. For example, in corporate supply chains, young women work very long hours for low wages, are ineligible for health insurance and do not have a written work contract. This inequality is underpinned by a
need to understand social and political contexts of power, justice and attitudinal change. Inclusion is paramount if all women are treated as equals in the workplace so that they can receive an adequate wage to live their desired life. This view adds to the thesis by illustrating a narrative from developing countries that aspire for their people to have the freedom to choose. This freedom is a privilege for middle class women in Australia and other developed nations.

2.10 Summary

In summary, two literature reviews, one revealing three areas for research regarding women and finances and a second more specific and refined in-depth review, addressed the key concept of financial capability spanning 30 years from the 1980s to the present, resulting in the development of a conceptual model illustrating the cyclical nature of financial capability. Additionally, the challenges in reviewing the disparate literature located in various disciplines along with the interchangeable use of language to describe key concepts such as financial capability, financial literacy, and financial inclusion were clarified in the model development.

Furthermore, the two literature reviews revealed three research sub-questions to assist with examining aspects of the overall guiding question, ‘What are the factors that affect middle class women’s relationship with money from adolescence to maturity?’ These were:

- What are key financial experiences and events in adolescence and adulthood that have influenced women’s experiences with money?
What are key influences on women’s money management and financial decision-making?

What is the relationship between financial well-being and work, values, and life stages?

In a global context, societies and organisations need to be clear about their values and what they might be. For example, whether women are poor or privileged, they need to be informed, educated, and empowered about values that promote human well-being on a global scale to benefit from the effects of wealth distribution. Financial capability is a value-laden concept and for this reason, women need to act confidently for themselves and for others.

Chapter 2 presented a review of financial capability and financial literacy literature in the USA, the UK, and Australia. Socialisation theory is used to explain the perspective of this thesis. The context of values and the life stage approach have been described. The importance of work in women’s lives has been explored. Finally, parental influence and their role in modelling behaviour was identified as critical in young females and women in gaining financial literacy, participating in the consumer financial market to develop and enhance their financial capability. This review suggests that the most appropriate way of understanding and investigating this process would be by using a conceptual model. In chapter 3, the literature was consolidated to develop a conceptual model of financial capability. The capabilities approach will be examined and interpreted and a model will be developed to identify elements
of financial capability. These include the influence of economic socialisation, and the roles of financial literacy and inclusion, resulting in financial capability.
Chapter 3: Conceptual Model Development

3.0 Introduction

This chapter identifies critical concepts from elements derived from the consolidation of the literature in the development of a financial capability conceptual model. Three steps were involved in the process of model development. The first step involved a review and analysis of the existing literature to understand the history of the capabilities approach. Step two explored the interpretation and scope of financial capability as it is used in personal financial services. In step three, financial capability was further examined as it applied to adolescent women and adult middle class women.

3.1 Development of the Model

Three steps were taken to develop the conceptual model. Before proceeding with the specifics of how the model was developed in this thesis, the role of models or frameworks in research was considered. The language in the literature uses the terms model and framework interchangeably. In this thesis, conceptual model will be used. According to Bradley and Schaefer (1998), modelling is an attempt to simplify the world around us that is very complex to understand. Additionally, it is an important step that determines the usefulness of the work that follows the model or framework (ANZ 2004). Modelling may be described as an attempt to interpret a reality and it is for this reason that a conceptual model was developed to provide
a means of understanding the complexity of the relationship between women and finance. Similarly, Eisenhart (1991) describes a conceptual framework as ‘a skeletal structure of justification’, an argument including different points of view where adopted ideas or concepts serve as guides, and the framework supports the investigation (p. 203). She further adds that ‘Conceptual frameworks are based on previous research and literature, but conceptual frameworks are built from an array of current and possibly far-ranging sources’ (Eisenhart 1991, p. 209). Additionally, because the arguments in conceptual frameworks generally reflect the current situation regarding a research problem, they usually have a short life as they are revised or replaced as data or new ideas emerge (Eisenhart 1991). Because of this fluidity and transitory nature of the framework, they offer a comprehensive way of investigating a problem. Among a number of attributes that frameworks offer, their timeliness, inclusiveness and useful approaches to real life problems would appear to be especially valuable. The inclusive and evolving nature of a framework may make it less likely to draw unwarranted conclusions or unsupported explanations for empirical results, especially in applied areas such as the area of financial capability.

3.2 Steps in Model Development

Two reviews of the literature were undertaken as explained in chapter 2. One review examined research on women and finances and the second investigated financial capability, specifically resulting in developing a conceptual model clarifying this phenomenon. The origin and development of the final model is explained in the following six steps.
Step 1 – An initial review of the literature on financial capability uncovered a model, *Financial capability*, developed by Sherraden (2010). The model identified links between economic socialisation, financial education and products, financial literacy, and financial inclusion, leading to financial stability, well-being and development. This model provided the foundation of this thesis. Further investigation of the literature uncovered nineteen influential scholars whose research assisted with refinements to Sherraden’s (2010) financial capability model.

Step 2 – Beginning with Sherriden’s (2010) model and adding relevant literature, a modified iteration was developed, named *The evolution of women’s financial capability from adolescence to maturity*.

Step 3 – A two stage process was used to generate qualitative data based upon the model developed at Stage 2. Stage 1 involved a preliminary study consisting of a group discussion with five adolescent females. After analysing data generated from this activity, financial capability was identified as a key issue of this cohorts’ relationship with money. This then led to Stage 2. Questions were then designed for an Interview Guide to be used in Stage 2, which entailed conducting individual interviews with adult women.

Step 4 – Interviews were conducted with twenty-six middle class women to generate data. This cohort consisted of thirteen individuals who worked in financial services and thirteen who were employed in other industry sectors. Women were approached from different sectors to discover if there were similarities and differences in their approaches to managing personal finances.
Step 5 – As data were analysed, six factors were identified that influenced women’s relationship with money. This identification of influences and the relationship between the factors were represented in a new model, *Factors influencing the Evolution of Adolescent Women and Adult Women’s Financial Capability*.

Step 6 – Finally, to integrate the evolution of model development the final model, *Integrated Model of the Evolution of Women’s Financial Capability*, extends Sherraden’s (2010) research on financial capability. It did this by identifying specific influences that affect women’s relationship with money over time. The focus of this thesis was on financial capability. This included components from the original model such as economic socialisation with family members and peers, financial literacy, and financial inclusion, all contributing to financial capability.

At the time of commencing this research in 2012, Sherraden’s (2010) model of financial capability illustrated how an individual could become financially capable. Her graphic in this paper clearly articulates a process showing the stages involved in managing personal finances. In the diagram, financial knowledge and skills from economic socialisation and financial education, generates financial literacy. At the same time, having access to affordable, and reliable financial products leads to financial inclusion. Together financial literacy and financial inclusion build financial capability, which in turn leads to greater financial well-being and more opportunities for financial development (Sherraden 2012). The depiction of process and relationships between factors that contributed to financial capability provided the
foundation for this thesis. There was a paucity of literature specifically on financial capability as much of the literature focused on financial literacy contained in reports for example, ANZ 2001, 2011; ASIC 2011; De Meza, Irlenbusch & Reyniers 2008; and Dixon 2006 and conference papers by Kempson, Collard & Moore 2006; Leskinen & Raiijas 2006; Lusardi 2008, 2011; and Lusardi & Mitchell 2008, 2011. Consequently, as the focus of this research was on financial capability, Sherraden’s (2010) model provided the basis of this thesis and contributed to a new model, The Integrated Model of the Evolution of Women’s Financial Capability.

This thesis confirmed the evolution of financial capability beginning in adolescence, both for adolescent and adult women. It identified six factors that contributed to middle class women’s relationship with money over time. The thesis extended the original model of financial capability by explaining that middle class women were able to make good decisions if they had an awareness of the role money plays in their lives, a sound grasp of financial concepts, and the confidence to manage their personal finances to lead productive and meaningful lives. It would be in order to address the capabilities literature as a first port of call in the development of the financial capabilities conceptual model.

3.3 Capabilities Approach Conceptual Model

In this thesis, the final conceptual model acted as a foundation for the scope of the research and linked earlier data generated and analysed with adolescent women to develop an interview
schedule for the next step of interviewing adult women. In this way, the model defined the perspective taken which was interpretive using a constructivist approach thereby guiding the data generation for the study (Eisenhart 1991).

The first stage in model development provides a rudimentary consolidation of literature on the capabilities approach, specifically articulated by Martha Nussbaum (2001). The language, definitions and concepts of this approach could be summarised and represented as a map of Nussbaum’s approach illustrated in Figure 3.1, p. 85.
Figure 3.1: Conceptual Model of Capabilities Approach

**Rights**
- To involve an especially urgent and morally justified claim that a person has by virtue of being a human adult regardless of nationality, class, gender, ethnic, religious or sexual group.

**Capabilities**
- To give a benchmark in thinking about what it is really to secure a right to someone.
  - Aim of public policy is to produce combined capabilities.
  - Determined and supported by economic, political, social policies and environment.
  - Three things offered by the capabilities approach:
    1. Looks at what people are able to do.
    2. Treats different functions as all important.
    3. Looks at what is actually going on in a person’s life and how resources can help people function in a full human way.

**Functioning**
- **Space for choice** between capabilities and functioning.

**Resources approach** — crude approach using economics only, e.g. GNP/capita.
**Utility approach** — satisfaction of preference or desire, well-being.
**Distribution approach of basic resources** — people vary greatly in their need for resources and in their ability to convert resources into valuable functionings e.g. food, mobility, education.

**Important question**: “What are people actually able to do and to be?” may lead to better understanding of what it is really to put people securely in possession of those rights to make them able really to function in those ways, not just to have the right on paper.

**Basic capabilities** — innate faculties necessary for developing advanced capability e.g. most children have practical reason and imagination but cannot exercise these functions without further development.
**Internal capabilities** — personal state to perform required functions sufficiently well e.g. ability to use speech and thought in accordance with own conscience.
**Combined capabilities** — internal capabilities combined with suitable external conditions so that the function can take place e.g. access to health, education, employment and voting rights.

**Central human functional capabilities**:
1. Life
2. Bodily health
3. Bodily integrity
4. Senses, imagination and thought
5. Emotions
6. Practical reason
7. Affiliation
a) Considering others,
b) Self-respect, equality, able to work
8. Other species
9. Play
10. Control over one’s environment
a) Political – make choices,
b) Material – own property, seek employment

**Concerning adults, capability, not functioning, is the appropriate political goal because of importance of practical reason attached to capability approach as a good that both suffuses all the other functions, making them human rather than animal. Functioning in childhood is necessary for capability in adulthood e.g. education, play, health.

**Key References**
- Bradley & Schaefer (1998)
- Creswell (2009)
- Eisenhart (1991)
- Freeman & Mathison (2009)
- Robeyns (2005)

The literature on the capability approach could be described as scattered because the approach covers many disciplines. According to Robeyns (2005), the capability approach highlights the difference between means and ends, plus capabilities and outcomes. Further, she states that the capability approach is not a panacea for research on development, poverty, justice, and social policies, but it can provide a framework for analyses (Robeyns 2005). Sen has been acknowledged as the person who introduced the concept of capabilities. The focus of his view, which is grounded in the developing world, specifically India, is on empowering the individual to make choices that may offer them the freedoms they want. There is an emphasis on examining more than one dimension of life e.g., income is viewed in conjunction with the political and social environments that support an individual to make choices that they believe offer them a suitable quality of life (Sen 1980, 1993, 1999). While Sen does not explicitly offer a prescription of what capabilities are or how they can be used, he offers a general work or framework on development so that governments, organisations and others can use the capability approach if it is considered appropriate. His view is from the economic perspective and it seems to lay the foundation for much of the current research in financial capability in the United States, the United Kingdom, Europe, Australia and New Zealand.

3.4 Interpretation of Capability and Functionings

According to Sen, when exploring an approach to well-being, capability was chosen to represent the ‘combinations of things a person is able to do or be’ (Sen 1993, p. 271). A functioning refers to the use a person makes of the commodities at her or his disposal.
‘Functionings are the various things that a person does or is in leading a life’ (Sen 1993, p. 271). For example, having enough food and adequate housing are basic functionings and highly valued but individuals may differ in how they perceive enough and adequate. For some, one meal a day may be enough, for others, three or more are considered adequate. The capability approach is based on a view of living as a combination of various ‘doings and beings’ with quality of life assessed in terms of the capability to achieve valuable functionings (Sen 1993). The distinction between functionings and capabilities is between achievements and freedom to choose from available options. Sen argues that evaluations and policies should focus on what people are able to do and be, on the quality of their life, and on removing obstacles in their lives so that they have more freedom to live the kind of life that they value (Robeyns 2005).

Nussbaum approached capabilities from the perspective of philosophy and justice, specifically human rights. The view of capabilities combined with rights is a shared focus of both Sen and Nussbaum coupled with the role of liberty. In the context of political philosophy, liberal refers to the tradition that values individual freedom. It does not mean liberal in the political sense as liberal can mean different things in different countries and can cover both left and right politics (Robeyns 2005). Nussbaum sees functionings such as work, rest, education, health as necessary for capability. In the space for choice between capability and functionings, there are opportunities and freedom to choose, not just functionings. She further states that where adults are concerned, capability, not functioning, is the appropriate political goal because of the
importance of ‘practical reason attached to the capability approach as a good that both suffuses all the other functions, making them human rather than animal’ (Nussbaum, MC 2001, p. 87). Rights is defined as the ability to involve ‘an especially urgent and morally justified claim that a person has, simply in virtue of being a human adult,’ regardless of nationality, class, gender, ethnic, religious or sexual group (Nussbaum, M 2002, p. 135).

3.5 Comparison between Sen and Nussbaum

Amartya Sen and Martha Nussbaum share similar views of the capabilities approach in at least three areas. As stated previously, Sen pioneered an approach to quality of life assessment from an economic perspective as the capabilities approach. He argues that capability is a space where comparisons of quality of life or standards of living are best made. Nussbaum began her work independently of Sen and with her philosophical and human rights perspective, views capability as having three foci. These are: 1. providing opportunities and choice for the individual; 2. focussing on what a personal actually does, not on what they say they do; and 3. focus on practical action. It appears that Sen views capability as a space and Nussbaum seems to see capability as a way of offering capability equality. Secondly, Sen and Nussbaum agree that political liberties play an important role in that all capabilities are equally fundamental and that economic needs should not be met by denying liberty. Finally, both Sen and Nussbaum share the view that capabilities are valuable for each and every person; the emphasis is on treating each person as an individual (Nussbaum, MC 2001).
There a number of differences between the views of Sen and Nussbaum. Nussbaum’s work has an emphasis on Aristotle’s philosophy of potentiality which can be translated as capability and her willingness to create a definitive list of the ten human functional capabilities mentioned above. Sen never made a list of central capabilities; instead he provides numerous examples that may be referred to by government bodies and organisations as a possible framework for designing public policy.

While Sen is acknowledged as a seminal writer in the field of capability, in this thesis the perspective and work of Nussbaum was relied upon because she sees the world from a philosophical and human rights perspective. Additionally, it is acknowledged that the work in the field of capability has moved on since the founding work of Sen. It is noted that the work of both Sen and Nussbaum had its origins in Aristotelian philosophy. While Sen acknowledges that he was not aware of this when he started his work with capabilities, he acknowledges Nussbaum with constructing her approach fully aware of Aristotle’s philosophy. In part, this can be described as potentiality or capability, which is the power of action.

Thus, it could be surmised that the capabilities approach offers a broad framework for evaluating and assessing individual well-being in a social context that may lead to policy design and proposals about social change. With its focus on what people are actually able to
do and be, this approach offers a practical way of identifying and working with the means and the ends of well-being and development.

3.6 Conceptual Model of Financial Capability

The second step in this model development was the design of the financial capability conceptual model. As previously stated, Sen considered capability, among other aspects, as personal characteristics influenced by micro and macro environments while Nussbaum summarily defined capability as what people are actually able to do and to be.

This model, developed by Margaret Sherraden (2010), forms a bridge from the concept of capability to financial capability. It was chosen because it demonstrates five areas of personal financial development: 1. economic socialisation; 2. financial education; 3. financial products and services; 4. financial inclusion, and 5. financial capability. Beginning with economic socialisation usually within the family, and assuming an individual receives quality financial education and can access suitable products, they may become financially literate and through inclusion, hopefully become confidently financially capable. Sherraden’s (2010) unpublished work provided relevant data and supported this work.

Undertaking a process of receiving sound financial education and having access to suitable products and services, a person has the choice to be financially informed to make good decisions. These topics were not addressed as being related to gender and class as the thesis
was anchored in the financial capability and socialisation perspective, which was within the scope of the thesis. The thesis was not positioned in a paradigm of feminism and finance and empowerment. Instead it is focused upon the diverse factors that influence the evolution of middle class women’s relationship with money.

There are any number of variables that could be added as well as arguments that could counter this process but for the purposes of this thesis, the following model, anchored to the relevant literature, is generated.

**Figure 3.1: Conceptual Model of Financial Capability**

![Conceptual Model of Financial Capability](image)

**Key References**

- Adkins & Ozanne (2005)
- ANZ (2004a)
- ANZ (2011)
- ASIC (2011)
- De Meza, Irlenbusch & Reyniers (2008)
- Furnham (1999)
- HM Treasury (2007)
- Hogarth (2002)
- John (1999)
- Johnson & Sherraden (2007)
- Leskmen & Rajas (2006)
- Moschis (1985)
- Noctor, Stoney & Stradling (1992)
- OECD (2005)
- Schagen & Lines (1996)
- Sherraden (2010)
- Taylor & Wagland (2011)
- Ward (1974)

Source: Adapted from Sherraden, 2010, p. 88
3.7 Elements of the Model

The main elements in the model are: 1. economic socialisation; 2. financial education including financial products; 3. financial inclusion; 4. financial literacy; and 5. financial capability. The thesis is anchored upon socialisation theory and the financial capability of middle class women. It was not based within the feminism and empowerment literature. It was focused upon diverse factors that influence the evolution of middle class women’s relationship with money, thereby providing the focus of the research. As these elements were adapted to create a later emerging model, the elements will be discussed briefly here and in more detail later.

3.7.1 Economic socialisation

A person’s understanding of the economic world and their place in it begins in childhood (Furnham, Adrian 1999b; John 1999) as they acquire and develop values, attitudes, knowledge and behaviours that guide understanding and approaches to financial decisions (Ward 1974). The importance of family and the role it plays in this socialisation process can be seen as critical as children learn and understand money (Furnham, A. & Argyle 1998; Moschis 1985). However, there are limits to what people learn through socialisation. For example, if parents lack sound financial knowledge and skills and demonstrate poor behaviour, this may be reflected in children’s actions. Children tend to understand their world through the one they inhabit by observation and experience. Consequently, if that environment lacks constructive financial conversation and practice, it seems unlikely that economic socialisation will lead to beneficial financial decision-making (Sherraden 2010).
3.7.2 Financial education

Financial education refers to the knowledge and skills to manage personal and household finances. A review of the literature reveals that there is mostly agreement that financial education does not, by itself, always lead to improved financial literacy. In the USA Sherraden (2010), stated that financial education in the USA has promising, yet mixed results while in Australia, the majority of programs in Australia in New Zealand are devised by private providers (Taylor & Wagland 2011) who found that programs were especially required for those in the lower socio-economic groups. It seems that the issue may not be one of more education but specific education that leads a person to want to change or at least assess their behaviour in relation to personal finances.

Financial products and services

Financial products and services refer to vehicles and organisations, for example, bank accounts provided by financial institutions for individuals to action personal financial decisions. Additionally, for financial products and services to be useful for individuals, they must fulfil at least four criteria; 1) be accessible; 2) affordable and financially attractive; 3) easy to use, and 4) safe and reliable. Each criterion will now be discussed.

Accessibility

Access means the ability and access to qualified professionals that people have to approach an institution to enquire about the suitability of a product or service for their personal circumstances. For example, Sherraden (2010) points out that for many low income households in the US, banking products may not suit irregular income streams.
Affordable and financially attractive

Being able to afford to have a bank account is an important consideration for many people. In the USA for instance, many people who do not use bank products said they were too expensive to use, given the small amount of money they had to manage, and they did not see any value in having an account (Sherraden 2010). Perhaps lower fees, lower minimum balances, and less confusing fees might attract those with smaller amounts to use mainstream financial products so that they could participate in saving programs and break the cycle of financial hardship.

3.7.3 Financial literacy

According to Sherraden’s (2010) model, financial knowledge and skills generates financial literacy. The literature also refers to ‘financial literacy’, ‘financial capability’, and ‘financial education’ and these are not always clearly defined. For the purposes of this research, financial capability has been defined and is further discussed below. Financial literacy will be discussed later. Finally, financial education is generally used to mean framing initiatives as solutions to low financial literacy. The Organisation for Economic Co-operation and Development (OECD) (2005) defines, in part, financial education as ‘the process by which financial consumers improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being’ (p. 13). Hilgert, Hogarth and Beverly (2003) claim that there is a difference between
providing information and providing education. To offer opportunities to change people’s behaviour, education may require a combination of information, skill-building and motivation. Additionally, education initiatives such as awareness campaigns, web sites or brochures may need to be coupled with motivational and education strategies to help people make desirable behavioural changes in financial practices (Hilgert, Hogarth & Beverly 2003). In other words, education is a blend of knowing how to obtain relevant financial information in order to decide how best to enhance financial well-being. On the other hand, literacy may be seen as a result of socialisation and education, ultimately leading to enhanced capability.

3.7.4 Financial inclusion

Financial inclusion refers to the ability to access appropriate financial education and advice with quality financial products so that individuals are offered the opportunity to exercise choice to acquire financial stability and well-being. Financial inclusion is only one element in the model and the unpublished work by Sherraden (2010) provided relevant data at the time. Citibank conducted a study, The Citi Fin-Q Survey, between 8 and 12 October 2007 comprising a survey of 4,400 people across eleven countries with a sample of 400 Australian adults, aged 18 or older. Analysis identified that most people ‘believe they understand and have the ability to save (88%) and budget (90%)’ (Citibank 2008, p.3). While there is no data focussing specifically on financial exclusion, analysis of the Roy Morgan Finance Monitor data indicate 0.8 percent of Australia’s adult population, or over 120,000 people, could be considered totally excluded with no ownership of financial products. Around six percent of adults have minimum financial access owning only a transaction account’ (ANZ 2004, p. iii).
In addition, most people hold investments especially direct shares. Approximately a third of share owners have acquired these shares passively, usually in their superannuation, while two-thirds have actively acquired their shares. These figures are based on a base Australian population of 53,307 and a base of 1,217 for the investor population (ASIC 2011). What this seems to indicate is that people tend to be confident with day to day money management concepts like budgeting, credit, savings and debt as accounts and cards are relatively easy to use and readily available. However, they seem to struggle with more complex concepts such as investments, superannuation and retirement saving (ASIC 2011). This is concerning because as the population is ageing and more responsibility for planning rests with the individual, it is important that these complex topics are offered in an accessible and helpful format so that good personal financial decisions can be made.

3.7.5 Financial capability

There are many definitions of financial capability. For example, Margaret Sherraden (2010) defines financial capability as the ability to act with knowledge, skills, confidence, and motivation plus the opportunity to act through access to quality financial products and services within a framework set up by government policies, laws, regulations and practices in which individuals have the freedom and opportunity to make their own choices. In other words, financial capability is an individual’s ability to understand, assess, and act in their best financial interests and requires both the ability to act coupled with the opportunity to act (Johnson & Sherraden 2007).
3.8 Financial Capability as a Life Process

Using an interpretative framework Leskinen and Raijas (2006) understand financial capability ‘as a process that evolves over a person’s life cycle and follows the current trends and circumstances in society’ (p. 14). Financial knowledge and understanding, skills and competence, and responsibility are acknowledged as elements of financial capability. In addition, they argue that there are various stages and expressions of financial capability based upon ‘demographic consumer characteristics, values, attitudes or habits, phase of life, immediate environment and macro environment and its social, economic and cultural influences’ to complete their definition (Leskinen & Raijas 2006, p. 14). They also refer to the breadth and depth of financial capability. Breadth refers to tasks concerning financial services from the macro environment while depth refers to the micro environment or an individual’s personal features e.g. financial knowledge and understanding, skills and competence and responsibility (Leskinen & Raijas 2006).

Further, it is noted that financial capability is the term generally used in the UK and in Canada (Sherraden 2010) while the term financial literacy is generally used in the US (Leskinen & Raijas 2006). The UK government has adopted the following definition of financial capability:

Financial capability is a broad concept, encompassing people’s knowledge and skills to understand their own financial circumstances, along with the motivation to take action. Financially capable consumers plan ahead, find and use information, know
when to seek advice and can understand and act on this advice, leading to greater participation in the financial services market (HM Treasury 2007, p. 19)

These definitions clearly refer to the need for, and relationship between, an individual’s technical financial knowledge and skills coupled with the freedom and opportunity to act over the course of one’s life in society for financial stability and well-being.

Analysis of the literature uncovered, and confirmed, that this blurring of language and meaning can be confusing. For example, in Australia and New Zealand (Taylor & Wagland 2011), the UK and the USA, the terms financial capability and financial literacy are often used interchangeably. In this thesis, the term financial capability will be used as will be discussed below.

3.9 Financial Literacy and its Role in Financial Capability

There are myriad definitions of financial literacy with the term meaning different things to different people. According to dictionary definition, the word literacy means ‘the ability to read and write at a conventionally accepted level’. This definition is inadequate as there is no explanation of the ability to comprehend and so literacy sounds like a technical skill. In this context, financial literacy seems like the ability to read and write about financial matters but this is not the case. In the ANZ Survey (2011), it was found that financial literacy is complex and while basic numeracy and literacy skills are elements in financial literacy, initiatives that
consider people’s financial attitudes are more likely to be effective that those that do not. The
definition of financial literacy developed by the National Foundation for Education Research
(NFER) for NatWest UK was ‘the ability of individuals to make informed judgments and to
take effective decisions regarding the use and management of money’ (Noctor, Stoney &
Stradling 1992). Further, three core competencies were identified: financial planning,
problem-solving and decision-making underpinned by a range of abilities and attributes. At
best, this meant a financially literate person would have an understanding of money
management concepts plus knowledge skills, and attitudes that offered effective and
responsible personal financial management (Schagen & Lines 1996). The definition
mentioned above is quoted often in the literature and reports, for example (ANZ 2011; ASIC
2011; Schagen & Lines 1996; Taylor & Wagland 2011).

It would appear that the abilities to judge and decide are assumed to be developed behaviours
that most adults already possess. If this was the case, then a possible question is posed as to
why extensive research is undertaken resulting in numerous written reports to repeatedly
discover that many financial literacy programs are not as effective as intended when it comes
to individual changing or changed behaviours. It is one thing to be technically competent but
if that knowledge does not translate to responsible and meaningful actions, then the question
is posed as to what is the value of yet more education programs and initiatives. For example, a
key finding from the ASIC Report on financial literacy and behavioural change (ASIC 2011)
was that ‘Knowledge alone is not enough. People don’t always act in their own best interests
e.g. by not engaging at all or by making ‘bad’ decisions (p. 4). For this reason, the concept of financial capability has been adopted as it is informed by financial literacy and this knowledge is coupled with thoughtful, valued, personal action to support an individual’s quality of life.

3.10 Consumer Literacy

Leskinen & Raijas (2006) argue without having basic literacy and knowing how to do basic mathematical calculations, that it is not possible to understand financial material and make financial decisions or even use money. Because financial literacy could be seen as an advanced and applied skill, it requires more than a basic literacy levels. Adkins and Ozanne (2005) introduce the concept of consumer literacy as a step between financial capability and financial literacy. ‘Consumer literacy is the ability to process written texts and numbers in consumption related tasks in the market’ (Adkins & Ozanne 2005, p. 94). There seems to be an emphasis on an individual’s ability to read as well as to be numerically competent to interpret available information to make a decision that best suits their personal circumstances. It could be said that this ability has a broader scope than that of being financially literate as it involves the ability to interpret information, think about how to apply that information to one’s own circumstances and then make a decision that solves the problem. Perhaps critical thinking skills could be a component of any financial capability program. This view about teaching thinking skills has been proposed by De Meza, Irlenbusch and Reyniers (2008) who suggest that an information based approach may have only a modest effect in improving outcomes as values and opportunities are important drivers for what people actually do. While
consumer literacy may be considered an important sub-set of financial literacy, it is included in financial literacy in this model.

In summary, a consistent theme running through these various definitions of financial literacy includes: 1. being knowledgeable, educated, and informed on issues of managing money and assets, banking, investments, credit, insurance, and taxes; 2. understanding the basic concepts underpinning the management of money and assets for example, the time value of money investments and the pooling of risks in insurance; and 3. using that knowledge and understanding to plan, decide and implement financial decisions for personal or family well-being (Hogarth 2002).

### 3.11 Financial Capability Progression from Adolescence to Adult

This final conceptual model identifies the progression of financial capability for girls as they move through life stages from adolescence to adulthood. At this stage, it is a holistic representation as a person may move through the cycle once or any number of times as knowledge, skills, experience, motivation, and confidence hopefully increases. Of course, at times, any of these factors may decrease, creating a need to revisit any aspect. Each of these stages will now be discussed.
3.11.1 Economic socialisation revisited

Economic socialisation is the cognitive, behavioural and environmental influences that shape learning about personal finances. It includes values, attitudes, knowledge and behaviours that guide understanding and approaches to financial decisions. As an example, economic...
socialisation generally begins at childhood within the family (Moschis 1985). As this process takes place and an adolescent girl gains confidence with basic financial literacy such as managing money with a bank account, she may be encouraged to learn about compound interest and term deposits. She may also be interested in how a credit card works. While this knowledge is useful, normally parents may not encourage their daughter to access this facility until she is engaged in paid employment. Generally, for those adolescent girls who are in secondary school, their finances usually consist of part-time paid employment, pocket money or money received as gifts from family members (Furnham, Adrian 1999b). For those who leave school and gain paid employment, this knowledge is crucial if they wish to be financially capable.

### 3.11.2 Financial literacy revisited

Financial literacy is the ability to make informed judgements and effectively decide how best to use and manage money. It comprises financial education, which is knowledge and skills plus access to suitable financial products. Financial literacy programs are conducted in schools in the UK (Schagen & Lines 1996), the US (Johnson & Sherraden 2007; Sherraden 2010) and Australia and NZ (Taylor & Wagland 2011). It appears that children receive useful basic financial literacy education at school but it seems that they are then left to their own devices to further this education on leaving school.

For women who may want to learn about or update their financial education, there are a number of ways to access education. For example, in the UK, Citizens’ Advice Bureaux are
widely recognised in helping adults develop money management skills that may help them avoid financial problems (Schagen & Lines 1996). Additionally, colleges and adult education centres have been proposed as being able to offer courses but financial constraints from educational institutions seems to preclude this action (Schagen & Lines 1996). In Australia and NZ, it is common practice for education programs to be devised mostly by private providers with the role of government regulatory authorities to provide oversight of financial literacy initiatives (Taylor & Wagland 2011). In the ASIC Report on Financial literacy and behavioural change, it is argued that ‘the financial well-being of Australians is the responsibility of a wide range of stakeholders, including industry, government, communities, and individuals’ (ASIC 2011, p. 57). While this interdependency is acknowledged, the issue seems to be that people, and particularly women, seem to be reluctant to take action.

As applied research in the personal financial management area is still developing, it is important to note that many financial literacy programs, while they may offer sound technical knowledge and skills, do not result in sustained behavioural changes (ASIC 2011). There are a number of identified barriers to change and this issue will be explored in Chapter 10.

3.11.3 Financial inclusion revisited

Financial inclusion means that individuals are able to access appropriate education and advice with products so that they have the opportunity to exercise personal choice. Evidence exists that combining financial education and experience with financial products can make a difference, especially with children and school banking projects (Johnson & Sherraden 2007;
Sherraden 2010; Taylor & Wagland 2011). When the learning is associated with a product, the experience may be more beneficial for the children because they are combining learning with doing. Another example in Australia is the use of the stock market game for adolescents in secondary school. The internal capabilities, as offered by Nussbaum (2001) and in this case financial knowledge and skill and external conditions such as financial products and services are both important. The combined interaction of the internal capabilities and the external conditions makes them more powerful than their separate parts. Financial education without access to financial products and services or vice versa is potentially harmful and most likely ineffective (Sherraden 2010).

3.11.4 Financial capability revisited

Financial capability is the ability to act with knowledge, skills, confidence and motivation coupled with opportunity to access quality financial products and services in a framework provided by government policies, laws, regulations and practices. The following example clearly illustrates financial capability as it may apply in a real-life scenario.

A young girl may be actively engaged in her financial life, learning and doing at the same time. The interaction between financial literacy and financial inclusion is central to the idea of financial capability. Using knowledge she gained from school, she develops an early and positive relationship with a financial institution, gains a sense of mastery in money management, feel more secure because her money is safe and she is accumulating savings. This offers a sense of financial well-being. Eventually she has enough money to invest in a house, which indicates financial development. It is likely
she may feel more empowered and in control of her life, which may build her personal resilience (Sherraden 2010, p. 16).

The same scenario could apply to women. For example, over time, observing results or gaining feedback from superannuation fund or investment statements may generate even more learning or high financial literacy and lead to acquiring other and better financial products and services or more financial inclusion, resulting in greater financial capability. On the other hand, the consequences of low financial capability could contribute to financial problems because of easy access to credit, low income, and poor money management practices (Sherraden 2010).

3.12 Summary

Consolidation of the literature and primary data yielded the updated model of Factors Influencing the Evolution of Adolescent Women’s and Adult Women’s Financial Capability. Using two literature reviews and developing the conceptual model supported the main study question, ‘What are the factors that influence middle class women’s relationship with money from adolescence to maturity?’ Further, this question was supported by three sub-questions to guide research design, data generation, and analysis. The sub-questions are:

- What are key financial experiences and events in adolescence and adulthood that influence women’s experiences with money?
- What are key influences on women’s money management and financial
- What is the relationship between financial well-being and work, values, and life stages?

This chapter showed the process in using models to illustrate the development of understanding capability as it relates to financial capability, and then to illustrate the flow and linking between financial education, inclusion through access to suitable products and services and financial capability in the context of an individual’s values and attitudes. These are generally acquired through economic socialisation within the family in the first instance and sustained by family as it changes over time. Elements of the model were explained as the model developed for adolescent women and middle class women. The final model illustrated factors that influence the evolution of women’s financial capability. Further, power will not be addressed as the basis of the thesis was socialisation and financial capability. It did not use the feminist paradigm nor theory. Chapter 4 will discuss the methodology and methods, which guided and informed this thesis.
Chapter 4: Research Methodology

4.0 Introduction

The chapter explains and justifies the research methodology implemented throughout this thesis. It specifically examines the most appropriate method of identifying, generating and analysing the thesis research data to answer the research question and to explain the initial conceptual framework generated in Chapter 3. The chapter begins by reviewing the research design used in past financial capability studies, and then discusses the rationale for employing the methods adopted in this study. This is followed by a discussion on a philosophical paradigm in conducting this thesis, then how interviews were utilised. Then, the chapter describes the data analysis techniques employed. Finally, this chapter outlines strategies to overcome issues pertaining to research credibility in conducting this qualitative thesis.

4.1 Research Approach

The research approach employed in this thesis included a qualitative exploratory study with adolescent women and semi-structured interviews with adult women. Both cohorts were Australian from a middle class demographic.

Qualitative research methods were utilised because they enabled the researcher to acquire a more in-depth understanding of factors that influenced women’s relationship with money over
time. This thesis required an approach that would allow the discovery of factors that affect females’ relationship with money over time. The focus was on identifying the phenomenon from the women’s points of view where the individual seeks to understand of the world in which they live and work (Creswell 2009). The subjective meanings developed by individuals based on their experiences were varied and multiple, which led ‘the researcher to look for the complexity of views rather than narrowing meanings into a few categories or ideas’ (Creswell 2009, p. 8).

There are a range of qualitative and quantitative approaches that are implemented in a research study. A key challenge researchers confront is to apply an approach that best fits with the research topic and question and demonstrates data quality, rigour and integrity. The literature shows that studies addressing financial capability commenced applying qualitative approaches to their investigations. However, there is no singular qualitative approach with a range of techniques being utilised within the qualitative method.

Qualitative research genres were developed and applied to a range of theories especially in the field of psychology and by the 1980s they were systematically being applied in psychology research. Throughout this evolution, qualitative research was constantly challenged. Creswell (2009) noted the perspectives of other qualitative traditions and their contribution to current research practice, all with their distinct and contrasting knowledge claims, strategies of inquiry and methods of data collection and analysis.
Denzin and Lincoln (2011) state that qualitative researchers use a variety of interconnected interpretive techniques to make sense of individuals’ experiences that they have examined, by searching for well-designed approaches to conducting research. Qualitative research focuses on observing people in their own environments, and communicating clearly with them on their own terms equally with the researcher (McMurray, Pace & Scott 2004). Thus the researcher using a qualitative approach employs a method ‘to explore and understand the meaning individuals or groups ascribe to a social or human problem’ (Creswell 2009, p. 4). Data generated through words and richly detailed descriptions are analysed to discover patterns that give meaning to that data. Qualitative research can be seen as a process of using a range of ways to explore ‘how messy data can be transformed into elegant understanding’ (Richards, L & Morse 2007, p. 7). Therefore, interacting with women assisted the researcher to interpret their relationship with money over time from a holistic perspective.

Qualitative research does have disadvantages. The main argument against it is the concept of validity. It is difficult to determine if a researcher succeeded in observing, identifying, or ‘measuring’ what they set out to do (Mason 2006). Thus it is challenging to generalise the respondents’ views to the general population. Furthermore, qualitative research methods may lack pure scientific rigour as defined by the physical sciences. This scientific method is defined as objective in nature and concentrates on measuring phenomena. The method involves collecting and measuring information followed by analysing numerical data and applying statistical tests (Collis & Hussey 2003). Nevertheless, results from qualitative
research may still exert a stronger influence on our understanding of everyday behaviour than the quantitative sciences (McMurray et al. 2004) because qualitative research is a wide range of ways to explore and understand data that would be wasted and their meaning lost if they were pre-emptively reduced to numbers (Richards & Morse 2007).

It may be questioned why this study did not consider applying a quantitative approach. This study is based on the interpretation of a phenomenon. Thus, the main argument against the quantitative method is based on its inability to explain an in-depth underlying meaning and provide rich explanations and justification of the issue being studied (Jones 1997). This is despite identifying significant, reliable, and valid findings. Perhaps, it is because quantitative methods do not allow treating people as being separate from their social contexts. Researchers are not objective, they are participants in the process of generating data through talk and observation, thus capturing complex experiences in a single measure could be misleading (Collis & Hussey 2003).

To summarise, with the focus of qualitative research being on words and their meanings instead of numbers, the researcher seeks to understand what people do to create their worlds and how they make sense of them (McMurray et al. 2004). Essentially, qualitative research can provide a rich record of how people live their lives, what matters to them, and how and why they pursue their goals. A qualitative methods approach was selected for this research as its primary concern was attempting to understand women’s relationship with money. For
example, because of a lack of published research in understanding how women’s financial capability evolves from adolescence to maturity, in this study the focus is on understanding what factors influence women’s relationship with money over time. As the premise for this thesis did not involve testing or verifying a theory, quantitative methods were not used.

Next, the research paradigm will be discussed.

### 4.2 Research Paradigm

A paradigm is a plan or framework that a researcher uses to guide her or him to conduct research. Creswell (2009) refers to this plan as a worldview and ‘as a general orientation about the world and the nature of research’ (p.6). Hence, understanding assumptions that underpin research is crucial for a researcher to advance a thesis’s theory development (Myers 2013). This is because a paradigm reflects a researcher’s understanding of the nature of existence that is rational within a specific constructed logic of inquiry (Lincoln & Guba 1985).

Moreover, Easterby-Smith, Thorpe and Lowe (2002) suggest that researchers who want to conduct research must be aware of the philosophical and political issues that underpin the research background. Overlooking these issues can seriously affect the quality of the research. If the researcher has an ambiguous worldview, she or he would eventually face difficulties structuring a solid research design. This can affect the trustworthiness and integrity of the research, especially the methods and instruments one can select to conduct the research. By understanding the underlying philosophical context of the research, which is the ontological,
epistemological and the methodological aspects, the researcher knows which methods suit the
study being conducted and how it should be executed.

4.2.1 Philosophical Dimensions on Research Paradigm

There are three main philosophical dimensions of the research paradigm in conducting
research: ontology, epistemology and methodology. First, the ontology philosophical
dimension usually raises a question about the nature of reality, such as ‘What is nature of the
world?’ (Maykut & Morehouse 1994). Easterby-Smith et al. (2002) contend that ontology
refers to assumptions that the researcher makes about the nature of reality.

Second, epistemology is defined as ‘a way of understanding and explaining how we know
what we know’ (Crotty 1998, p. 3). This assumption involves one’s belief about the type of
knowledge acquired and how that person differentiates the knowledge between what
constitutes accurate knowledge and what can be referred to as false knowledge. Consequently,
epistemology will eventually determine the relationship between the inquirer, the individual
researcher, and the known, the issue being investigated (Denzin & Lincoln 2011).

The third philosophical dimension is methodology, which concerns the methods the researcher
implements in gaining knowledge about the ‘reality’. This statement is supported by Denzin
and Lincoln (2011) who defined methodology as how the researcher knows the world or gains
knowledge of it. More specifically, methodology is a combination of techniques used by the
researcher to enquire into a specific situation (Easterby-Smith, Thorpe & Lowe 2002). This is
the strategy or plan of action that links methods to outcomes and also governs the researcher’s choice and use of methods in conducting research (Creswell 2009).

The next section discusses the selection of the constructivist paradigm as a philosophical aspect which has guided the research in this thesis.

4.2.2 Selecting a Constructivism Paradigm

Philosophical assumptions support different paradigms. Table 4.1 adopted from Creswell (2009), illustrates four worldviews and assumptions. This research, undertaken by a female researcher, examined women’s views of their world from their own experience. Because thoughts, feelings, beliefs and values are involved, the researcher is required to understand the deeper perspectives that can be captured through face-to-face interaction (Marshall, C & Rossman 2006). Marshall and Rossman (2006) argue that coding the social world using variables destroys valuable data by imposing a limited worldview on the participants’ responses. Based on the table below, this thesis used a constructivist paradigm to uncover factors that influenced women’s relationship with money over time.

Table 4.1: Four Worldviews (or paradigms)

<table>
<thead>
<tr>
<th>Postpositivism</th>
<th>Constructivism</th>
<th>Advocacy/Participatory</th>
<th>Pragmatism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determination</td>
<td>Understanding</td>
<td>Political</td>
<td>Consequences of actions</td>
</tr>
<tr>
<td>Reductionism</td>
<td>Multiple participant meanings</td>
<td>Empowerment Issue-oriented</td>
<td>Problem-centred</td>
</tr>
<tr>
<td>Empirical observation and measurement</td>
<td>Social and historical construction</td>
<td>Collaborative</td>
<td>Pluralistic</td>
</tr>
<tr>
<td>Theory verification</td>
<td>Theory generation</td>
<td>Change-oriented</td>
<td>Real-world practice oriented</td>
</tr>
</tbody>
</table>

Source: Adopted from Creswell (2009, p. 6)


**Epistemology**

According to Lincoln, Lynham and Guba (2011), the constructivist paradigm assumes that the inquiry is ‘transactional and subjectivist resulting in created findings’ (p. 98). This means that people are shaped by their lived experiences, ‘and these will always become apparent in knowledge generated as researchers and in the data generated by our subjects’ (Lincoln, Lynham & Guba 2011, p. 104). Even though a conceptual model was developed rather than using a purely grounded theory approach, the value of the model was in its synthesis of economic socialisation during female adolescence, the gaining of financial literacy, and inclusion leading to financial capability at maturity to gather rich and meaningful data on women’s relationship with money from adolescence to maturity. The model was not imposed on data. The initial model was synthesized from the literature. Model development was iterative as the initial model provided the foundation for interview questions, which in turn generated data with participants. The data analysis process provided finer grained detail until the final model evolved. Using an inductive approach couple with some grounded theory techniques, which involved building a model from data generated from participants’ views, were used in the thesis. Charmaz (2006) contends that ‘we are part of the world we study and the data we collect. We construct our grounded theories through our past and present involvements and interactions with people, perspectives, and research practices’ (p.10).

Grounded theory techniques such as coding transcripts, writing memos or notes, and comparing themes that were identified with women employed in financial services and
women working in other sectors (Charmaz 2006) were employed. An interpretive strategy of inquiry was used to develop a model of women’s financial capability that was grounded in participants’ views and emerged from the data (Creswell 2009). The model developed as analysis progressed. Rather than using a grounded theory approach to produce a new theory, the techniques used were employed as they offered a flexible approach to manage and interpret data to develop a model (Charmaz 2006).

The advantages of a constructivist interpretive approach to financial capability meant that as this type of research works from the particular to generalisations or theories, patterns and relationships, the outcomes were compared to existing literature (Creswell 2009). Themes were identified (Creswell 2009; Denzin & Lincoln 2011; Glaser 1992) by coding the data as they were collected and categorised. The researcher composes the narrative; it does not simply unfold before the eyes of an objective viewer. Understanding the link between who participants are and oneself and how participants and oneself comprehend the world is pivotal in how we understand our self, others, and the world (Guba & Lincoln 1994). As such, this account reflects the viewer as well as the viewed and was considered a useful approach to answer the research questions from the personal data generated with participants.

**Ontology**

A social constructivist paradigm appeared most suited to both the field of financial capability research and to the research question. The literature reflects research that reveals multiple realities based on adolescent women’s relationship with money, their development as young
women and their place in work, family, and social environments. This is one of the characteristics of financial capability research – diversity in both the object of the research and the discipline of the researcher, for example, behavioural finance, economics, and social sciences. This refers to an ontological perspective of constructivism based on ‘relativism – local and specific co-constructed realities’ (Lincoln, Lynham & Guba 2011, p. 100) as the topic, women and financial capability, was the object of the exploratory research. Constructivism is a perspective built on the belief that people are social actors and socialisation is an interactive, social process that allows them to simultaneously act on their environment while also being shaped by it (Freeman & Mathison 2009).

The emergent nature of financial capability research and lack of development of a model for the evolution of women’s financial capability, pointed to the need for deeper understanding of individual women’s financial situations utilising a methodology that accounts for personal interpretations of their lives. The researcher believed that postpositivism, advocacy, and pragmatism were not relevant in research about individuals who need to manage personal finances and plan for future independence and security. Existing research on financial capability from a women’s perspective generally suffers from a paucity of research on methodology (Birkenmaier, Sherraden & Curley 2013). This thesis identified salient factors that influenced women’s resilience to manage personal finances to enhance their financial futures.
Methodology

According to Guba and Lincoln (1989), the constructivist paradigm addresses hermeneutical and dialectical interaction where ‘individual constructions are elicited and refined hermeneutically, and compared and contrasted dialectically, with the aim of generating one or a few constructions on which there is substantial consensus’ (p. 27). In this thesis, a qualitative methodology was used with semi-structured and open-ended interview questions posed to females.

Personal interviews were chosen because rich detailed information was sought by the researcher through the guiding questions and observation. Questions could be explored more thoroughly if required and any issues with understanding or interpreting meaning could be clarified immediately, for example, feedback was in the moment and flowed naturally between researcher and interviewee. All participants approached agreed to be interviewed and honoured their commitment to the thesis. Additionally, interviews generally went for the agreed time of approximately one hour or in some cases for up to two hours if the participant chose to offer additional personal financial information in response to questions.

By observing and listening to the participants, it was hoped to generate information to develop a pattern or theory of meaning. It was recognised that the researcher’s background and personal, cultural and historical experiences helped shape this interpretation. As this thesis came from a social theory perspective and not a feminist perspective, there was no need to
disclose one’s own position in society. If the thesis employed a different theoretical view such as feminist methodology, personal information would be disclosed.

People are seen as actively co-constructing meaning and understanding of their lives. The research question sought to identify the issues that influenced women’s responses to money, how this happened and if there were observable changes over time to develop a theory or concepts or build upon a theory or concepts. While the focus is on generating data, it is the quality of the interaction that hopefully leads to deep understanding between the participant and the researcher (McMurray et al. 2004). By creating a reality from the inside out, the goal is to make sense of the social interaction (McMurray et al. 2004). In this thesis, by directly observing each woman in individual interviews, the researcher was able to immediately challenge and engage with the person based on personal responses, thereby creating an ongoing dialectical exchange to produce rich, in-depth, meaningful data for analysis.

4.3 Research Design Strategy

Research design refers to a detailed plan setting out the procedures that specify the methods and procedures for collecting or generating data, conducting analysis, interpreting and reporting the data for research studies (Creswell 2009). The main objective of structuring a solid research design is to help researchers avoid the situation where the evidence does not address the initial research question described in a study (Richards, L & Morse 2007; Yin
2011). As women’s views were sought, the rationale for choosing a qualitative constructivist strategy was that it best suited the investigation of the phenomenon or issue by taking a cross-section of middle class women. The strength of this design was the overall picture that would be obtained at the time the study was conducted. All twenty-six women had a middle class demographic. Thirteen had a financial services background and thirteen were from other sectors. This diverse cohort offered a range of life experiences which provided a rich overview of women’s stories of their personal finances.

The two-stage qualitative research was conducted to identify important factors that influence women’s relationship with money from adolescence to maturity. The identification of these factors led to the development of a conceptual model of factors that influence women’s financial capability. Stage 1 comprised an ethics application and recorded group discussions. In this exploratory stage, twenty-two adolescent women generated the primary data informing Stage 2, which was the main qualitative stage. In Stage 2, there was a refined literature review and analysis to develop the financial capability conceptual model, development of an interview instrument, testing the interview instrument, and conducting twenty-six semi-structured interviews with adult women.

4.3.1 Research Design Strategy for the Qualitative Research

This research was organised and managed as depicted in Figure 4.1 in which several steps were undertaken sequentially. The researcher initiated these steps by defining the research problem and research question. This resulted in selecting the research paradigm and methods
in designing the semi-structured interview protocol for the qualitative study. Then, the researcher conducted Stage 1 of the study by undertaking a pilot study with young women.

This exploratory data was used to demonstrate the importance of parental influence and socialisation processes to assist adolescent women develop financial skills. In Stage 1, group discussions were used with adolescent women as this forum offered a comfortable forum to discuss money matters, which can sometimes be perceived as a sensitive topic to debate. As the adolescent women were in a secure environment, they offered open and full responses to questions posed thereby providing rich data. The adolescent women in this group were deemed to be middle class based on their parents’ employment and education. Parents were tertiary qualified and employed as professionals with government organisations involved in environmental and agricultural sciences, as well as the health sector. Group discussions are similar to focus groups with subtle differences. Group discussions bring together peers, ideally participants who have relationships which pre-exist the research setting (Green & Hart in Barbour & Kitzinger 1998). Barbour describes focus groups as ‘Any group discussion that may be called a focus group as long as the researcher is actively encouraging of and actively attentive to the group’s interaction’ (Kitzinger & Barbour 1999, p.20). In this thesis, the term group discussion was preferred as the participants knew each other, were from a similar middle class demographic, and shared a similar geographic location.
Barbour and Kitzinger (1998) recommend that the ideal number of participants in a focus group is between eight and twelve. Similarly, Greenbaum (1998) considers the number of participants in a full focus group to be between eight and ten. He also refers to mini groups which contain between four and six individuals. The use of a small group ensured that the researcher was able to gain more in depth information from a smaller group (Greenbaum 1998). However, this number is too large for many sociological studies with many scholars preferring to work with groups of five or six participants, or even as few as three. Five participants are considered the ideal number in a group discussion or focus group (Barbour & Kitzinger 1998). For this reason, five participants were considered useful in this research.

The Stage 1 pilot study assisted with refining the semi-structured interview guide for Stage 2. At this point, it should be noted that the adolescent women in Stage 1 were not related to the adult women in Stage 2. In Stage 2, personal interviews were chosen with the adult women because rich detailed information was sought by the researcher through the guiding questions and observations. Kvale (2008) argues that the personal interview is a key method of exploring the ways in which individuals experience and understand their world. It provides unique access to how participants perceive and live in the world and who in their own words describe their activities, experiences, and opinions (Kvale 2008). Accordingly, questions could be explored more thoroughly if required and any issues with understanding or interpreting meaning could be clarified immediately, such as feedback was in the moment and flowed naturally between researcher and interviewee.
The interview responses were reviewed and guiding questions were developed for adult women. A pre-test was conducted with adult women. After refining the interview responses, the researcher conducted the semi-structured interviews for the main qualitative study in Stage 2. This involved selecting and contacting women as well as asking friends or colleagues for referrals to women who may want to participate in this research. Interviews were scheduled and conducted. Immediately after the interviews, the researcher transcribed most interviews, with five being transcribed by an external company.

The researcher managed the interview transcripts for the next stage of analysis by utilising Microsoft Word and NVivo version 10 to code all themes relevant to answering the research question and explaining research propositions. The final process involved reporting and discussing the findings related to the research question. The model, Factors influencing the evolution of middle class women’s financial capability, emerged from the data generated with adult women.
4.3.2 Triangulation

Triangulation or the use of multiple methods is an inherent focus of qualitative research (Flick 2009) and its use reflects attempts to gain a secure in-depth understanding of the research topic. Using a combination of multiple approaches to generate and analyse data is best understood as a strategy that adds rigour and richness to an inquiry. Moreover, triangulation is based on the premise that no single method solves the issue of different explanations (Patton...
Approaches used in the thesis were: 1. conducting a systematic analysis to saturation of data generated with adolescent women; 2. undertaking two rigorous literature reviews, both generalist and refined, to discover a model; 3. developing a holistic model of women’s financial capability from the refined literature review, which was the basis for the research and developed a model from analysing data with women; and 4. interviewing women using systematic guiding questions sourced from items in the literature review and enhanced model.

Using this rigorous triangulation process and viewing the data through multiple lenses offered rich data for analysis described as follows.

**Figure 4.2: Triangulation Strategy**

Source: Author

### 4.3.3 Measurement

Measurement is the process of observing and recording the observations that are collected as part of a research effort (Trochim 2001). In the thesis, measurement refers to how the data were generated and the instrument that was used to generate these data. Participants in both a
group discussion with adolescent women and personal interviews with adult women were asked guiding questions contained in an interview guide to generate data, which were captured on a digital recorder and later transcribed. Considerable time was spent reading, reviewing and analysing existing literature to develop a tool that was anchored in financial capability to provide integrity of the generated data (for example, ANZ 2011; Atkinson et al. 2007; Bateman et al. 2012; de Meza, Irlenbusch & Reyniers 2008; Johnson & Sherraden 2007; Lusardi 2011; Sherraden 2010; Sherraden et al. 2011; and Worthington 2006). A systematic review of the literature ensured that these studies informed the interview schedule and this tool was used to measure key concepts of socialisation and financial capability.

Definitions informed what items were to be included in the interview schedule. For example, data were generated by asking participants about their relationship with money during adolescence (between 14 and 16 years), events from that time to the present, factors that were considered personally influential over time, and how they view money in their futures. Using these items generated data that informed a new definition of financial capability and this definition in turn informed this specific set of items. Consistency was found in the literature for terms used for adolescents regarding socialisation, role modelling, family and peer influence. This was evidenced in both qualitative and quantitative research. However, regarding the definitions of financial capability and financial literacy, as identified in Chapter 2, it was found that on many occasions, these terms were used interchangeably in literature from the USA, the UK, Europe and Australia. In this thesis, the term financial capability is
used and is defined further in this chapter. Definitions informed the questions used which informed measurement which in turn informed the definitions.

Defining the terms allowed questions to be designed to generate data. This process resembled a loop in that the definitions guided suitable questions to be designed, which, in turn, generated data that clarified and enhanced the definitions.

A qualitative, constructivist-interpretive approach and methodology are justified based on the gaps in the financial capability literature and gaps in the methodology used in previous financial capability studies, which indicate a lack of system research and progress towards a comprehensive model of women’s financial capability.

Three oversights in the methodology literature were identified. First, middle class women have not been studied as a unique cohort. Most research focuses on underprivileged or working class women, especially in developing countries, for example (Al Mamun 2016; Atteraya, Gnawali & Palley 2016; Shetty 2016). Second, the factors identified in this qualitative research were not identified as most literature was based on quantitative studies, for example (Hung, Yoong & Brown 2012; Lusardi 2011; von Stumm, Fenton O’Creevy & Furnham 2013). Third, the period of time from adolescence to maturity has not been studied as most research focuses on either adolescence or maturity. Examples of research on adolescence are Abramovitch, Freedman and Pliner (1991), Danes and Haberman (2007) and
Lusardi, Mitchell and Curto (2010) while examples of women’s relationship with money are Mottola (2013) and (Singh and Cabraal (2006)). This thesis identified a new concept of financial capability and middle class women and enhanced data integrity through generating primary data.

Using generated data from group discussions with adolescent women and semi-structured interviews with women, two analyses were conducted. The first was a hand analysis to analyse category themes supplemented by a second analysis using NVivo. The definitions of financial capability, financial literacy, financial inclusion, and economic socialisation provided a lens through which to view the thesis in the context of those conducted in the USA, the UK, Europe, and Australia.

4.4 Research Method: Group Discussions and Semi-Structured Interviews

Precisely defining qualitative research is a difficult task because the term is often used as an overarching category, covering a wide range of approaches and methods within different research disciplines (Ritchie & Lewis 2003). Similarly, Denzin and Lincoln (2011) argue that ‘Qualitative research consists of a set of interpretive, material practices that make the world visible’ (p. 3). Qualitative researchers attempt to make sense of or interpret phenomena in terms of what that means to people. Conversely, Strauss and Corbin (1998) define qualitative research as meaning ‘any type of research that produces findings not arrived at by statistical
procedures or other means of quantification’ (p. 11). Decisions in conducting this research were: 1. establish a conceptual model (to develop a theory, verify theory); 2. select a research design (group discussion, individual interview); 3. select a data generation method (literature review, interview); 4. implementation (population sample – convenience or snowball sample, design questions, pilot test, manual and NVivo data analyses); and 5. data analysis.

The conceptual model was developed to verify how socialisation theory provides a foundation for an individual’s future financial behaviour. The thesis used a constructivist paradigm. Individuals make sense of their world through their own experience and interaction with others. Socialisation theory posits that individuals accept and learn a set of norms or customs and values established through the process of being and interacting with others. This is typically initiated by the family. Stage 1 data generated with adolescent women, uncovered findings that financial capability was an important issue. This consequently informed the development of the evolution of financial capability from female adolescence to maturity model. A group discussion with five adolescent women was used to generate data quickly and time effectively. This forum also offered a sense of assurance as the participants knew each other, which resulted in open and confident responses to questions. Individual interviews with adult women were used to explore personal experiences with money as they disclosed how they made sense of their worlds through language and emotion.
Two reviews of the literature were undertaken. One review examined research on women and finances and the second investigated financial capability, specifically resulting in developing a conceptual model clarifying this idea. Refer to Chapter 3 Conceptual Model Development, section 3.2 Steps in Model Development, pages 71 to 73. This section explains the six steps undertaken to develop a conceptual model of women and financial capability and the verification of socialisation theory, exemplified by the importance of family and others.

**Theoretical Foundation**

The thesis used a constructivist paradigm, assuming multiple realities, with knower and respondent as co-creators of understandings in the natural world (Denzin & Lincoln 2011). A conceptual framework, the conceptual model of the evolution of women’s financial capability from adolescence to maturity, was used to explore building a theory for women’s financial capability.

Values have been a central concept in the social sciences and are vital for explaining social and personal change inception (Schwartz, S 2012). They are used to trace change over time and to explain the motivation bases of attitudes and behaviour. As the research was exploring women’s relationship with money to discover if attitudes and behaviours changed over time, using a values context offered an appropriate theory within which to explain this research. Schwartz (2012) identified ten values that seem to apply across culturally diverse groups, which suggests that there is a universal organisation of human motivations). However, individuals have different value ‘priorities’ and it is these that were investigated to answer the
In Stage 1, a constructivist approach utilising a narrative strategy of inquiry generated rich data (Creswell 2009; Denzin & Lincoln 2011). Using a theme category analysis, Stage 1 data uncovered findings from five adolescent women aged fourteen to sixteen years that financial capability was an important issue. This consequently informed the development of the evolution of financial capability from female adolescence to maturity model.

4.5 Data Generation Techniques

For this qualitative study, three main data collection techniques were used, namely group discussions, interviews, and field notes or memos. An explanation of each technique is discussed below.

The research design utilised a Conceptual Model of the Factors Influencing the Evolution of Adolescent Women and Adult Women’s Financial Capability with semi-structured interview questions based on components of the model. The components of the Conceptual Model and subsequent questions were assembled from financial capability models and seminal work
from both financial capability and financial literacy research. The model progressed as data were generated and analysed.

**Group Discussion**

Group discussions were used in the first stage only of the research design with the middle class adolescent women. There are a number of different terms to describe the process of asking questions to gather information. Some of these are group discussions, interviews, and focus groups. Group discussions are generally characterised by between six and eight open-ended questions facilitated by the researcher who stimulates dialogue among participants (Richards & Morse 2007). Some advantages that apply to interviewing could apply to group discussions as this type of discussion could be described as an ‘unstructured interview because it takes on the appearance of a normal everyday conversation’ (Minichiello et al. 1995, p. 65). However, it is always a controlled conversation which is geared to the researcher’s interests. Control is minimal but present to keep the participants talking about the topic being researched (Minichiello et al. 1995).

Some of the advantages of group discussions include the ability to gather data quickly and economically from a sample group of participants compared to individual meetings. Flick (2002) argues that group discussions ‘give the opportunity to see how opinions are created and importantly changed, asserted or suppressed in a social setting’ (p. 119). As opinions are expressed in a group setting, they may be commented upon and become the subject of a more or less dynamic discussion process (Flick 2009). Minichiello et al. (1995) support the
importance of group dynamics and social interaction as they happen. In this thesis, the process of conversation, interaction with each other and negotiation of different views offered the participants the opportunity to create and re-create their reality in the group discussion.

Group discussions have some disadvantages. Minichiello and colleagues (1995) offered three shortcomings to this data generation method. First, ‘group think’ may be an outcome due to the nature of the group setting and the participants’ responses not being independent. Second, one participant may dominate the group and the discussion and views may be directed by her. Third, some may feel inhibited by the group setting (Minichiello et al. 1995). The researcher was aware of these possible influences and managed the direction of the discussion by using the topics designed at the outset of the event. Participants in the group discussion did not display unwillingness or inhibition to speak. The group dynamics were managed through the questions being asked, inviting all members in the group to contribute, and allowing all participants to speak. They were confident, thoughtful, and respected each person’s point of view because each person understood the task at hand from the Plain Language Statement and questions. These were provided as part of the invitation to participate in the research project. The ideal number in a discussion group is five in a sociological study (Barbour & Kitzinger 1998; Greenbaum 1998) and this number was ideal for the task. There are some additional disadvantages of group discussions.
Flick (2009) identified that opening the discussion could be similar on any number of occasions but the direction of the discussion could not be totally planned and predictable. This view differs from that of Minichiello and colleagues who stated that the discussion was a controlled conversation (1995). In this thesis, the focus was to let the participants tell their stories in response to topics initiated by the researcher. According to Flick (2009), a second disadvantage was to know when a group had exhausted a topic. In the group discussion, the researcher decided when a topic had concluded and it was time to address the next item. This decision was informed by listening carefully to the participants’ conversation and sensing when there was no more to be added to that part of the discussion.

One last disadvantage was noted. There could be the possibility that a participant may feel concerned because her views were being recorded and could be taken out of context or misinterpreted at the reporting stage. This concern should be minimised by requirements detailed in the ethics approval process (Minichiello et al. 1995) and in the thesis, the ethics process ensured this risk was reduced. While some disadvantages for group discussions were acknowledged, the researcher was sufficiently experienced to manage the events to ensure that participants were comfortable with their part in the project.

*Group Discussion Questions*

The focus of the group discussion was to identify adolescent women’s relationship with money. This preliminary study was part of the research design to identify what aspect of money was important. The study confirmed that financial capability was important to this
cohort of adolescent women. This finding in the preliminary study confirmed that financial capability was important and was the focus of the second stage in the research design which was with adult women.

Relevant questions from the Interview Guide for group discussions conducted with 14-16 adolescent women are at Appendix B. Guiding questions to identify influencers and process of socialisation follow.

Initial Questions
1. Tell me about your earliest memory of money.
2. When you were younger, who talked to you about money? What did they say?
3. Tell me how your mother or father influenced you
4. Who talks to you about money now? What do they say now?
5. How does your mother or father influence you now?

Intermediate Questions
6. When did you first have your own money?
7. Tell me what money means to you now
8. How do feel about money now?
9. How did you learn the value of money?
10. Tell me how you felt when you were first able to spend your money as you wanted

Guiding questions to identify what is now important in their relationship with money
Ending Questions

11 How do you manage money now?
12 Tell me how you feel about money and the future
13 Tell me how you might feel about achieving that outcome

The main aspect of one question that was used for interviews with adult women was: Can you tell me about any of your experiences with money that you can recall when you were say, 14 to 16 years old? Responses to this question identified that the influence of parents, family, and peers was foundational in assisting women develop a sound attitude towards money. Subsequent guiding questions built upon this period of childhood and adolescence and identified the women’s changing relationship with from adolescence to maturity.

Nineteen questions divided into three sections were used to generate data from the adolescent women (Charmaz 2006). Participants were asked six initial questions to generate discussion about early memories of money. This was followed by ten questions to explore current money experiences, concluding with three questions regarding the young women’s views about their financial futures. The duration of the discussion was approximately one hour. Financial capability was a topic that resulted from the analysis of these data.

Interviews

In the second stage of the research design, interviews were used with the middle class adult women. Semi-structured interviews using open ended and probing questions were used to
generate qualitative data. Open ended questions were developed in an interview guide, along with prepared probes or additional questions because their flexibility and autonomy allowed participants to freely express their views and responses to the research questions. Additionally, this style of interview is suited to research where the issue is highly personal, which this was as it was concerned with women’s personal financial situations. This reasonably logical order assisted with covering the topic compared to using unstructured interviews where a participant tells her story with minimal interruption by the researcher (Richards & Morse 2007). While the researcher was reasonably informed about the subject area, she was unable to anticipate all answers and so used semi-structured interviews with specific and logical questions to frame the needed discussion to invite detailed and complex answers. Unstructured interviews may provide this data but these interviews usually take at least two hours each and there may be the risk that the interviewee does not provide the necessary information. Semi-structured interviews can provide valuable data in about one hour per session as an interview guide is used to assist the discussion.

For this thesis, the semi-structured interview was chosen for two reasons. First, open-ended questions are developed in advance along with prepared probes and unplanned, unanticipated probes may also be used (Richards & Morse 2007). This flexibility and autonomy allowed participants to freely express their view and responses to the research queries (Bryman 2012). Second, the semi-structured interview is suited to research where the issue is highly personal (Richards, L 2005; Thomas 2004).
All interviews were analysed by the researcher for the theme category analysis (McMurray, Pace & Scott 2004). This initial analysis was done by reading each transcript and highlighting narrative that offered a theme for example, introduction to work, receiving money, early saving and spending behaviours, and the importance of parental role modelling. Selected quotes that were representative of the theme were then transferred to a table. Interviewing is a common and powerful instrument employed by researchers for generating data to understand their fellow humans (Fontana & Frey 2005), particularly in conducting qualitative research (Yin 2011). The purpose of the interview is to explore another person’s life experience. The personal insights that interviewees value from those experiences and are willing to share with a researcher create the rich and complex data generated in the interview process (Richards, L 2005). This thesis required the researcher to explore and describe multiple views of middle class women’s experiences with money over time. Semi-structured interviews were the key instrument to generate data as women disclosed how they made sense of their worlds through talk, emotions, and feelings (Ticehurst & Veal 2000).

Interview Questions

A pre-test was conducted to gauge the suitability and timing of the interview questions. Following a review and minor amendments to the interview guide, interviews proceeded. The guide was designed to produce seven guiding questions to gather information in face-to-face interviews of forty-five to ninety minutes duration. These interviews took place in the natural setting of the women’s workplace, home or a meeting facility sourced by the researcher. The qualitative process was designed to allow the interviewer to access the women’s subjective
experiences and attitudes that they may have uncomfortable in disclosing (Perakyla 2005). Questions were open-ended to encourage participants to respond with narrative examples and stories which ‘constitute the empirical material that interviewers need if they are to understand how people create meaning out of their lives’ (Chase 2005, p. 661).

Field Notes

Field notes or memos are a descriptive record of conversations and events experienced by researchers in conducting research (Thomas 2004). Field notes are used specifically to record a researcher’s impressions and initial thoughts throughout the in-depth interview process (Bryman & Bell 2015). The application of field notes in a qualitative research has been recommended by Myers (2009) whereby a researcher should write field notes alongside the use of different kinds of recording devices to collect interview data. This is because these notes could be used as a source of what a researcher was thinking and feeling on what has been implemented during an interview (Myers 2009) besides making any additional commentary that might help the researcher in analysing the data in later stages.

In generating the research data for this thesis, the researcher wrote the memos while conducting the interview and listening back to recorded interviews. Information recorded included the interviewee’s name, the date and time of the interview, whether they worked in financial services or in other sectors, and main comments offered by the interviewee (Flick 2009). The researcher wrote any additional notes immediately after each interview to record
first impressions or patterns that may be considered relevant to the issue under study. Moreover, by taking important notes of the interview contents, it allowed the researcher to identify any emerging themes that had been emphasised by interviews and may also be considered as rich source of complementary data. Flick (2009) also mentioned that the production of reality in text starts with writing memos from the research conducted. Therefore, the memos taken by the researcher in this thesis were organised and indexed systematically so that important information would not be ignored during the analysis of the raw data collected (Payne & Payne 2004).

4.6 Data Generation Process

This section explains the data generation process used in this thesis. The process for the two-stage approach comprised using convenience and snowball sampling to identify and approach personal friends and colleagues to gauge their interest in participating in this research, the guiding questions, and conducting group discussions and interviews to generate data. Stage 1 entailed recruiting five adolescent women from similar middle class Australian backgrounds to represent equality in the sample. In Stage 2, twenty-six adult women with Australian backgrounds were recruited to participate. In this cohort, ten women were from immigrant families but the women were Australian born. As friends and colleagues who were approached to participate all agreed to this request, they were then asked if they knew of others who might like to take part in the study. All recruits agreed to participate. While the findings are not generalizable, they are not likely to be a completely unique population. Data
were generated with adolescent women in June 2010 and with adult women from February 2013 to June 2013. This section will firstly discuss the process the researcher undertook planning and conducting group discussions with adolescent women and interviews with adult women. This is followed by the data generation activities.

4.6.1 Planning and Conducting Group Discussions

In Stage 1, this exploratory research was initially conducted with twenty-two females in three age groups. Before starting any data generation activities, ethics approval was sought and granted by the RMIT University Human Research Ethics Sub-Committee (BSCHEAN). The approval number 759, which is at Appendix D, was granted for the period of seven years (23 March 2009 to 3 March 2016).

Convenience and snowball sampling (Blaikie 2000) were used to source participants. All participants were Australian. Convenience sampling was focused on a middle class demographic which was the same for the adult women and provided the equal basis for the two groups. It could be argued that a more diverse sample might have been preferable and this is acknowledge as a limitation in this thesis.

Middle class in Australia is defined as having a median household real net worth in excess of $A400,000 for the period 2011-12 (ABS 6554.0 - Household Wealth and Wealth Distribution, Australia, 2011–12). The income range is based upon the definition of middle class provided
by McCrindle Research (2012), which is a single income or contributing to a combined income of at least $A100,000 per annum. The upper limit on middle class income is $A260,000 per annum (McCrindle Research 2012). Refer to a more detailed definition of middle class used in this thesis in Chapter 1, pages 15 and 16. While these definitions focus on household income, middle class is defined in this thesis by an individual having a single income or contributing to a combined income of at least $A100,000 per annum, tertiary or industry qualifications, secure employment, and a property asset (McCrindle Research 2012). Further evidence of middle class status was evidenced by how disposable income was spent, for example, enjoying a comfortable lifestyle that included regular overseas holidays, private school education they had received or providing for their children, and entertaining.

The fieldwork for the first two groups took place in a communal space in an urban apartment building and in a private home for the third group. The first group comprised eleven females aged five to seven years, the second group included six females aged ten to twelve and the last group consisted of five females aged fourteen to sixteen years. Data were generated by using a video recording for the five to seven year old females and group discussions were used for the remaining two groups. The discussions, of approximately 45 to 60 minutes, were recorded and later transcribed. Data were analysed manually and by NVivo in order to create a cross check so that no themes were overlooked. These findings, informed the decision to use data specifically generated with the five adolescent women aged 14 to 16 years in preparation for the main study. There was no requirement to have a large cohort with qualitative research as
inquiry concerns depth of research not quantity (Ragin 1994). This small cohort identified the socialisation process with family and peers. As development from adolescence to maturity spans time, using the phrase ‘over time’ and ‘the period from adolescence to maturity’ may be used interchangeably. The thesis did not use the same cohort of participants over this short period of time from adolescence to maturity because there was insufficient time to conduct a longitudinal study. The purpose of the adolescent women in the exploratory stage identified that financial capability was important in their relationship with money. This preliminary study confirmed what aspect of money was important to them and provided the basis for the main study with women and financial capability. Adolescence was a time of learning and testing the principles of money management in the safety of the family environment. This period was identified by both adolescent and adult women as being critical in their development of financial skill.

4.6.2 Planning and Conducting Interviews

Similar to the first stage, in Stage 2 convenience and snowball sampling Blaikie (2000) were used to source participants. Crowther and Lancaster (2008) explain that planning and conducting interviews should include six steps. These steps are described and discussed as follows: 1. designing guiding questions; 2. identifying and approaching interviewees; 3. seeking permission; 4. arranging interviews; 5. conducting interviews; and 6. recording interviews.
1. **Designing guiding questions**

The purpose of a rich interview is to have a set of good questions to ask interviewees. This will contribute to the importance and adequacy of research credibility (Rubin & Rubin 2012). An interview guide was used in this thesis to help the researcher effectively conduct semi-structured interviews to gather all important concepts and views of the participants using the guiding questions (Flick 2009). The researcher designed a list of interview questions based on relevant literature and outcomes from the exploratory study. The interview guide enabled the researcher to sustain the standardisation and comparability of the research and to increase the reliability of the thesis (Yin 2009).

2. **Identifying and approaching interviewees**

Convenience and snowball sampling (Blaikie 2000) were used to identify and approach interview respondents. Friends and colleagues of the researcher were asked if they would like to participate. Criteria were developed to select women so that the qualitative sample would be both purposeful and homogenous. A decision was agreed between supervisors and the researcher that the sample should be sourced from within the Australian financial services industry and outside this industry within a local capital city. The reason for interviewing women from within financial services was to investigate if their choice of career offered advantages and insights about financial matters that may not be readily available to those who worked in other areas. When the cohort was examined from this viewpoint, eight participants were identified from within the industry and eighteen outside, giving a total of twenty-six. It was considered appropriate to have a sample of twelve women from within and twelve women
outside the financial services industry to provide balance and perspective to the thesis. It appeared that in most cases, a woman’s area of employment did not have a markedly significant influence on her financial capability. Other factors such as confidence, a willingness to learn, and financial security and freedom were common to all women. However, women working in finance were more aware of the benefits and complexities of superannuation and had a deeper understanding of investment options, aside from property acquisitions. This meant that they were more fully informed about industry financial management but appeared to not impact their personal sense of well-being as the basics of earning, saving, and investing were practised by all women. It is these foundational behaviours that appear to foster financial capability. This will be examined further in the Analysis chapters 5, 6, and 7 and Discussion chapters 8, 9, and 10. A full comparison is beyond the scope of this study.

The final sample totalled twenty-six women from Australian eastern seaboard states plus one territory. Thirteen women were engaged in the financial services and thirteen were from other areas. The following table summarises participants’ age group, geographical location, and whether employed within the financial services industry or outside this industry. All women invited willingly agreed to participate in this research.
Table 4.2: Sample Demographics by Location

<table>
<thead>
<tr>
<th>Age group</th>
<th>Location Within Financial Services</th>
<th>No.</th>
<th>Location Outside Financial Services</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30s</td>
<td>Melbourne, Vic</td>
<td>1</td>
<td>Melbourne, Vic</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sydney, NSW</td>
<td>2</td>
<td>Canberra, ACT</td>
<td>1</td>
</tr>
<tr>
<td>40s</td>
<td>Melbourne, Vic</td>
<td>3</td>
<td>Melbourne, Vic</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Sydney, NSW</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brisbane, Qld</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50s</td>
<td>Melbourne, Vic</td>
<td>1</td>
<td>Melbourne, Vic</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Sydney, NSW</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brisbane, Qld</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total = 26</td>
<td></td>
<td>13</td>
<td></td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Author

The age range spanned approximately thirty years from early 30s to late 50s. While most participants were Australian with Australian born parents (16), eleven women, had different cultural backgrounds. For example, the parents of seven women were from Greece, Bosnia, Poland, Germany, and The Netherlands (mother)/the UK (father); two women were from New Zealand; one was from the USA; and one was from Malaysia. The cultural backgrounds of the interviewees was an unexpected finding. However, it was not extensively researched due to the thesis being contextualised in socialisation theory and financial capability. Migration is part of contemporary society as people seek, among other things, security freedom, and the ability to create better lives for themselves and their families (Papastergiadis 2013). Just as Australia offered these personal goals to those who immigrated to this country, their contribution to national prosperity and cultural richness provided by their diverse backgrounds is welcomed and valued.
Regarding education, twenty-four women were tertiary qualified with two having appropriate industry credentials. As well, most were engaged in full-time employment, either as an employee or employer, with one woman working full-time as a partner in small business and two others running part-time businesses from home.

3. Seeking permission

The researcher contacted friends and colleagues inviting them to participate in this research. Once verbal agreement was given, an email was sent with three documents attached. These were a formal invitation letter explaining the research background, the Plain Language Statement, a Consent Form authorising the disclosure of personal information, and the interview guide. For interviewees who were referred, an email was sent to prospective participants inviting them to participate in this research. Once they agreed to an interview, they were emailed the same three documents as described above. These documents were sent to all interviewees prior to meeting to ensure they understood what the research subject matter was and that they wished to proceed. Most returned the signed Consent Form prior to the interview. For those who had not done so, this Form was signed at the time of the interview with a copy emailed to them within one day of meeting.

4. Arranging interviews

Before contacting participants, time, location, and travel arrangements especially to conduct interstate interviews had to be considered.
All interviews were conducted personally face-to-face on an individual basis. The reason for undertaking individual interviews is that they provide an undiluted focus on the individual from a personal perspective for an in-depth understanding of their context about the research topic in a detailed manner (Ritchie & Lewis 2003). Detailed understanding and clarification is time intensive. Based on the pre-test event, it was expected that each interview would take from 45 to 60 minutes. For example, the duration of interviews varied with the shortest taking thirty-one minutes with an interviewee from outside financial services and the longest was just over two hours with a participant from within the financial services industry. Most interviews took between forty and sixty-five minutes and took place in various locations. Possible venues were at the participant’s home, their workplace, or the researcher’s residence. The reason for conducting some interviews at the researcher’s residence was that following a pre-test meeting in a café, it was not particularly successful due to noise and others’ movements. It was decided that interviews were more effective when conducted in a quiet location, so that the researcher and participant could focus on the task at hand. Eleven interviews took place at the participant’s home, ten were at their workplace, and five were conducted at the researcher’s residence. The reason for choosing this venue was because it was quiet and convenient due to a central city location for the participants and researcher. These women were not mothers of the adolescent women who participated in Stage 1 of data generation activities.

Participant data were detailed on a spread sheet from the first contact to interview completion. The interview process took place from mid-February 2013 to June 2013. Over this period,
twenty-six face-to-face interviews were recorded on a digital voice recorder and later transcribed. Memos made immediately after each interview reported first impressions of the interaction, as well facial and physical expressions observed during the interview.

5. **Conducting interviews**

Interviewer skills are important for good reliable research data to be generated by using the semi-structured interview method. The researcher employed two strategies to prepare for conducting the interviews. First, she undertook an extensive review of the existing literature on women and financial capability and possible factors that may influence this state. Second, she was helped to identify and be aware of errors or bias that might occur with the personal interview technique. As well, before conducting interviews for the main study, a pre-test interview was used with women from outside financial services to help contextualise initial ideas uncovered in this thesis.

Seven guiding questions were designed to generate data (Lusardi 2008; Sherraden 2010). A copy of the Interview Guide is included in Appendix C. To link with the initial pilot thesis with adolescent women, the first question asked the interviewee to recall any of their experiences with money when they were fourteen to sixteen years old. The next four questions elicited data from that time to the present regarding their relationship with money, important events over time, factors that influenced their relationship with money, and how they viewed the role money would play in their future. The concluding set of questions asked the participant to define what financial capability meant to them and then to self-assess their
financial capability. Finally, if there was anything they would like to add, the interviewee was invited to do so. As demographic information was disclosed by the interviewee, this was noted during the conversation. This information included age, position in family, marital status, dependents (if any), location, professional role, and home ownership status.

The researcher asked all interviewees the same questions, but not always in the same order as the guiding questions were supplemented by either planned or unplanned probing questions (Richards & Morse 2007). Consequently, any discussion that was beyond the interview guide was investigated to generate in-depth information and identify any emerging themes.

While the focus of financial literacy is on knowledge and education, financial capability is the ability to act with knowledge and skills, coupled with access to quality financial products and services in a framework provided by government policies, laws, regulations, and practices. The subtle difference in these definitions indicates that financial capability embraces a more holistic approach than being literate as opportunity, freedom and willingness to act are for personal well-being. This is why the focus is on capability and women’s relationship with money. In the thesis, information was gathered under these headings with questions to elicit depth and richness in women’s experiences with personal finances so as to clearly retain financial capability as the key concept under investigation.
6. Recording interviews

All interviews were digitally recorded so that conversations could be stored electronically, recalled for transcribing, and archived. Using this device allowed greater flexibility in conducting interview sessions as the researcher could concentrate on the women’s responses without being distracted. As a result, the researcher could maintain the interview focus and pose probing questions to obtain in-depth insights and rich dialogue with the interviewees. Furthermore, the researcher’s concentration was not disturbed during the interview process by the need to take notes and the risk of missing important data from participants. Following each interview, the recording files were transferred to a laptop so that the researcher could listen and transcribe the interviews simultaneously. The recording files were also saved to an external hard disk for back-up purposes.

4.7 Data Analysis and Interpretation

The process of analysing data may take many forms, particularly in preparing the data, reconstructing it into a ‘recognisable reality’ for research participants, representing the data and interpreting the meaning of the data (Maykut & Morehouse 1994; Creswell 2009). Analysing qualitative data, specifically from interview transcripts, means that the researcher chooses between an approach that strongly emphasises language and one that is more focused on the content of what participants say. Furthermore, selecting individual techniques to analyse qualitative data may depend on several factors such as they type of data, the analysis
objectives, available data and resources to analyse it, including cost involved and time constraints (Crowther & Lancaster 2009).

The use of ‘rich, thick description to convey the findings’ (Creswell 2009, p. 191) means that analysis is a process concerned with understanding and interpreting people’s meaning of their world. Data analysed in this thesis was a non-mathematical analytical approach, where the researcher investigated the meaning of participants’ words and behaviours (Maykut & Morehouse 1994). The researcher was more interested to understand women’s lived experience from their individual perspectives. Interactive data analysis may be described in Figure 4.3.

**Figure 4.3: Data Analysis in Qualitative Research**
This figure may suggest a hierarchical approach but the various stages are interrelated and may not always be done in the prescribed order. The approach offers a practical guide to how qualitative data may be managed for analysis. The process of transcribing interviews followed by coding the transcripts will be discussed in the following section.

In this thesis, a detailed analysis of the data was conducted using a number of techniques. The transcribed interviews and memos used two techniques: a manual theme-category analysis; and NVivo software to organise and manage data. The theme-category analysis identified themes within each stage of the model and the NVivo analysis identified focal points or nodes across the data. These two techniques in tandem addressed the need to make sense of the findings within the ‘situated, relational and textual structures of the ethnographic experience’ (Denzin & Lincoln 2011, p. 15). They also ensured that each technique picked up on what the other may have overlooked and also verified one another. Additionally, these abilities to move within and across data mean that analysis must move towards understanding and interpretation of evidence (Ritchie & Lewis 2003).

4.7.1 Transcribing Data

After the interviews, the researcher personally transcribed twenty audio files (approximately 175,100 words), with five files (approximately 41,778 words) being outsourced to a professional transcriber. Completed transcriptions were between 4,000 (the shortest) and
17,000 words (the longest), with an average around 5,000 to 10,000 words. The total number of words transcribed was in excess of 216,000. The transcribing process allowed the researcher to relive the experience and familiarise herself with the generated data. This helped the researcher to not only identify keywords spoken by the participants, but also to consider their tone of voice and how they expressed themselves. The transcription process helped the researcher to recall important participant behaviours that were not captured by the recording device (Maykut & Morehouse 1994). The conversion of recorded interviews into text is an interpretive process that involves making initial judgements of the research data and is considered the first step in carrying out systematic analysis of qualitative research (Bernard & Ryan 2010).

Outsourced transcripts were read and checked carefully while being listened to in the original audio format. Having interview data in two forms offered richness in hearing the original interaction, giving the researcher information that was not available in the transcription. For example, the recorded data offered pauses, silences, laughter, speech repetition, volume, pace, and breathing patterns while the transcribed data did not give as complete a picture of how the data were generated. Transcription did however offer a clear, systematic record of the process and final generated data.

Notes taken on the interview guide were used to produce a detailed field note that accompanied each interview transcript. This included comments on meanings and contexts.
taken from the interview. Furthermore, participant demographic information was collected and placed in a text box at the front of the field note.

When the transcription process was completed, a large amount of data collected on papers and pages was generated, ready to be analysed (Bryman & Bell 2007). Bailey (2008) explains that transcribing audible talk into written transcripts requires reduction, interpretation and representation to make them meaningful. The researcher spent time to ensure the quality of the written transcripts made sense and specifically generated relevant themes that assisted answering the research question.

4.7.2 Coding the Research Data

After completing the transcription process, the next step was to make sense of the data by analysing what happened and what they may mean (Charmaz 2006). Qualitative coding is the first analytic step in defining what the data are about and is done by identifying segments of data with a short name that simultaneously summarises and accounts for each piece of data (Charmaz 2006). This name or code identifies each theme that emerges from data. The main purpose of coding in this thesis was to generate initial ideas from the unstructured, raw research data (Richards & Morse 2007) and to move from concrete statements in the data to making analytic interpretations (Charmaz 2006). The ‘aim is to make an interpretive rendering that begins with coding and illuminates studied life’ (Charmaz 2006, p. 43). In this respect, the researcher continued to examine and question the interview statements to identify key categories and themes (Corbin & Strauss 2008; McMurray, Pace & Scott 2004) that led her to
explore main ideas that assisted the researcher establish and refine the framework of the research (Flick 2009).

There are two types of code: a priori codes and empirical codes. A priori codes, developed before examining current data, are developed from a literature review, research questions or a theoretical framework (Flick 2009). In contrast, empirical codes, also known as inductive codes, are generated by researcher examining the current data. For this thesis, the researcher employed inductive coding from the grounded theory approach of open coding (Corbin & Strauss 2008) to refine the initial ideas from the theoretical framework.

A manual, paper-based coding technique was utilised in the initial stage of the coding process to enable the researcher to engage with the research data. This assisted her to gain a more intimate understanding of it. As well, the manual approach provided room for creativity and flexibility in generating preliminary coding ideas (Flick 2009). These generated coding ideas were then transferred into NVivo Version 10 for further analysis. This software was used in the thesis to manage qualitative data and ensure rigour in the analysis process (Richards & Morse 2007). The interview transcripts were transferred to NVivo to facilitate and enhance the coding process (Creswell 2009).

Data were initially manually coded following Creswell (2009) into six themes, which were identified during analysis of data generated from the interviews with adult women and not
from the literature reviews. The six themes were: 1. parental influence or significant others; 2. values; 3. emotions; 4. life stages; 5. relationships; 6. financial decision-making, leading to financial capability. These themes followed the four stages of the Conceptual Model: 1. economic socialisation; 2. financial literacy; 3. financial inclusion; and 4. financial capability.

The same interview transcripts, memos, and questions were subsequently coded using NVivo software, producing forty-eight nodes. These nodes were identified revealing a finer-grained analysis offered by NVivo, adding to a deeper and more detailed analysis and confirmed the six themes uncovered by the initial theme-category analysis. The NVivo nodes were then matched to stages of the conceptual model where they were re-assessed as a group to determine whether the themes in the first analysis (theme-category) were confirmed by the findings in the second analysis (NVivo).

Each of the two analyses, theme-category and NVivo, was conducted independently. They are complimentary techniques with one compensating for the other. NVivo was used to confirm themes initially uncovered in the manual analysis. Additionally, NVivo enhanced the integrity of the analysis, cross checked the manual analysis, refined searches, and assisted with managing data for analysis. The resulting two separate analyses stand on their own and together reveal a richer and more holistic picture of women and financial capability in keeping with the system focus of the research question. The two analyses preserved the macro (theme) and micro (node) data, thus mitigating the problem of premature data reduction. The theme-
category analysis more closely aligned with interview questions developed from the four stages of the model, which were based on the evolution of women’s relationship with money over time. The NVivo analysis node generation and coding was produced irrespective of when the information was provided during the interviews. Additional themes and additional individual elements were uncovered during NVivo coding and analyses, justifying the inclusion of a second analysis technique. The additional NVivo findings and nodes were subsequently assigned to stages of the model for reporting purposes, bringing together macro and micro elements for analysis and discussion in following chapters. As analysis progressed, the six themes were confirmed. These were: 1. parental influence; 2. values; 3. emotions; 4. life stages; 5. relationships; and 6. financial decision-making. Additionally, sub-themes were found under the main theme. For example, the theme of parental influence revealed sub-themes of positive, negative, and absent role models as well as parents immigrating to Australia. Themes were refined following analysis and these changes were reflected in the developing model. Using manual and NVivo approaches ensured that no interpretation of the data was overlooked. Moreover, using the two techniques complemented one another.

4.7.3 Data Analysis Method

In this thesis, two methods to analyse data were employed: thematic analysis and content analysis. The description and application of these techniques will be discussed as follows.

Thematic analysis

Seeing a pattern or theme begins the process of thematic analysis. Boyatzis (1998) describes thematic analysis as ‘a way of seeing’ (p. 1). He argues that ‘observation precedes
understanding in that recognising an important moment is seeing, which precedes coding it, or seeing it as something, which in turn precedes interpretation’ (Boyatzis 1998, p. 1). As such, thematic analysis moves the researcher through these three phases of inquiry. In this thesis, the researcher utilised thematic analysis to provide a structured way of understanding how to develop thematic codes and sense themes.

The employment of thematic analysis in this thesis was conducted based on five phases of thematic analysis as recommended by (Braun & Clarke 2006): 1. data familiarisation; 2. initial codes generation; 3. themes searching; 4. themes reviewing; and 5. defining and naming themes.

All interviews were analysed by the researcher for the theme category analysis (McMurray, Pace & Scott 2004). This initial analysis was done by reading each transcript and highlighting narrative that offered a theme for example, introduction to work, receiving money, early saving and spending behaviours, and the importance of parental role modelling. Selected quotes that were representative of the theme were then transferred to a table.

In implementing this analysis, the researcher also adopted three stages of coding processes as proposed by Corbin & Strauss (2008): open coding, axial coding and selective coding to enhance the thematic analysis in this thesis. In the first phase, the researcher sought to familiarise the interview transcripts and memos through an open coding process. In this
process, the researcher tried to understand any themes that emerged from the data by conceptualising line by line. This process eventually led to the second stage of the analysis that was the generation of initial nodes. Nodes is a term used in NVivo that refers to concepts, processes, thought or ideas that are derived from sources such as research data or participants (Miles & Huberman 2002). NVivo analysis confirmed the six topics from the theme-category analysis.

**Figure 4.4: Sample of open coding**

<table>
<thead>
<tr>
<th>Nodes</th>
<th>Sources</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>Ambition, Challenge, Dream</td>
<td>17</td>
<td>58</td>
</tr>
<tr>
<td>Balanced lifestyle, Lifestyle</td>
<td>23</td>
<td>89</td>
</tr>
<tr>
<td>Budding entrepreneur - selling shares at boarding school</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Care</td>
<td>16</td>
<td>35</td>
</tr>
<tr>
<td>Changes in money use over time</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Control</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Core values, Attitude to money, Responsible</td>
<td>24</td>
<td>158</td>
</tr>
<tr>
<td>Decision making, Choices, Starting own business</td>
<td>23</td>
<td>82</td>
</tr>
<tr>
<td>Don’t know what I want to do when I grow up</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td>24</td>
<td>115</td>
</tr>
<tr>
<td>Emotional response to money - stress, struggle, pressure, fear</td>
<td>21</td>
<td>71</td>
</tr>
<tr>
<td>Experiences</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Factors - family socialisation, marriage, children, education</td>
<td>21</td>
<td>36</td>
</tr>
<tr>
<td>Family, Death in family</td>
<td>23</td>
<td>88</td>
</tr>
</tbody>
</table>

Figure 4.4 shows a sample of forty-eight nodes or topics identified from a first pass of analysis using NVivo software. Sources refers to the number of interviews where the topic was referred to and References refers to the number of times the word or topic was identified in transcripts. The majority of nodes were in direct response to open-ended questions in the interview schedule as well as views expressed by participants.
Women were recruited from within financial services and other sectors to identify if women’s financial capability was enhanced or not, by working in the financial industry compared to those who worked in other sectors. To preserve the women’s identity, those working in financial services were identified by a pseudonym followed by (FS). Women employed in other sectors were identified by a pseudonym followed by (OS). Furthermore, ethnic and national differences and employment in these areas were not intentionally sought as the research focus was financial capability, with employment considered an important factor contributing to well-being. However, it would seem that regardless of women’s ethnic background and employment, the two categories of working in financial services or in other sectors were chosen to explore if influencing factors were similar or different for women in the two groups. Women in both sectors invested in property as their place of residence and for some, as an additional investment. However, women in financial services understood share investing and were willing to make additional contributions to superannuation because they understood these topics compared to those from other areas. Women working in other sectors appeared to have little trust in those who managed superannuation fund investments, and preferred to invest in additional property for future financial security, not direct shares or superannuation (Hogarth, Beverly & Hilgert 2003).

These distinctions shed light on the research question because even though these women had different work backgrounds and different views on how to invest for the future, these factors...
did not adversely affect their financial capability, but their choice of investments to be financially secure was different (Faff, Hallahan & McKenzie 2011).

The next stage of the coding process is axial coding where this reflects the third and further thematic analysis phases theme searching and theme reviewing. In these two phases, the researcher coded the data by grouping the themes that were similar or connected to each other (Charmaz 2006). The classification of initial themes that emerged was refined and filtered based on the researcher’s judgement. This ensured that the generated themes accurately reflected the meaning in the data and provided a correct representation of participants’ views and experiences (Braun & Clarke 2006) on women’s personal financial management. The researcher also sought her supervisors’ opinions on the relevancy and importance of themes related to the research topic as well as its link to themes with other studies. Furthermore, memos were also used to assist the researcher to refine the themes and to ensure the data were analysed consistently in this process.

The last coding process is selective coding. The researcher identified the core themes that explain the factors influencing middle class women’s financial capability. This process reflects the fifth and last process of thematic analysis in the thesis where the researcher defined and classified the themes. In this stage, themes were finally categorised into the six main themes that were mentioned earlier.
The thematic analysis using NVivo enabled the researcher to develop the tree-structured indexing system as proposed by Richards and Richards (1991). Themes in this thesis were developed based on a hierarchy that creates the ‘tree’. The concept of Values, or Attitude to Money was an initial node or category. This was later shortened to Values as the parent node or root, while other categories that are linked immediately below the parent node are called child nodes. This concept of family structure is represented by child nodes such as Achievement, Ambition, and Care belonging to the parent node, Values.

**Figure 4.5: NVivo Node Values, Attitude to money**

<table>
<thead>
<tr>
<th>Sources</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values, Attitude to money</td>
<td>25</td>
</tr>
<tr>
<td>Achievement</td>
<td>14</td>
</tr>
<tr>
<td>Ambition, Challenge, Dream</td>
<td>17</td>
</tr>
<tr>
<td>Care</td>
<td>16</td>
</tr>
<tr>
<td>Control</td>
<td>11</td>
</tr>
<tr>
<td>Gender, Justice, Discrimination, Feminism</td>
<td>7</td>
</tr>
<tr>
<td>Giving to others - happiness</td>
<td>2</td>
</tr>
<tr>
<td>Responsibility</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>396</td>
</tr>
<tr>
<td></td>
<td>40</td>
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<td></td>
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<tr>
<td></td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>

To enhance the data analysis in this thesis, the content analysis technique was also employed and will be discussed in the next section.

**Content Analysis**

The researcher identified themes that assisted in understanding factors that influence women’s financial capability through the thematic analysis. Utilising content analysis helped focus on the relevant themes that relate to the thesis framework and guarded the researcher from
making assumptions based on perception and not on data (McMurray et al. 2004). The content analysis is referred to as the constant comparative method in qualitative analysis (Glaser 1965). This method requires the analyst to convert qualitative data such as frequencies of events, words, action and other variables related to research data (Crowther & Lancaster 2009) into a numerical form to develop evidence for a given proposition.

This method contributed to the refinement of identified themes by noting frequencies in the speech patterns. NVivo assisted in this process where coding queries from the research data assisted the researcher to identify which factors were most frequently cited by participants by looking at the source of each theme and coding references.

By constantly comparing data, this thesis identified themes and patterns in the data. Referring to Figure 9 above, the process assisted the researcher to identify which factors were most cited by the participants by examining the sources of each theme and coding references. This supported understanding the importance of each theme or factor. For example, participants described the importance of being ambitious, enjoying a challenge or having a dream in motivating them to achieve financial independence. These values were balanced with the role of caring for others. This inclusiveness is indicative of women’s ability to be financially responsible for themselves and others.
4.8 Research Rigour

The language used to describe rigour in research can appear confusing. The traditional criteria use terms such as validity, reliability, and generalisability (Creswell 2009), whereas alternative criteria use credibility, dependability, and confirmability. Creswell (2009) argues that validity does not have the same meaning as it does in quantitative research. In fact, one of the strengths of qualitative research is its emphasis on accurate findings being reported by the researcher, and from the view of the participant, and for readers (Creswell 2009). According to Richards (2005), ‘the rejection of “positivism” was an attempt to defend qualitative research against those who evaluated it in terms of irrelevant goals’ (p. 191-2) as quantitative validity required large-scale research, and the use of statistics for reliability and assertions of truth (Richards 2005). Further, scholars suggest that the terms credibility and trustworthiness are more applicable in qualitative research rather than the terms validity and reliability in quantitative research (Guba & Lincoln 1989; Lincoln & Guba 1985).

Consequently, the literature refers to terms such as trustworthiness, authenticity and credibility in discussing research rigour. Table 4.3 lists the quantitative criteria and the proposed criteria for assessing the credibility that was adopted from Creswell (2009) and adapted from Haiyat (2013) for this thesis. Several strategies to address trustworthiness will be discussed in the following section.
Table 4.3: Three Criteria of Trustworthiness Concept

<table>
<thead>
<tr>
<th>Traditional Criteria</th>
<th>Alternative Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validity</td>
<td>Credibility</td>
<td>The findings have been checked for accuracy by using certain procedures</td>
</tr>
<tr>
<td>Reliability</td>
<td>Dependability</td>
<td>The research approach is consistent and reliable by documenting as many steps in the study’s procedures</td>
</tr>
<tr>
<td>Objectivity</td>
<td>Confirmability</td>
<td>The degree to which the qualitative research could be confirmed by others</td>
</tr>
</tbody>
</table>

Source: Creswell (2009) and adapted from Haiyat Abdul Kohar (2013)

4.8.1 Addressing Research Credibility

The researcher utilised several strategies to enhance the credibility of this thesis. One strategy was implementing a systematic coding process that follows a pattern matching strategy as proposed by Yin (2011). Through this process, the researcher made a comparative analysis to gauge supporting or contradictory views between the themes and subthemes that emerged in the analysis. Credibility was demonstrated by gaining participant confirmation of areas that required clarification. As well, opinions and confirmation were sought by academic colleagues and participants to confirm that interpretation of research findings were correct from their perspectives. As the research data was co-constructed by the participants and the researcher, transcribed interviews were carefully checked with the audio recording to ensure that all information was transcribed correctly. Further, as research data was a co-construction, the researcher’s role is acknowledged and bias is explained.
4.8.2 Addressing Dependability

Research dependability in this thesis is defined as demonstrating that the research process can be replicated with the same results (Yin 2011). The researcher has explained which qualitative procedures were used, specifically the research design that suited the selected research paradigm (Creswell 2009). Further, other strategies to enhance research dependability in the thesis were: 1. employing an interview guide as recommended by Flick (2009) for both stages to ensure all participants experienced the same process during the interviews; 2. explaining the methods of data collection as described in section 4.5; and 3. organising and preparing for data analysis were aligned with steps suggested by Creswell (2009), where NVivo software was used initially for the coding process using a technique recommended by (Miles & Huberman 1994).

4.8.3 Addressing Confirmability

Using NVivo software confirmed the manual analysis and ensured no manual findings were overlooked. Models developed during the analysis process confirmed findings as analysis progressed and confirmed the trustworthiness of the coding process by allowing emerging changes to be made. These models summarised and represented the findings as they presented. This is a significant research design which enhances integrity of findings because both techniques compensate for any weaknesses or oversights in the other.
4.9 Challenges and Limitations

There were conceptual and theoretical limitations that apply to any research. This thesis is not a population sample but a representation of a specific group within a population. Questions that this raised included if working class women could change their financial status and demographic position through hard work, education, dedication, and support.

The terms financial capability and financial literacy are often used interchangeably and have different meanings in different countries. Because of the lack of agreement about the terminology, meticulous attention was paid to assigning literature related to financial capability in that category while financial literacy literature was placed under the appropriate heading. Additionally, as there is a paucity of comprehensive literature regarding women and financial capability a comprehensive review of literature across different disciplines resulted in decisions being made regarding the scope of inclusion and exclusion (e.g. research on women and men was not explored as a main topic) so as to align with the primary research question. Finally, the influence of ageing on women’s financial resilience could be an area for further research. Although challenges and limitations existed, it is considered that they have not detracted from the integrity of the thesis.
4.10 Summary

This chapter identified the research methodology to test the thesis research question. It set out the research framework and approaches to qualitative research. The research data were collected in a two-stage process (pilot stage and main stage), using group discussion and semi-structured interviews as well as field notes or memos to guide the researcher to generate reliable information. All interviews were transcribed and coded using steps outlined by Miles and Huberman (1994) and Charmaz (2006). Two main techniques of data analysis were employed – thematic analysis and content analysis. Both coding and analyses processes were conducted using a manual hand coding technique and NVivo software to ensure all data were systematically analysed.

The purpose of the next three chapters, chapters 5, 6, and 7, is to present analysis and findings of the two stages of research undertaken in the thesis. This investigation was analysed using manual theme-category analysis supplemented with coding queries from NVivo software. The same process was followed throughout analysis for consistency. Six themes were identified and elaborated: 1. Influence of parents and significant others; 2. Values; 3. Emotions; 4. Life stages; 5. Relationships, and 6. Financial decision-making leading to financial capability. These themes will be analysed for all women, followed by comparisons between those within the financial services industry and women from other sectors where there were subtle differences. The reason for analysing data across and within sectors is to discover if there are variances in capability between women working in financial services and women from other...
sectors. Each theme was analysed to uncover factors that contribute to women’s resilience to be financially capable. Findings will then be presented and the model progressively built over the course of these three chapters.

Chapter 5 presents the analysis of foundational factors, Parental Influences and Values in influencing middle class women’s financial capability.
Chapter 5: Analysis and Findings – Parental Influence and Significant Others, and Values

5.0 Introduction

The purpose of the chapter is to present analysis and findings of the two stages of research undertaken in the thesis. Parental influence and values are themes that are analysed from the first stage of interviews with adolescent women. These two themes are also analysed from the second stage of interviews with adult women. Analysis is followed by findings from the analyses of these themes for the two stages. This investigation was analysed using manual theme-category analysis supplemented with coding queries from NVivo software. The same process was followed throughout analysis in chapters 5, 6, and 7 for consistency. Six themes were identified and elaborated: 1. influence of parents and significant others; 2. values; 3. emotions; 4. life stages; 5. relationships, and 6. financial decision-making leading to financial capability. Each theme was analysed to uncover factors that contribute to women’s resilience to be financially capable. Findings will then be presented.

5.1 Stage 1 – Group discussion with Adolescent Women

The cohort of adolescent women shared middle class backgrounds with their parents employed in professional government positions in scientific and health care roles. The participants attended the local high school and planned to attend university in two years’ time.
At the time of undertaking this thesis, the adolescent women expressed this desire as their personal individual goal, with parental influence and support.

The main research question underpinning this thesis is: ‘What are the factors that influence middle class women’s relationship with money from adolescence to maturity’? To assist with this inquiry, two sub-questions provided the opportunity to generate data in the group discussion with adolescent women. These were: Sub-question 1: ‘What are key financial experiences and events in adolescence and adulthood that have influenced women’s experiences with money?’ and Sub-question 2: What are key influences on women’s money management and financial decision-making?’ A variation on Sub-question 1 leading to guiding questions to identify key financial experiences and events from childhood and adolescence that have influenced the adolescent women’s experiences with money were:

1. Tell me about your earliest memory of money.
2. When you were younger, who talked to you about money? What did they say?
3. Tell me how your mother or father influenced you
4. Who talks to you about money now? What do they say now?
5. How does your mother or father influence you now?
6. When did you first have your own money?
7. Tell me what money means to you now
8. How do feel about money now?
9. How did you learn the value of money?
10. Tell me how you felt when you were first able to spend your money as you wanted
A variation on Sub-question 2 leading to guiding questions to identify what is now important in the adolescent women’s relationship with money were:

11. How do you manage money now?
12. Tell me how you feel about money and the future
13. Tell me how you might feel about achieving that outcome

Five themes emerged from the group discussion with the five adolescent women: 1. Past memories and influences; 2. Current money understanding; 3. Changes; 4. Money awareness; and 5. Money behaviour. As the last two themes, Money awareness and Money behaviour were significant for setting the context for Stage 2 these will now be discussed.

5.1.1 Theme: Money Awareness

All participants clearly articulated what money currently meant to them by revealing a realistic and well-grounded sense of financial knowledge and capability. Their awareness of finance and the choices it offered were evident from their stories about independence, fun, enjoyment, self-focus, consumption, and achievement in making acquisitions as a result of diligent saving. For example, Rachel stated that money offered them independence, fun, enjoyment, and self-focus: ‘I suppose living in a regional town, to do things…you need money, to go to the cinema…or to go out for lunch, everything requires money…so you think about it a lot’.
Adolescence offers young women the opportunity to engage in their financial lives by learning and doing at the same time. In summary, the participants’ awareness of the importance of money to assist them in choosing to live life as they desired meant saving and thinking carefully about spending decisions. They were also aware of parental support in funding some of their lifestyle choices. This example appears to indicate a robust sense of financial awareness based upon the influence of family economic socialisation processes.

5.1.2 Theme: Money Behaviour

Current behaviours in managing money and ideas for the future seemed to build upon early foundational practices learned in childhood. Four behaviours were identified: 1. saving; 2. cash versus credit; 3. work; and 4. further education.

**Saving.** The savings discipline was evident with all participants as it offered a way to accumulate funds to purchase desired items. Some fathers were influential in assisting their daughters establish bank accounts while mothers appeared to reinforce the savings behaviour. Jessica commented: ‘Dad took me to the bank for the first time, he explained the bank account and everything...but Mum was always the one who really strongly said that I should save money’. Similarly, Lauren explained: ‘Dad helped me set up a bank account to keep it [money] safe and save it and not spend it, he wants me to save’, while Isabel said: ‘my mother would actually [say].. “save for something that you really want”...So she had a strong influence on saving money’.
Cash versus credit. Money appeared to be allocated in different places, such as jars or money boxes, and earmarked for different purposes. The participants spoke of their preference for using cash compared to a card. Rachel commented:

Well if I have money in my wallet…I spend it. The change I often put in my money box and then…I put it in the bank. I also have a key card, so I can access my account, which isn’t that good, because it means you’re spending it without really knowing you’re spending it. When you are giving away money you can feel it, you know it’s gone, but when you have a card you can’t really tell it’s going.

Work. Engaging in work on their parents’ agricultural property, completing household chores and working on a part-time basis were important approaches that parents used to encourage their daughters to learn about the relationship between work, responsibility, and financial reward, which are important in developing financial capability. Emma said: ‘...we get calves and we feed them and then that’s really good because they cost $50 and they turn into hundreds of dollars’.

Further Education. Discussion about money and the future elicited thoughtful and open responses. Participants’ immediate priorities were higher education, university, accommodation, and job aspirations, followed by the acquisition of more substantial assets such as a house and a car. They all shared an awareness of the enormity of creating wealth to live the kind of life to which they aspired. Notably, Megan commented that she had not consciously considered the future until today. Leaving home to attend university was taken for granted for the five participants as they lived in a regional area and their preferred universities were elsewhere.
Adolescence is an especially important time for young women to consolidate accepting responsibility for the consequences of their actions, consider carefully their personal beliefs and values independently of their parents and begin to establish a relationship with their parents as an equal. This is an important time for learning, testing, and incorporating those aspects of behaviour that best support a person’s development.

To summarise: themes running throughout the discussion included saving, using money and work. Plans for further education, such as attending university either straight from school or after taking a gap year, meant leaving home. The participants displayed a realistic attitude about this issue and were aware of the need to work in order to save money to realise future plans. Through diligent saving, using cash instead of credit and learning the value of work and its reward, the participants’ narratives seemed to indicate a robust sense of financial capability. The ongoing learning, testing and incorporating useful knowledge and skills with supportive behaviours may be viewed as pivotal in the development of financially capable women. This linking of behaviour refinement, acquiring additional financial information and accessing financial products and services informed Stage 2.

5.2 Stage 2 – Interviews with Adult Women

To assist with answering the main research question in the thesis, three sub-questions invited adult women to express their views during personal interviews. These were:
Sub-question 1: What are key financial experiences and events in adolescence and adulthood that have influenced women’s experiences with money? Guiding questions were:

1. Can you tell me about any of your experiences with money that you can recall when you were say 14 to 16 years old?
2. Tell me about your experiences between that time and today.
3. Could you describe in as much detail as possible some important events over time that may have influenced your experiences with money?

Sub-question 2: What are key influences on women’s money management and financial decision-making? A guiding question was:

4. What are the factors (influences, circumstances) that you consider affect your relationship with money over time?

Sub-question 3: What is the relationship between financial well-being and work, values, and life stages? Guiding questions were:

5. As you look forward, can you describe your future and the role plays in this future?
6. In your view, what does financial capability mean to you?

Interviews with middle class adult women identified that economic socialisation and values provided by parents and significant others were foundational in providing women with financial knowledge and skills to manage their personal finances. Participants identified that experiences with money learned in early childhood and practised during adolescent years influenced how they managed finances in their adult years. Analysis revealed that saving,
spending, and investing behaviours were established during this time and contributed to their financial independence.

5.2.1 Participant Demographics

The adult women represented a combination of being raised in a middle class family as well as having parents with a working class background. Participants who had working class parents had gained tertiary education and well-paying employment, which meant that they were now in a more affluent demographic than their working class parents. The participants were designated in their present circumstances of being middle class based upon education, employment, and having a property asset.

Further evidence of middle class status was identified during the interviews with women who explained how they spent their disposable income. Participants identified that they enjoyed ‘a comfortable lifestyle’ by spending a portion of their disposable income on regular overseas holidays, entertaining, and some with children were considering the possibility of private school education while others already had factored in this expenditure. The sense of well-being and having ‘a comfortable lifestyle’ are perceived as rewards for having generous salaries from work, which in turn provides financial freedom (Dolan, Peasgood & White 2008; Povey, Boreham & Tomaszewski 2013). These data were generated by asking participants to disclose their experiences with money between adolescence and today and specifically how they spent their money. Responses were assessed on the number of women
who provided the data described above. A majority of participants identified these aspects of being financially able to make these choices.

Of the twenty-six women, sixteen had Australian born parents and ten were from immigrant parents. Nationalities included northern Europe, New Zealand, and Malaysia (see Appendix A for participant demographic information). A possible reason for this migration follows World War II when Australia was seen as a safe haven from countries that experienced the devastation of war. Immigrant parents will be discussed further in this chapter.

The age range was from late twenties to mid-fifties and the majority of women were tertiary qualified. Thirteen women were the eldest child in the family with three being the second eldest. There were two middle children, six were the youngest, and two were the only child in the family. Regarding relationships and dependents, ten women were married, nine were single, two were divorced and single and five were living with partners in long-term relationships. A majority had children except those who were single. Most women were engaged in paid full-time employment, or in their own business. Some were engaged in paid part-time work for an employer or in their own business, not working due to being retrenched from their financial services role, or had chosen not to engage in paid employment for personal reasons.
5.2.2 Interviews

The interview sample included thirteen women from within the financial services industry and thirteen women outside financial services. A table was created to illustrate selected quotes that represented a theme. Table 5.1 illustrates a sample of the initial thematic analysis of a participant within financial services in response to Q2 Tell me about your experiences between adolescence and today.

Table 5.1: Sample of Thematic Analysis based on Creswell’s Template

<table>
<thead>
<tr>
<th>Stage</th>
<th>Theme</th>
</tr>
</thead>
</table>
| 16-20 years| School and university  
Once started work, determined to save having studied accounting which was a major influencer with concept of 1/3, 1/3, 1/3  
Aware of power of pooling money with others gives greater capability – pooled savings with sister to rent a place |
| 20-30 years| First borrowing experience of having a bank loan as wanted to go overseas  
Had to be self-reliant while others had parents’ home to return to, didn’t have that safety net  
Overspent on credit cards at a particular time in her life but tried to stay with 1/3, 1/3, 1/3 concept  
Saved, purchased large assets (invested), first property and had ready cash 3 months’ pay in the bank for emergencies |
| 30-40 years| Job 4 – AMP  
In early 2000s (mid 30s), moved from Brisbane to Sydney for work – money was very, very tight  
Struggling to pay a mortgage in Brisbane and living in Sydney was very expensive at that time (late 90s)  
Found it really hard until she changed jobs and earned more money as it was a case of just not earning enough money  
Credit card issue in this period until got new Job 5 – MLC now NAB |
| 40-50 years| Moved to Melbourne with NAB  
Generous salary and different lifestyle  
Bought second property  
Sold property first property  
Solid financial understanding  
Focussed on paying off apartment |

Source: Creswell (2009)
This process provided a clear and practical system to engage with substantial amounts of data in a way that made sense by identifying patterns (Maykut & Morehouse 1994). After further manual analysis a list of codes or themes was created for the NVivo analysis. The manual theme-category analysis was critical to set the step for open coding using NVivo software. A sample of codes based on Question 2 is at Appendix B.

NVivo Analysis

NVivo analysis confirmed the six themes from the theme-category analysis. Forty-eight nodes were identified revealing a finer-grained analysis offered by the software, adding to depth and detail of the analysis. Quotes taken from the interviews present the majority view and do not reflect frequency. Minority views are offered as necessary. Quotes are verbatim with edits made [in brackets] for ease of reading.

After importing all the transcripts into NVivo, these were then analysed by the author resulting in forty-eight nodes from over 215,000 words. The majority of nodes were in direct response to open-ended questions in the interview schedule as well as views expressed by participants.

Theme-Category Analysis

A manual theme-category analysis uncovered six main themes. These were: 1. parental influence; 2. values; 3. emotions; 4. life stages; 5. relationships; and 6. financial decision-making leading to financial capability. The themes were important in investigating women’s
relationship with money because they captured what the women expressed as pivotal to their personal finances.

While values were not specifically targeted by the research question, this theme was raised by many of the women, which indicated that values were important and subsequently were included in the theme-category analysis.

5.3 Theme 1: Influence of Parents and Significant Others

Analysis uncovered that the influence of parents and significant others was paramount in establishing an individual’s basic understanding of, and attitude to money, as this modelling provided the foundation in childhood and adolescence for financial resilience in maturity. A model was developed to summarise themes uncovered and to track further refinements as analysis continued. This was supported by the NVivo node, Parental Influence, and provided just one part of the model development.

Figure 5.1: Model of Parental Influence and Influence of Significant Others

Source: Author
Figure 5.1 shows the relationship between parental influences, which were described as either positive, negative, or absent. Where there were negative or absent role models, the participants described positive modelling from significant others such as extended family members and close friends.

Regardless of whether participants were raised in middle or working class families as a child, parental role models were important in establishing values, understanding their relationship with money, and how to manage it, or not. Similarly, in circumstances where women grew up in a two parent or single parent household, this family background influenced the child’s developing awareness of money. Most women experienced positive role models and this influence underpinned how they enhanced their financial knowledge and practice through working, saving and spending. However, for those who experienced negative or absent role models, these women sought the guidance and support of extended family members and friends to act as their role models to gain sound financial behaviours. For women whose parents immigrated to Australia following war and political unrest in their home countries, many arrived with little or no money and few possessions. Finding paid employment and providing basic living needs were paramount, as was ensuring their children were well educated. With these parental role models, women from these families were highly motivated by achievement and financial security. While the families may have been classified as working class upon arrival in Australia, through hard work, disciplined saving and investing habits, they attained middle class status. Similarly, Australian families aspired for their
children to receive a sound education to hopefully lead to fulfilling work and financial security. It appeared that regardless of background, parental and family influence is important in establishing responsible financial behaviours and attitudes in children so that they may choose to live a rewarding life.

Before proceeding with the theme of Parental Influence, the sub-theme of parents immigrating to Australia will be explored. While all women described the importance of work and sound financial decision making, the women from parents who had migrated from other countries were driven and determined to lead successful lives.

5.3.1 Parental Immigration to Australia

Women from families who had immigrated to Australia due to war or political disturbance in their homelands were an unexpected finding revealed in analysis. Participants described while they now enjoyed a middle class lifestyle but upon arriving in Australia, their families were poor or working class. Most immigrant families were wealthy in their homelands but had to relinquish personal possessions and wealth when leaving their homeland. Women explained that through their parents’ hard work, saving, and prioritizing a good education to ensure that their children gained well-paying employment, they were rewarded with a comfortable and secure lifestyle. These behaviours were modelled by parents and incorporated in their children’s approach to achieving a successful financial life. Consequently, women with this approach were employed in financially rewarding and fulfilling paid employment. Further study enhanced career progress leading to management roles that were well paid. Participants’
demographics were relevant at the time of undertaking the research, indicating that they were middle class. While some parents may have been described as working class at the time of the women’s childhood and adolescence, they described how increasing family wealth due to work and sound financial management influenced the women’s changing attitudes towards money over time. In this way, they valued the desire to achieve and aspire to a good quality of life.

Ten women described the influence of their parents immigrating to Australia from countries such as Poland, Germany, Malaysia, Bosnia, Holland, Greece, Cyprus (2), Malaysia and New Zealand (2) on their current relationship with money. The effect of World War II was the main reason for leaving northern Europe to live in Australia. The parents of one of the women who left New Zealand to live permanently in Australia have Russian-Jewish parents who left Europe to settle in New Zealand. The women revealed that their mothers demonstrated exemplary budgeting skills and instilled this in their daughters. Specifically, their mothers seemed to have learned this skill living in countries that were at war and suffering political unrest, resulting in little money to spend even on basic living needs. Table 5.2 illustrates an Nvivo query that from the sample of twenty-six women, there were 211 references to the theme of parental influence. Of this cohort, ten were members of immigrant families. This illustrates that almost half of the participants were from non-Australian backgrounds and that regardless of country of origin, the desire for a safe and financially secure future is universal.
Table 5.2: Parental Influence and Immigration to Australia

<table>
<thead>
<tr>
<th></th>
<th>Parental Influence</th>
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</tr>
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</tbody>
</table>

On immigrating to Australia, the women’s parents were committed to making a better life for themselves and their families. A strong work ethic ensured that there was enough money to provide adequately for their families, with many parents working two or more jobs. This was exemplified by three women, an Australian born Greek woman and two Australian born Cypriot women, who described the importance of their cultural background and the influence this has had on their relationship with money. Their parents’ willingness to work hard, save, use cash instead of credit, and spend carefully meant that they bought property as soon as practicable, thus safeguarding their families’ safety and security.

These themes of work, saving, careful spending, education, and property acquisition were common to all participants in this cohort. For example, Paula (FS) who has Polish parents, described living at a refugee centre in Perth before moving to public housing. She explained that because of never having any new clothing or living with new furniture, she was a compulsive spender for many years. Only now in her early forties has she decided to change behaviour as she and her husband would like to have a child.
Not only did people arrive from Europe but also from South Asia. Renee (FS) recalled that when her parents left Malaysia, previously known as Malaya in the 1970s, they forfeited their money, superannuation and property to live in Australia with their then young family. A good education was paramount for all children and subsequently they all received tertiary qualifications. This woman, with a strong belief in financial independence, credits her mother with instilling this principle at a young age.

A strong work ethic meant that most women had part-time jobs when they were at school and university. Additionally, disciplined saving and careful spending meant that respect for what one can do with money was taught to the women at a young age. Katherine (OS) explained that living in Bosnia as a child with her parents and sibling, money was never discussed or thought about, resulting in her unawareness about money. She was given anything she wanted and the family would often travel to neighbouring countries such as Italy and France to shop for clothes. Her parents immigrated to Australia and the family returned to Bosnia when her brother died. At this time, the Bosnian war had started and following the death of her father, the family returned to live in Australia. They lost everything as the communist regime took all their possessions, property and money. Now married with her own family, they and her mother arrived in Australia with a few suitcases and little else. It was only at this time that she had her first experience of money, quickly learning about work, and money management as she and her husband now had a young family to support. Now with hard work, continued education, and competent money management skills, her family of four children is provided
for adequately. Her focus is now on helping them to be financially secure in the future. She stated:

…my parents had no income whatsoever anymore due to the war. There was very limited - what we could have was about a couple of loaves of bread a month, enough money to buy bread, so it was, there was no electricity, no water, everything [was] completely changed.

The passion of these women with immigrant parents to achieve may be reflective of being perceived by their parents and others as taking the opportunity of living in Australia as a gift and not to be wasted or taken for granted. Success was critical as they established themselves in a country chosen by their parents. Some women described themselves as being lucky to live in a free, safe and democratic country.

5.3.2 Parental Influence and Influence of Significant Others

To create a bridge from the pilot stage of adolescent women and link the women’s adolescence to the present, participants were asked: Can you tell me about any of your experiences with money from when you were 14 to 16 years? All women responded by saying that parental influence, or lack of it, was pivotal in their foundational learning about money. Some women described being influenced by a grandparent – a grandmother or grandfather or an aunt or uncle. Analysis revealed that this early influence was either: 1. positive; 2. negative, or 3. there was an absence of it.

Most women described positive parental influences when learning about money. This included modelling initially on prudent saving and spending behaviours usually introduced
through pocket money and later followed by the usefulness of working as a means of making money. Gail (FS) explained: ‘So my parents had always reinforced budgeting, not spending beyond your means, and planning for short-term, medium- and long-term’.

However, not all women had positive role models when learning about money. There were a few instances of absent as well as negative influences. For example, Linda (FS) described how her personal circumstances at the time were such that Linda’s mother who was the main caregiver in her life, had a dire monetary situation due to her own issues.

…she just never had any money, so she was spending it all on the time so meeting her own needs...she used to borrow money, which I...found...just embarrassing… and she had...a lot of debt as well, and so she had a lot of people after her to be paying back money and I just found that pretty humiliating at the time...I see...that’s been an influence on me as…my own mother’s life is just like, “Oh, I’m not going to repeat that...I don’t want a life like this, I don’t want to be like this”.

In this situation, significant others such as grandparents – a grandmother or grandfather or an aunt or uncle or friends – were influential in providing valuable financial knowledge and behaviours. This meant that that this woman developed sufficient capability to become financially resilient. A few women learned from close friends who discussed other ways of creating wealth such as investing in a managed product, as well as saving from wages.

With the exception of a few women, most experienced positive role modelling from their parents or extended family members. These were critical in establishing women’s relationship with money. In instances where there was a negative role model or an absence of a role
model, the women were clear that this influenced their commitment to learn about money themselves from significant others and close friends.

Analysis uncovered that the influence of parents and significant others was evident in the women’s determination, strong work ethic, resilience, and conscientiousness to become financially capable. Findings revealed that economic socialisation during adolescence within the family and by significant others was important to discover and test behaviours in preparation for the adult world. When the adult women were asked about money and their adolescence, they too described parental role models and values. Because the women were reflecting upon adolescence from their current adult perspective, some discussed negative and absent role models. Their narrative expanded this theme because as adults, they could now reflect over a longer time frame and identify adults who acted as positive role models in assisting those women to acquire good financial behaviours. Additionally, women with immigrant parents added another dimension to the theme of parental influence by describing how important hard work, saving, and financial security were for the future. These extra variations on role models contributed to a richer model of the socialisation process and its influence on financial capability. It was evident that while parents generally provide this modelling, extended family and close friends can also perform this function. Receiving pocket money, learning to save using a bank account, and choosing how to spend were described as early experiences of managing money.
5.4 Findings for Parental Influence and Influence of Significant Others

Adolescence is a critical time for learning essential life skills and indicates the influence of parents and family economic socialisation processes. Themes uncovered were saving, using money, and work. Plans for further education, such as attending university either straight from school or after taking a gap year, meant leaving home. The participants displayed a realistic attitude about this issue and were aware of the need to work in order to save money to realise future plans. The ongoing learning, testing, and incorporating useful knowledge and skills with supportive behaviours may be viewed as pivotal in the development of financially capable women.

Below is a summary model to provide context for the thesis in linking the findings from the interviews with adolescent and adult women. It offers an image of the data generated from the findings.
Findings impacted the change in the model in three ways: 1. the significance of parental influence and values in adolescence, 2. distinctions in role models, and 3. additional interlinking factors in creating financial capability. The initial model offered a clear and simple pathway of women’s financial capability from adolescence to maturity. Starting with
parental influence or economic socialisation with the family, an adolescent learns the basics of financial management. Implicit in this process is the demonstration of values upheld within the family by behaviours. Work is an important behaviour in associating financial reward for effort. By learning and practising the disciplines of work, saving, and sound decision-making, positive steps in being financially literate and accessing basic banking products create a strong basis for financial capability.

Second, findings from the adult women informed the second model where it was revealed that parental influence and values were critical because as the women reflected on their adolescence from an adult perspective, they elaborated on their parents as providing positive, negative, or absent role models. Positive influences were most common, but where there were negative or absent instances, extended family members and close friends provided support to the then adolescent women to be financially informed. Added to these different role models, immigrant parents added another aspect to parental influence. This meant that parents’ influence could be defined as providing positive, negative, or absent role models which saw significant others now included in the model as well as immigrant parents contributing yet another aspect to the model.

Lastly, findings uncovered four important factors contributing to women’s financial capability. These are emotions, life stages, relationships, and financial decision-making. They are interlinked and fluid, with each one affecting other factors as change takes place over
time. For example, underpinned by values and the ability to self-regulate emotions, resilient women adapt to different circumstances and make sound decisions to enhance their well-being. If all these factors are present and opportunities are available to be assessed and decided upon, a woman is well-equipped to be financially capable. The final model illustrates how middle class women become financially capable because it presents six critical factors that are interlinked in a holistic and ongoing process.

Interviews and data analysis of adolescent women and adult women uncovered that parental influence and that of significant others was critical in the women’s foundational education about personal money management. As family is the primary socialisation unit for learning, practising, reflecting and refining behaviours, adolescence is the time to filter information about the outside world and develop sound financial skills to enhance development to adulthood (Danes 1994; Danes & Haberman 2007). While studies argue about the influence of family on an individual’s development, it is acknowledged that family is critical as it affects every aspect of personal development and well-being during the formative period of life (Bandura et al. 2011). Adolescent women explained how their parents were pivotal as role models in teaching the young women about money. In particular, by observing their parents’ work ethic, the participants could see the value of work in providing monetary reward, and the choices available between saving and spending. Values demonstrated by parents in this socialisation process were important in guiding the adolescent women to test for themselves how money was critical in creating a pathway for financial independence and security. Having
basic financial literacy gave the young women confidence to participate in the consumer market place, which is evidenced by their having a bank account and a cash card.

When the adult women were asked about money and their adolescence, they too described parental role models and values, especially their parents demonstrating a strong work ethic. However, because the women were reflecting upon adolescence from their current adult perspective, a minority explained that significant others such as extended family members and close friends were influential in teaching them basic financial literacy. The women’s narrative about positive, negative and absent role models expanded this theme because as adults, they could now reflect over a longer time frame.

While parental influence and values were findings common to both the adolescent women and adult women, additional findings with adult women uncovered four factors that contributed to their financial capability. These were emotions, life stages, relationships and financial decision-making. Before proceeding with those findings, parental influence and values for the adult women will be summarised.

The findings of this thesis uncovered that the influence of parents and significant others was paramount in the development of adolescent women’s financial education and attitude to money. As adult women, this influence was acknowledged as important in their current relationship with money. Moschis (1985) and Furnham (2001) confirm the importance of
parental influence in providing foundational education for their children. Similarly, Johnson and Sherraden (2007) state that young people in the USA would have greater financial capability if they were more than financially literate. Findings suggest that there were positive role models, negative role models, and absent role models. Sherraden (2010) identifies the situation where it appears unlikely that a child who lives in an environment that lacks positive financial role modelling will be financially literate. Aronson (2006) argues that when negative role models were more common than positive models, individuals constructed their own paths rather than follow others. The finding that individuals who had negative or absent role models were financially capable demonstrates an oversight in the literature and this finding contributes to current literature. The finding supports socialisation theory when discussing middle class women and financial capability.

Interviews with adult women uncovered the same theme of parental influence but this was expanded to include positive, negative and absent role models as well as parents immigrating to Australia. Role models are important as they illustrate possible choices and consequences that help to shape an individual’s future (Aronson 2006). While most women described having positive experiences with their parents, a few described negative influences as well as absent role models. In these last two instances, the participants found positive modelling from significant others such as extended family members and close friends. Beginning with positive role models, most participants explained that their parents’ influence in learning to manage money was critical by demonstrating the links between working, the discipline of saving, and
how to make good financial decisions. These attributes and behaviours are those that young women would like to emulate. Additionally, adolescence was mostly viewed as a positive period in the women’s lives as it was seen as a dynamic process of entering adulthood in a responsible way by leaving home, working, and going to university (Aronson 2008; Hartmann & Swartz 2006). It was a time to confirm their ability to become both personally and financially independent as their belief in hard work and determination to succeed would eventually offer opportunities they sought.

As well as parents providing positive influences, a minority of women described negative or absent role models. In these cases, the participants chose other people such as extended family members or close friends to provide this influence. For example, negative models are described as those people who have chosen a life path that a young women does not want to follow (Aronson 2006). As the women were clear about not wanting to pattern their own lives on what they saw as unhelpful choices and behaviours, they sought assistance from grandparents, uncles, and aunties to learn about money during their childhood and adolescence. Later, as young adults, the participants continued learning from close friends who they trusted. As demonstrated with the adolescent women interviewed in step one in this thesis, the adult women recalled adolescence as a time of discovery, learning and practise provided within the context of parents, family members and friends to establish good personal financial behaviour.
Another significant finding was that women with parents who had immigrated to Australia described their parents as hard-working often having at least two jobs, and mothers particularly having very good budgeting skills. There were ten women whose parents had immigrated to Australia. For most women whose parents were European, they had fled their homelands because of war. In one instance, the family had emigrated from Malaysia for personal reasons. The findings revealed a group of women whose parents had immigrated to Australia. These parents’ decision to leave their homeland to create a better future for themselves and their families was a courageous and correct decision at that time, as evidenced by the women’s own, and their families’ state of financial and personal well-being. This finding adds to current literature and aligns with Misra, Budig and Boeckmann (2011) who examined government policies to assist working migrant women with families in Australia, Europe, North America, and Israel. This literature refers to the opportunity to create a new life for personal and financial stability in a stable and prosperous country.

For example, three women who had Australian-Greek backgrounds, described how their families had chosen Australia because it offered improved social status and financial stability for themselves and their families (Palaktsoglou 2013). For others, while their parents worked in factories or performed domestic duties and had more than one job, they demonstrated a strong work ethic and were resolute to take the opportunity to create a new fulfilling life. Goldin (2002) claims that migration is a drastic life disruption encompassing many social and cultural changes because the decision to emigrate can have positive and negative
consequences, therefore an individual must knowingly understand their reasons for leaving and their choice of new homeland. In all cases, it was evident that parents who had chosen to leave their country of birth were courageous, resilient, and optimistic about their future in Australia. The influence of parents, whether they were Australian born or from overseas, as well as modelling from significant others was critical in providing the foundations in childhood and adolescence for women to learn and develop personal financial management information and skills for financial resilience as adults.

5.5 Theme 2: Values

Values are closely aligned with parental and significant others’ influence as together they provide principles that support women’s behavioural choices. Responses were elicited by asking Q2: *Tell me about any of your experiences with money from that time (16 years) to the present in ten year intervals.* Seven values were identified and while they were not explicitly sought in this research, the majority of women stated that values underpinned their belief systems about how they managed money. All participants explained that having a strong work ethic was instilled from observing their parents’ behaviour and this modelling influenced the women’s attitudes towards money as it was the reward for working. These three concepts – values, work ethic, and attitude towards money – were used interchangeably by the majority of women.
NVivo Analysis

The NVivo analysis confirmed this theme by providing a more detailed analysis of the data. Figure 5.3 illustrates this node.

**Figure 5.3: NVivo Node Values, Attitude to money**

<table>
<thead>
<tr>
<th>Values, Attitude to money</th>
<th>Sources</th>
<th>References</th>
</tr>
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<tbody>
<tr>
<td>Achievement</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>Ambition, Challenge, Dream</td>
<td>17</td>
<td>50</td>
</tr>
<tr>
<td>Care</td>
<td>16</td>
<td>35</td>
</tr>
<tr>
<td>Control</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Gender, Justice, Discrimination, Feminism</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>Giving to others - happiness</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Responsibility</td>
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<td>14</td>
</tr>
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Values identified were: 1. achievement; 2. ambition, challenge, dream; 3. care; 4. control; 5. gender; 6. giving to others; and 7. responsibility.

Theme-Category Analysis

The Theme-Category Analysis uncovered Theme 2: Values. While there were similarities between all women, subtle differences existed between women within financial services and those from other sectors.

All Women

Work was critical to all women’s well-being as the financial rewards gave the opportunity to be financially independent. Independence and financial independence were used interchangeably by participants as the two concepts are linked. One cannot be independent if one is not financially capable. Independence was highly valued as it offered security and was the motivation to create their desired lifestyle. While money was a consequence of working, the amount was not as important as the ability to choose what to do with those funds. Linda
(FS) explained money as giving ‘an ability to give you the freedom to do what you want to do and to make decisions, so if you earn money it gives you that freedom to do things, but at the same time…I want some sort of security as well’. A majority of women expressed the view that they valued experiences more highly than possessions, which indicates financial responsibility and clarity about the things that matter to them. Other values that influenced women’s attitude to money were their ambitions, coupled with challenges and dreams.

5.5.1 Achievement

While a majority of participants did not explicitly describe themselves as high achievers, achievement was a strong motivator. Some pursued post-graduate study to gain a financially rewarding role in the financial services sector while others were determined to earn a specific salary by a certain age. Whatever the motivation, most women enjoyed their roles, the commensurate salaries, and their lifestyle.

Women Within Financial Services

Women who worked within financial services described themselves as determined, self-reliant, having strong self-belief, and achievement focussed. One woman explained her balanced approach to personal money management by allocating one-third of her funds to saving, assigning another third to investment, and using the final third for discretionary spending. Whenever she strayed from this discipline, she reviewed her situation and made adjustments to get back on track. The ability to have a long-term focus and plan for the future enhanced these women’s financial resilience by ensuring they were not only employed, but continued to be employable. For example, Molly (FS) stated: ‘…if I could achieve this study
and get the job that came worth it at the end, that money would not be problem. Similarly, Karen (FS) said: ‘...but I always had in my head that I wanted to earn over $100,000 before I turned 30 and I achieved that with a year to spare. So I was quite happy with that, yeah’.

A majority of women spoke of achieving personal goals with focus, determination, and perseverance. Examples such as earning a specific salary or changing careers by a specific age, buying property, saving for their first fixed term deposit at sixteen years, and acknowledging the importance of parental support, especially from their mother, have been critical milestones in these women’s lives. One woman described her drive to ‘overachieve to prove that that [being pregnant and working] didn’t make a difference. And I think women do do that’. Another said that she wanted to achieve, ‘I’ve got the achieve gene, I call it’.

**Women from Other Sectors**

Two concepts, one being work and value for money and the other being the concept of time and money were critical in developing financial independence. Denise (OS) explained:

I always wanted to be financially independent. One of the things that my parents taught us, again and that was because they valued time over money, was that if you enslave yourself into consumer debt or a very high mortgage or a very expensive lifestyle, then it means that you must work; in other words you have less time for yourself. So...I was keen to be financially independent and by that I mean have a lifestyle where I could choose what amount of work I wanted to do…and to some degree…the amount of time I wanted to work. So that really influenced me in the choices that I made.

On the other hand, some women described their frustration about being dependent on others. Jill (OS) stated that as she was working part-time because she wanted to care for their
children, she was ‘financially dependent on him, which was a big thing to get my head around, and that understanding that I would be financially dependent for a long time’.

Other values mentioned were living within one’s means, being naïve about financial matters, and racial and gender equality. For example, one participant described how money was not discussed in her family. After leaving school to work and support herself, she learned to save a little for unforeseen events. Friends were aware of her ability to save and so she was often asked for a loan. Vicki (OS) described herself as ‘…naïve to the world and so therefore, people just took advantage of it’. She believed that those who worked saved a portion of their wages and was surprised to learn that many of her friends spent all their wages without saving. In later adult life, her naïvety led to her trusting a partner with whom she was in business. With the relationship and business ending, he declared himself bankrupt. She was unaware of this and repaid half the debt over many years and received an adverse credit rating, which has now been cleared. This is a hard lesson and no doubt this woman is not alone in being financially illiterate at a young age. Through determination, hard work and commitment, she is now financially resilient.

5.5.2 Ambition, Challenge, Dream

While ambition is the value identified, some women used words such as challenge and dream to explain their desire to be ambitious. This pattern is similar to their using the word achievement instead of success when describing their relationship to money. This phenomenon will be discussed in Chapter 10.
Women Within Financial Services

Women engaged in the financial industry referred to themselves as being ambitious. Perhaps this could be attributed to the sector, which is mostly male dominated and where ambition and success are well rewarded. For example, Beth (FS) stated: ‘So yeah, it was quite intense but you know it suited my style because it was like okay, that’s my challenge; I’ll make sure I do it and I do it well’. The satisfaction of successfully meeting a challenge or making a dream come true are examples of the drive require to fulfil personal ambitions. On the other hand, women from different organisations offer a different view of realising ambition.

Women from Other Sectors

Women engaged in organisations with a service or people focus, and with fewer males in senior management roles viewed ambition or challenge as less about competition and financial rewards. While engaged with their work, it appeared that they were satisfied with sufficient salaries to create an acceptable lifestyle. Anna (OS) was not really interested in money at this stage of her career. She was ‘…actually doing it [role] for the satisfaction and social interaction and the intellectual challenge that it gives me’. Jill (OS) offered:

I don’t think I was ever anyone who was really ambitious in terms of money. I’m not someone who wanted to have a fantastic car or have more than other people…that was never a driver for me. I think I just...had a job and was sensible with my money, and had enough.

Most women expressed ambition, challenge, and dreams as motivation to create the life they desired for themselves and their family. Buying property was a ‘dream come true’, especially for those who were single. To purchase such a substantial asset and then commit to mortgage
repayments was seen as testament to being realistically ambitious and successful in meeting a challenge. Two women explained that their husband’s business or work role was their dream and that the women supported their partner in their chosen area because it contributed to family well-being. Another dreamed of becoming a professional musician but her parents persuaded her to gain a university education in business for financial security. One woman explained that while she did not see herself as ambitious in terms of work, she was content with the notion of enough; money, time, relationships, and assets. This value was significant for many women as they described their relationship with money, because ambitions, challenges, and dreams provided them with personal motivation to be successful. While women did not use the terminology of wanting success or being successful, they chose words such as ambition and achieve. This will be discussed in Chapter 10, Discussion.

5.5.3 Care, Control, Giving to others, Feminism, and Responsibility

Other values such as Care, Control, Giving to others, Feminism, and Responsibility were all identified by the participants. Caring by giving financial support to family members and friends was central to how some women considered others. For example, Renee (FS) supported her brother ‘through uni because there was no money’. Another gave financial support to her siblings to assist in adverse times in the family while some women from immigrant families sent money to family still living overseas.

Along with helping friends and family, four women described their commitment to care for ageing parents. One woman explained that as it was part of her core values of respect and
responsibility for her parents’ well-being, she would undertake this obligation. Another said that she would more than likely move interstate to help care for a sibling with a disability and her ageing parents. Two other women explained that they had already moved interstate due to their mother’s ill health and were committed to assist with caring for their parents as they aged.

Five women revealed that they enjoyed being in control of their personal or family financial matters. Comments included that due to their past circumstances or current single status, they were committed to take responsibility for their own well-being as well as that of their family. Two women spoke of enjoying the role as it allowed them to feel secure and in charge of their lives, at least financially; they liked to know what was going on. Paula (FS) and Linda (FS) described themselves as ‘control freaks’ because ‘they control things they can control’. Similarly, Wendy (OS) described herself as ‘the person who pays all the bills...so I’m very much in control of it [money]’. Comparing the two groups of women, one woman who shares partnership in a family business expressed interest in managing the firm’s financial and administrative matters. The majority of women in both groups managed household finances with major financial decisions being discussed before joint decisions were made where women had partners or husbands.

A minority of women raised the subject of feminism and gender, with two being within financial services and one from other sectors. In particular, Gail (FS) articulated her views on
gender and pay difference with ‘males being paid more money because they’re males’ and ‘he’s the main bread-winner’ from observations in her corporate workplace. Kim (OS) recalled her father’s announcement regarding land subdivision between herself and her brothers:

…that doesn’t seem fair…what about us? Well you’ll get married and someone else will be looking after you and the boys will have to take that role on, so that’s what’ll happen.

The women who discussed gender issues in family and work environments were aware of its influence and had adapted to the circumstances. One women explained that even though she worked for a stockbroking firm, gender never really came up until she decided to have a family.

Racial and gender equality were discussed by a minority of women and informed their values. Denise (OS) explained that issues of money really came to the fore when she was very badly bullied at a public high school and ‘…subject[ed] to racist taunts and was threatened to be beaten up because I was a wog. It was a terrifying year for me but I did learn a lot about resilience. But the short point of a long story is that my parents decided to send me to a private school.’ Her mother returned to work to pay school fees. This participant clearly understood the role of money and her mother’s commitment to work so that her daughter could receive an education in an environment free from racism.
5.6 Findings for Values

Findings suggested that parents and significant others taught adolescent women personal values and attitude to money by modelling behaviours that would support their daughters as they matured. The values described in this thesis were identified by the participants and clearly determined their mostly confident approach to money management. Being motivated to learn about financial concepts, and making both good and poor decisions as well as learning from those experiences indicates a confidence and willingness to exercise emotional control to build financial resilience (Farrell, Fry & Risse 2015). Similarly, Bandura (2006) describes people as being ‘self-organising, proactive, self-regulating and self-reflecting’ (p. 164), which means that they actively engage in creating their lives, and make changes when they sense that they are not as satisfied with life as they could be. These personal qualities resulting in positive behaviours are based upon values acquired from childhood and enhanced and adapted as women mature.

Values underpinned the women’s belief systems and behaviours, which included managing personal finances. Values, coupled with a strong work ethic observed and instilled by parents influenced the women’s attitude towards money as this was the reward for working. These three attributes – values, work, and attitude to money – underpinned much of the discussion. Specific values revealed were achievement, ambition, challenge, dream, care, control, giving to others, feminism, and responsibility. These values were identified by the participants in the language they used and have been retained to preserve the integrity of the data.
Achievement and Ambition. A significant finding was that the motivation to achieve was high with women who wanted financial independence, freedom, and financial security. Most women described themselves as achievers or high achievers and that achievement was important to them. According to Eccles (1987, 2011) achievement is researched from the perspective of gender, education and work.

Control. Findings suggested that many women controlled the family’s personal finances and enjoyed this task; they liked to know what was going on. Some referred to themselves as ‘control freaks’ and as most husbands or partners did not enjoy household financial management, women undertook the role. Current literature refers to men being more financially literate than women and generally managing household finances (Behrman et al. 2012; Fonseca et al. 2012; Theodos et al. 2014). This finding offers some contrary evidence in that women controlled household finances because they were financially literate and capable of undertaking the task. It extends the financial capability and women’s literature to date.

Independence, Security, and Responsibility. Findings suggested that independence, security, and responsibility were critical to women’s financial capability. According to Lusardi and Mitchell (2008), women are generally financially illiterate and because of this deficiency, they do not make plans. There is an oversight in the literature regarding middle class women and these findings address that oversight.
Chapter 5 presented an analysis and findings of the two stages of research undertaken in the thesis. It identified the importance of adolescence in providing the foundation for maturity, evidenced by family socialisation and positive role modelling. If this foundation was not provided in adolescence, adult women sought the influence of significant others. The influence of having immigrant parents was profound as these parents demonstrated the financial reward of a strong work ethic. The notion of having an opportunity to create a new life for themselves and their families meant that these women showed a determination to succeed and be successful in their adopted country. Additionally, values are paramount in women’s resilience and ability to make good decisions assisted with their financial capability.

Model revision

Based on this analysis, the Model of Factors Influencing the Evolution of Middle Class Women’s Financial Capability was expanded from two themes, Parental Influence and Values, to include five additional themes that were emerging from analysis. These are illustrated in the following figure. The arrows do not indicate specific stages in the life cycle or the linear relationship between factors. The arrows show the relationship between factors uncovered during analysis and identify some aspects of each factor as they influence each other indirectly through parental influence.
Figure 5.4: Theme Model v1 – Factors Influencing the Evolution of Women’s Financial Capability

Themes such as emotions, life stages, relationships and financial decision-making were critical in the development of women’s financial capability. These are analysed in Chapter 6 and Chapter 7.

5.7 Summary

Values, established from parental role modelling and as described by the women, were key drivers in their sense of knowing themselves, understanding money management, and
balancing personal needs and wants with those of others. Values determined their ability to learn new knowledge, gain new skills and experience as required to establish basic financial literacy and enhance their financial capability. As Beth (FS) stated, ‘Money determines when, not if, something may happen’ because its role as a tool in shaping one’s life is based on one’s values.

In sum, this chapter discussed the analysis of two themes and summarises findings from interviews conducted with adolescent and adult women, which uncovered five factors that influence how women become financially capable. Key issues arising from this chapter were that modelling and values provided by parents, extended family member, and friends provided the foundation for women to gain economic knowledge and skills to be financially capable and resilient. Values such as achievement, ambition, and taking responsibility for personal actions were demonstrated by caring for family and others and ensured that this cohort of middle class women made good financial decisions to assist them have the life they desired. The next chapter discusses Emotions and Life Stages and their role in women’s relationship with money.
Chapter 6: Analysis and Findings – Emotions and Life Stages

6.0 Introduction

The purpose of the chapter is to present analyses and findings of themes, Emotions and Life Stages that influence women’s financial capability. The role of emotions in middle class women’s life stages were identified as important elements in their decision making as they were required to consider the present situation and future well-being. Women identified the happiness they experienced when they were leading their desired lifestyle which included the well-being of partners and family. For those who experienced health crises, concern for their future financial security was a motivator to prepare adequately for these future by making good decisions. Women in senior management roles who had experienced redundancy from full-time employment identified feelings of frustration and aloneness attached to an identity transformation as they adapted from work to home duties. This event also caused a significant change to their financial security and independence due to a lack of income. Women’s resilience ensured that they preserved their independence by being aware of emotions in making sound decisions.
6.1 Theme 3: Emotions

Emotions play an essential role in making decisions but especially so with financial decision-making. Most women have practical knowledge and skills to make good choices in a majority of situations but can be sabotaged by their feelings in financial decision-making. Additionally, individuals progress through many life stages as they mature from infancy, childhood, and adolescence to maturity. While it may appear that this process is sequential and linear as most people follow this developmental path, the time at which events take place differs for all individuals in respect of any number of factors such as culture, race, religion, and politics. This was because women were required to consider their present situation and plan for future well-being.

While emotions were not explicitly explored in this thesis, the majority of women described emotional responses that they experienced with money. Four women explained the pain of enduring an identity transformation caused by being made redundant, being a full-time parent, and wanting to work; becoming a mother and not actively engaged in full-time paid employment; undertaking full-time post-graduate study and relinquishing full-time paid employment, and re-entering full-time paid employment after full-time parenting. Several women spoke of health crises, either suffered by themselves or close family members, while the majority of women described feeling pressure, fear, stress, and struggle to happiness in describing their relationship with money. Most women commented that while money was a useful tool by which to manage their lifestyle, they were aware that it did not buy happiness.
Money was seen as an enabler and a reward for hard work, for example, to take holidays and other discretionary spending. By enhancing well-being, it helped reduce stress, fear, and pressure of not having enough. Women’s responses were articulated in posing *Q2: Tell me about any of your experiences with money from that time (16 years) to the present in ten year intervals.*

**NVivo Analysis**

The NVivo analysis confirmed this theme by providing a more detailed analysis of the data. Figure 6.1 illustrates this node.

**Figure 6.1: NVivo Node Emotions**

<table>
<thead>
<tr>
<th>Emotions - stress, struggle, pressure, fear</th>
<th>Sources</th>
<th>References</th>
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<tbody>
<tr>
<td>Balanced lifestyle, Lifestyle</td>
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<td>89</td>
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<tr>
<td>Happiness - well-being</td>
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<tr>
<td>Health crisis</td>
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<td>32</td>
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<tr>
<td>Identity rupture</td>
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**Theme-Category Analysis**

The Theme-Category Analysis uncovered Theme 3: Emotions.

**All Women**

**6.1.1 Balanced lifestyle**

Money was important for all women and was seen as a means to an end. In other words it helped them create and sustain their chosen lifestyle. As Beth (FS) explained: ‘I think it helps us; it helps us have choices. Without money you don’t have a choice’. Some women engaged in the financial sector identified the tension between receiving generous salaries and happiness. The trade-offs identified were time spent with family and friends, work
responsibility and accountability, and the desire to enjoy experiences that money can provide. Lisa (FS) stated: ‘just because you’ve had pay increases and bonuses, with it comes responsibility and accountability. For me it feels more important to be happy at what I do rather than all of the money that goes with it.’ Similarly, Vicki (OS) explained: ‘It’s not defining me, I’m defining myself’. These statements indicate a confident ability to manage money and a respect for the effort required not only to make it, but the ability to make intelligent decisions.

On a different note, Vicki (OS) explained how her then partner declared himself bankrupt through his unsound financial decisions. She found herself inadvertently categorised as a bankrupt because of her relationship with him. Nevertheless, she took responsibility and repaid half the debt. This experience left her feeling hurt and angry. Vicki (OS) described: ‘being isolated from family and you know, not having support emotionally or financially from anybody, really does shape you in a sense. She explained:

I think having a bankruptcy listing really annoys me, ‘cause I wasn’t. If I was bankrupt, fine, I deserve to have it up there. I don’t see how a debt arrangement can be made to look as if you’re bankrupt. I think that’s really, really unfair.’

Vicki (OS) also revealed a time when she was first married that she did not enjoy the role of being responsible for managing personal finances and ‘got really tired of that’. When asked why this might be, she responded by saying that she was naïve to the world based on early family influences. She did not want to be responsible for money ‘so I’m quite scarred from that and that’s why I don’t like money’. Being afraid and disliking money indicate unfortunate
consequences of not having supportive family to demonstrate how to manage money beyond basic financial decisions. Life experiences have been instrumental in her current financial capability which fortunately has improved over time.

Other adverse emotional responses to money included fear, stress, pressure and struggle. Generally, change in life situations that involved financial change as well such as leaving home, moving interstate for work, and redundancy as well as changes in relationships raised feelings of anxiety. The women’s courage in adapting to change was critical for their ability to cope as a functioning individual, demonstrating the power that money can exert and the resilience required to manage personal feelings. Nine women described a fear of failure and of not having sufficient income or savings. Sarah (OS) described having a fear of failure and realised that she had ‘always placed unrealistic expectations of myself and how I should be managing my life’ only to realise that no-one was expecting anything of her. Once she reached this conclusion and made attitudinal adjustments, she became more relaxed and contented and so did her family. Linda (FS) who is a single woman commented that her fear was ‘of not having a source of income, it’s a big fear or having something behind me.’ It was important for Linda to be employed and have an income so that she could save for the future. It was imperative that she was not only employed but employable, which means she makes every effort to maintain education and skills.
Seventeen women commented that at various times in their lives they had felt stressed, pressured or struggled with financial issues. The stress and struggle to make ends meet was onerous for some and most women in this situation fortunately found better paying roles to solve the issue. Beth (FS) described a time when her family was under financial duress:

So it’s probably six months where it was hard and tight. It was the first time ever that I’ve got calls from bloody credit card companies at night...saying “when are you going to make your payment?” But absolutely...you are under enormous stress as an individual…

When this period passed and balance was restored to the family’s financial situation with parental assistance, more moderate and realistic goals were set compared to the previous ambitious ones. While participants disclosed adverse feelings about money, they were committed to working and ensuring there were sufficient funds to meet their financial responsibilities.

6.1.2 Commitment phobic

Three women, two from within financial services and one from another sector, described a fear of commitment or of the desire to be rescued. Sally (FS) explained having a Cinderella complex or ‘a real morbid fear about commitment to a mortgage’. She believed that she would not buy property as she was ‘waiting for Mr Right to come along, and God damn it, he never did.’ Consequently over time, she accepted that this was not going to happen. She stated that ‘so now we’re quite resolved about there being no Prince Charming…bugger it, we’re doing it on our own.’ One other participant expressed her fear of commitment to buying property, content to live in a share house arrangement. While Christine (FS) explained that she would
like the security of having her own home, ‘having never bought a property before, it’s a bit intimidating.’ Taking action for the first time may be daunting but with the ability to learn, being financially strong and having the support of friends and colleagues, making the decision could be easier for her than for others in less fortunate positions.

In a slightly different vein, one woman said that she would like to be rescued. This is subtly different from a fear of commitment but indicates a dependency on others to take care of life matters. Vicki (OS) said: ‘That’s why I would really like someone to rescue me (laughing). “Here’s your little allowance. We’re putting all this away so that one day you can stop working”’. It is worth noting that despite being well-informed and successful in financial services or working in another sector, this reluctance to act or desire to be rescued offers an insight into the patterned gender thinking that some women need men involved to help make major financial decisions. This belief highlights the tensions between gender, having knowledge and taking action, which is the basis of capability and the willingness to choose to take opportunities. For one woman especially, her resilience allowed her to make the commitment to purchase property on her own. For another, who has managed divorce, bankruptcy, and single parenting of two young children who are now adults, she now holds a senior management role in health services. Her resilience will no doubt see her buy property in the future as this is her goal.
6.1.3 Health crisis

Six women said that health crises that were either personal or with close family members had influenced their awareness to be financially strong. Personal medical conditions described included cancer, stroke, a skiing accident, In-Vitro Fertilisation treatment and Crohn’s disease. Other family members’ serious health issues brought home the reality of having sufficient funds to pay for treatment and care as well as health insurance. Gail (FS) commented: ‘…in my late 20s, I was diagnosed with a chronic medical condition – [Crohn’s] and was very, very ill so I had to spend a lot of money on medical tests and hospitals and medication etc...that was a dark period.’ The financial consequences for those women who had experienced a health crisis brought into sharp focus their capacity to work and receive a salary because changes to this situation could result in financial hardship if they had not or were unable to make good decisions.

6.1.4 Identity transformation

Six women discussed identity transformation. Five women reported the frustration with losing their identity when leaving full-time paid work to take the role of full-time parenting with their young children. One woman especially expressed her struggle with being made redundant from a senior corporate role after a long employment with the one organisation and being at home with her children who were now at secondary school. Beth (FS) commented:

…the because your job becomes your identity when you have actually had a career. But so much of my identity, and I wasn’t just a career woman, I’d always been a balanced person, strong family, enjoyed other things, but all of a sudden my identity was really in question because (sigh) what was my identity.'
Her pain, disappointment, and sense of dislocation were palpable as she grappled with making sense of her changed circumstances and what this now meant for herself and her family. The process of adapting to a domestic situation that was not entirely fulfilling or what she would have chosen from herself, was challenging. Her efforts to re-enter the paid workforce were unsuccessful but she was determined to be employed in a role similar to her previous one. Her persistence and resilience will be to her advantage.

Two women described how they felt they were not pulling their weight with their significant others’ businesses as they were full-time mothers and not earning their own income. One particularly did not like having to compromise with her partner about investment decisions that she used to make herself when earning her own income; clearly, she disliked being dependent on her partner even though he assured her that her contribution in the home with young children was highly valued. Michelle (OS) said: ‘You know where you’re at work and you’re focussed and you feel like you’ve earnt that money, I feel like I’m sort of second-class now.’ This woman too declared her frustration with feeling inadequate about not contributing financially towards the household income and struggling with being a mother at home. There was also sense of guilt about receiving income without physical exertion. Her view of ‘doing the books’ was not her idea of working. However, when the children have gone to school she may resume her teaching role which will present another change and require adapting to a new situation. Her ambition and determination will no doubt ensure that she will be contributing financially to the family’s income.
Another spoke of feeling vulnerable and uncomfortable since having children, taking leave and returning to part-time paid work and not receiving full-time salary, resulting in a greater financial dependency on her partner. Another women with children now at secondary school is exploring full-time work again as she wants to reclaim her financial self-reliance, while Diane (FS) struggled with finishing full-time paid employment to pursue full-time post-graduate study only to find she prefers the sociability of working and studying on a part-time basis. In contrast to the previous sample, one woman described how she was enjoying her new identity. Kim (OS) stated:

Well I guess the theme that keeps coming up is that I feel that I am pretty responsible. I'm nearly 54 with a job that I love and a whole change of identity in a way over the last four years. And I guess that I was able to take that step away, almost a sabbatical, knowing I had confidence that it would be the right thing to do, and I wasn’t sure what that would lead to. But it’s kind of all worked out, so I’m sitting here with a new house and a new job and a new PhD and it’s all feeling pretty good.

This participant’s self-confidence and life experience of marriage, divorce, single parenting with now two adult children and a stable relationship demonstrates her ability to responsibly assess risks and make good decisions to prepare for the future. While money was not one of her motivators, backing herself has meant that she is financially capable and enjoying the rewards.

Identity transformations took a number of different forms and each disruption presented the women with challenges and opportunities. As they all demonstrated determination,
perseverance and resilience in facing the changes, it can be concluded that these attributes are vital for financial capability.

6.2 Findings for Emotions

Women who had been made redundant from employment described feelings of sadness, anger, relief, and resignation at this event. Work plays a large part of many women’s lives and being unemployed, even if only temporarily, is a disruption to normal life patterns. While redundancy is a life stage, the emotions associated with not working were a significant finding. The link between middle class women and their emotional response has not been addressed in the literature. Damasio (1994, 2000, 2003) has written extensively on emotions, feelings, and the physical responses to these, while Ariely (2008) and Diener and Seligman (2004) research financial choices from an economic and sociological perspective. Because of the paucity of literature on women’s financial capability, these findings extend the existing literature and address this oversight by discovering women’s emotional response to a redundancy event.

Beginning with positive emotions, many women expressed feeling satisfied when they had either made some positive steps towards having a balanced lifestyle or that it appeared achievable. This was evidenced by feeling secure and independent because they had sufficient money to manage their lifestyle. They were aware that money did not buy happiness. A few women expressed their fear of commitment which led to delaying or avoiding critical
decisions such as buying property. Others spoke of the shock and disorientation caused by health crises suffered either by themselves or close family members and many women expressed feeling pressure, fear, stress, and struggle to happiness in describing their relationship with money. The emotions of pain, upset and frustration of undergoing an identity transformation from being made redundant, changes in becoming a mother and no longer in full-time paid employment, as well as re-entering the workforce after full-time parenting were described by several participants.

Emotions are a critical component in determining how one responds or chooses to respond to a stimulus because good decisions can only be made if and when an individual is able to self-regulate to carefully assess the situation. Emotions, like values, are critical in building financial resilience as they play a key role in determining how best to manage money to enhance well-being by helping to reduce stress and fear of not having enough.

6.3 Theme 4: Life Stages

Individuals pass through many life stages as they mature from infancy, childhood, adolescence to maturity. While it may be observed that this process is sequential and linear as most people follow this developmental path, the time at which events take place differs for all individuals, in respect of any number of factors such as culture, race, religion, and politics. Life stages identified were education, leaving home, work, married or partnered, having children, divorce and separation, redundancy, retirement, and death. While all stages of life
are significant, education, work, redundancy and death will be described in more detail because they were critical for most women in securing their financial future. Responses were obtained by asking *Q3: Could you describe in as much detail as possible some important events over time that may have influenced your experiences with money?*

**NVivo Analysis**

The NVivo analysis confirmed this theme by providing a more detailed analysis of the data.

**Figure 6.2: NVivo Node Life Stages**

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<td>9</td>
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<td>38</td>
</tr>
<tr>
<td>Having children</td>
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<td>Leaving home</td>
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The Theme-Category Analysis uncovered Theme 4: Life Stages.

**6.3.1 Education**

*All Women*

The majority of women had a tertiary education and described how this helped them gain well-paying employment in their preferred careers. The thirteen women in financial services had a degree, with three having post-graduate qualifications. Of the thirteen women in other sectors, ten were tertiary qualified and six of those had completed post-graduate studies. Three women had left school from high school and had not pursued further education. Mostly, parents supported their daughters’ expectation to receive a sound education. However, where
parental support was not offered beyond a basic secondary school education, some women were influenced by significant others such as friends and extended family members to pursue further educational goals.

Women Within Financial Services

Seven women within financial services stressed the importance of having a tertiary education as they believed the sector offered greater opportunity to gain well-paying roles compared to other sectors. Susan (FS) stated: ‘the importance of education has come through…if you’ve got a good education…that certainly stands you in good stead to certainly provide for yourself’.

Additionally, three in this cohort described themselves as being ‘comfortable with numbers’. For example, Karen (FS) commented: ‘some people are scared of numbers or whatever, I get numbers and I find numbers easy.’ This meant that while these women may have completed tertiary qualifications with a strong mathematical focus, their foundational degrees provided the opportunity to explore other employment avenues where there was a requirement for numerate and social skills. Hence, they were attracted to financial services, which they described as a challenging, satisfying, and generously remunerated environment in which to use their education.

Two women who immigrated to Australia as children, were strongly influenced by parents to gain a good education so that their daughters could have highly regarded and well-paying
careers. While their parents’ aspirations were for them to pursue medical or legal professions, these women undertook other qualifications and entered financial organisations to work.

Women in Other Sectors

Further education appeared to be highly valued by those from other sectors. This could be attributed to a wider diversity of industries in which these women worked, with six working in government or education and two involved in small business. Three women left at high school and did not pursue further education. These women’s decisions appeared to not have adversely affected their ability to earn good salaries. In 2010, Sarah (OS) received an award for Young Business Achiever of the Year when she was in her late twenties. However, as the business quickly grew and was generating income, she realised that she did not have the necessary skills to continue so closed it with debt to repay. This woman’s initiative and courage to finish one venture and find employment shows determination to make money as she now had two small children to support. While she had studied at NIDA and successfully completed her course, her preference for learning appeared to be from life experience compared to traditional formal education. Her determination, conscientiousness and resilience would indicate that while education may be advantageous for improving chances of gaining well remunerated roles, it is only one aspect in the attributes required for women to be financially independent and capable.
6.3.2 Work

The role of work is critical to women’s financial independence and financial security. All women expressed how important work was to them, whether it was part-time while they were studying or later when they were in full-time paid employment.

Three women were engaged in small business, either in a professional partnership working four days a week, or with their husband or partner in the business. When Denise (OS) decided to go into her own business, her husband ‘gave me the $20,000 you see, so it was his money’. In another instance, Renee (FS) ‘funded the purchase of a financial planning business and he [her husband] started his own business’. These couples worked in a harmonious partnership. In the first instance, the husband was not involved professionally in his wife’s business and in the second, the wife had an interest in the business but was not actively involved in the day-to-day running. Similarly, another woman in business had a similar arrangement to the previous case where the husband was involved in the daily management of the business and she was responsible for administrative matters. In the last two cases, the women had chosen to stay at home and care for the children, allowing them the flexibility to work and fulfil their important parenting roles.

While work was important for earning money, a majority of women described the passion they felt for their work, the satisfaction it offered, and how they enjoyed their roles. For example, Beth (FS) commented: ‘And so work does give me that. It gives me a lot of
frustration...but one of the things is social interaction and the intellectual discussion...the challenge and the how can we do this’. Work provides other benefits aside from monetary rewards. Susan (FS), Linda (FS) and Pam (OS) described the importance of being employable, not just employed. This distinction meant that being employable offered choice as Susan (FS) said: ‘so my career has been about developing a different type of experience and a skill set so that I’m employable not only employed by a particular firm’. Preparing for different work opportunities indicates a commitment to ongoing skills and knowledge development to remain valued in their respective industries. This self-awareness and motivation to retain employment can be seen as an intelligent decision to maintain their future financial security. A different aspect of employability was evidenced by five participants within financial services who explained that they were often approached for new roles. This was attributed to their good reputations, tertiary education qualifications, strong work ethic, being flexible and ambitious, a little bit of luck, and being in the right place at the right time. This is not unusual practice for women who have the talent and personal qualities that are required by organisations. What was revealing was the participants’ honesty in offering this personal information as it showed their level of self-confidence, openness to opportunity and willingness to change as evidenced by their resilience to ensure personal and financial well-being.

Women have a strong presence in the workplace and the financial rewards that are commensurate with working means that women are vital to creating their own or contributing to a family’s well-being through their financial capability.
*Leaving home*

Most women described leaving home as an important step in their quest for independence enhanced by either further education or employment. Five women within financial services moved interstate to capital cities because this is where head offices of major financial organisations are located. Moving to an organisation’s head office meant that a greater number and more diverse opportunities were available when one was strategically located. Additionally, four women from other sectors left home and moved interstate for better employment prospects. A notable observation was that three women returned to their home states because of parents’ ill health. As well, two women believe that in the near future, they may need to consider returning to their parents’ homes due to family care responsibilities. In all cases, this decision could be interpreted as selfless in indicating women’s compassion to relinquish careers to care for ageing parents or other family members with health challenges. Strong family ties underpinned by core values of respect and responsibility for parents’ well-being illustrate women’s resilience to adapt to change and responsibly manage life events.

*Marriage, children, divorce*

Getting married, having children and getting divorced were critical life stages in the majority of women’s lives. For some women who were currently single, they had not married or been in a partnership, were either divorced with adult children or with a partner. Whatever the circumstance, this stage was pivotal to influencing their financial state. All women who had children said that their well-being was most important. Renee (FS) summed it up with: ‘And one does not realise how expensive children are until one has them’. A good education was
paramount and while this did not necessarily need to be at a private school, women wanted what was best and most affordable for their children. Again, Renee (FS) stated: ‘But do you know what, I think now as a parent, my biggest gift I can give my children is a good education.’ A good education usually means school fees, which are generally expensive, and paid employment provides the funds to enable this choice. For women who were divorced, the cost of their children’s public schooling was challenging, as occasionally former partners were reluctant to contribute more financially than what was required. Another woman explained that it was important for her and her husband to ensure that there were sufficient funds saved to educate their child who has special needs. They estimate that his education will cost more than usual because extra resources will be needed as he grows. This woman’s careful financial management ensures that her son’s future is taken care of and is testament to her capability and conscientiousness.

Women were determined to raise their children to be responsible with money. Jill (OS) offered insights from giving her sons pocket money:

…we’re modelling for the boys…put[ting] the foundations down for them to have a successful life financially by giving them pocket money, and then having [they have] to decide what to do with it…and even negotiating with each other. So it’s fascinating to watch all the schemes they come up with.

Similarly, Paula (FS) and Susan (FS) explained that they wanted to teach their children to save and to understand that ‘it’s [money is] not just given to them on a silver platter’. They wanted them to ‘understand the value of working for it [money]’. This desire for women to act as role
models for their children not only confirms their financial practice but ensures that their behaviour provides a foundation for their children’s money education.

6.3.3 Redundancy

Five women from within financial services and one from other sectors, described their experience with receiving a redundancy package from their employer. The women from financial services used the money to enhance their financial situation, either by investing, extinguishing mortgage debt or acquiring property. This contrasted with the women from other sectors who invested the funds to reduce her mortgage. The effect of receiving a redundancy package, while generally financially advantageous, resulted in identity issues for some women from within financial services as they struggled to adjust to not having a career. These decisions identify that the effects of receiving a redundancy package are experienced in two areas of financial decision-making as well as emotionally as both aspects are important in ensuring well-being. This was addressed previously in theme, Emotions.

Three women said that when their respective husbands had received redundancies, the families were financially secure because of the generosity of the payout. One woman’s husband said that part of the redundancy money was his and he was keeping it as a nest-egg. Lisa (FS) stated that apart from allocating a portion in an offset account: ‘…he doesn’t really want anyone to touch it. He sees it as his money’ and found this perplexing as she willingly uses her salary to create family well-being, retaining little if anything for herself. While there may have valid reasons for his quarantining these funds, it was revealing that he did not want
to share, which contrasts with her behaviour. This demonstrates the difference that is evident in perceptions of money between women and men, for instance, ownership, management, and financial decision-making, which all have consequences for financial capability.

6.3.4 Death

Seven women described the impact of the death of a parent, sibling, or close family member and how this informed their views that life was not solely about making money at the expense of health. Denise (OS) commented: ‘…as it turned out my father died when he was reasonably young - when he was 59 from cancer – and now I’m just so glad, because no amount of money would buy that time back.’ Similarly, Michelle (OS) said: ‘Sometimes I think you can’t have it all. People think that money buys you happiness, but it doesn’t and I think you need to put it into perspective and live, not wait.’ One participant described the situation where her grandfather’s death left his wife in financial chaos influencing the participant’s determination to be independent and financially organised. Another explained how the death of her grandfather informed her decision to set goals and aim for a balanced life. Similarly, the obsession of accumulating money and not enjoying life resulting in premature deaths of two people a participant was close to informed her decision to live a balanced life.

Women’s relationship with money changed over time as they chose to leave home, gain an education, work, and decide to be single, marry or live with partners. Once children arrived, the women’s focus was on providing a secure financial future for them, which was made possible by the women’s commitment to full-time employment. While the impact of receiving
a redundancy package was seen as a positive event by easing financial constraints, a few women described the emotional struggle they experienced at this time due to the transformation of their identity from having a successful career. Planning for retirement appeared to be either considered and actioned or was a theme for the future, especially for women who had more than fifteen years of full-time work ahead of them. The subject of death, life, and pursuing wealth had a powerful impact on those women who had experienced the loss of immediate family members. In summary, the close connection between women’s life stages and money is paramount to the well-being of themselves, significant others, and families.

### 6.4 Findings for Life Stages

A significant finding was that life stages, also known as the life cycle approach in research by Blanchflower and Oswald (2004), Diener (1984), Plagnol (2011), and Povey, Boreham and Tomaszewski (2013) extended this research by adding women’s financial capability to the current literature focused on well-being and happiness. These scholars argue that income is an important factor in determining people’s well-being as it ensures that they can fulfil financial obligations. However, other factors such as continuing employment, age, health, marital status, and the mix of assets and liabilities are as important as income in creating well-being through life.
Education. This finding extends the work of (Johnson & Sherraden 2007; Sherraden 2010) thus the contribution to the literature is that education was pivotal for most women as a good education offered greater opportunity to gain well-paying employment. Education and work were strongly linked to financial independence and financially self-sufficiency, which are sound indicators of financial capability.

Work. Findings suggested that work is critical to middle class women’s financial capability. According to Figart and Warnecke (2013) when women are financially independent or contribute to the household income through paid employment, a level of well-being may be created for themselves and families. In a review of work and family research during the period 2000 to 2010, Bianchi and Milkie (2010) identified six central topics that have emerged in this area. In summary, these refer to work in the home, in the workplace, caring for children, and work and family conflict and effects on health and policy (Bianchi & Milkie 2010). Further, Cheung and Halpern (2010) argue that working women in middle to senior management positions were able to integrate work and family roles. This was managed by utilising flexible working conditions and family support. While women experienced hardship and strain at work and at home, they managed to overcome difficulties to achieve their goal of living a ‘dually successful’ life (Cheung & Halpern 2010, p. 191). Findings from this thesis add to the literature by linking women’s financial capability to work and small business. While all stages of life are significant, education, work, redundancy and death were described in more detail because they were critical for most women in securing their financial future.
Model refinement

Based on this analysis, the emergent model was reconfigured to demonstrate how the socialisation process was influential in assisting women develop their ability to manage their personal finances in accordance with changing life circumstances. This is illustrated in the following model.

**Figure 6.3 Theme Model v2**

Source: Author

### 6.5 Summary

Chapter 6 has presented an analysis and findings of the importance of emotions and life stages for women making informed decisions regarding their financial well-being. The aspiration for a balanced lifestyle motivated women to work in order to fund their desired lifestyle. They were aware of the amount of time allocated to paid work and the effort required to then apportion time for family, friends, and themselves. However, women were satisfied that the freedom offered by having sufficient money was worthwhile. At times, the work/life conflict raised stressful and pressured emotions. At these times, women’s resilience to find better
paying roles was their solution to change their circumstance. Health crises meant that good financial decisions were required to secure future financial well-being. Redundancy forced some women to confront an identity transformation. This change meant that the women’s resilience ensured that in relatively short time, they secured suitable employment to secure their financial position and retain self-confidence. The links between themes and constant change in women’s lives mean that the themes influence each other over time. This movement is not linear and one directional. The knowledge and experience loop offers women the opportunity to learn and develop their financial resilience, which is characterised by the ability to change.

The next chapter will discuss relationships and financial decision-making, leading to financial capability.
Chapter 7:  

7.0 Introduction

The purpose of the chapter is to present analysis and findings for themes, Relationships and Financial Decision-Making. Key points that were identified were that relationships are essential for middle class women’s well-being. For single women, relationships with family and friends provided security and a trusted environment where financial matters could be discussed to assist with making good decisions. Married and partnered women in this cohort identified that they controlled household finances because they earned more than their partners and women enjoyed making decisions and being responsible for family members. However, men wanted to participate in large expenditure decisions, possibly because of power relations within the partnership.

7.1 Theme 5: Relationships

Relationships are vital to women’s well-being as most people make sense of their world through communicating with others. Single women regard relationships with family and friends as providing a secure and trust environment where financial matters can be discussed to assist with making good decisions. Married and partnered women in this cohort identified that they controlled household finances because they earned more than their partners. Along with enjoying being responsible for family members and making decisions, men wanted to
participate in large expenditure decisions, possibly because of power relations within the partnership. This was evidenced by all participants who attributed their early experiences with money to family, significant others, and close friends. Responses were prompted by asking Q4: What are the factors that you consider affect your relationship with money over time?

NVivo Analysis

The NVivo analysis confirmed this theme by providing a more detailed analysis of the data.

Figure 7.1: NVivo Node Relationships

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<th>Sources</th>
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The Theme-Category Analysis uncovered Theme 5: Relationships.

Relationships referred to include those with spouses, partners, children, family, extended family members, and close friends. Relationships were women’s strongest motivation for being. Whether having children or not, being responsible for or connected to others seemed to sustain women’s decisions to work to provide a secure financial future. For women with young children especially, their well-being was of paramount importance compared to other aspects of life. For example, the daughters of Andrea (OS), aged sixteen and fourteen, said to their mother several times: ‘You’ve brought us up really well Mum’, which must be a welcome compliment for any parent. From a different perspective, Susan (FS) whose family conducts family businesses was very aware of the importance of family relationships and intergenerational wealth transfer. In her role as director of family trusts, she commented that
‘lessons of family then mirror some of the lessons I’ve learnt in business’. Similarly, she stated:

So I guess the role of the family…is actually very crucial in my relationship with money and how that is actually managed, not only at an individual level but also at a family level, but also between generations as well.

This woman is very aware of family business responsibilities, both from a personal and financial perspective. This experience has enhanced her financial education to ensure that she is not only personally financially astute but that other family members must be considered in decisions.

Relationships with close friends helped some women who did not have positive role models to teach money management. Linda (FS) stated: ‘I actually learnt it [saving] through friends more than anything. I remember in particular [a friend]...was earning a lot less than me, but she …direct debited into this account all the time and it grew and I think that made me think, “Oh, and you don’t miss that money”. So I started off small’. This decision indicates a determination to be financially independent and a willingness to learn by observing the actions of a friend who the participant considered a good example of responsible money management as well as someone she trusted.

Similarly, a friend’s influence was evident with Jill (OS) who commented that while her parents modelled basic money behaviours, it ‘was a revelation to me later, that...there’s other
ways to actually generate income other than just going to work’. Her friend observed that she needed other investments and with her permission, set up a product with a small regular deduction from salary that did not adversely affect her situation. Fortunately, this account increased in value over time so that she was able to place a deposit on a property without needing to access funds from other sources. Again, the participant’s decision to trust her friend indicates an openness to learning, coupled with the goal of financial security. Women’s relationships with family, significant others and friends were critical for financial security because when information or advice was sought, it was this group of people that most women trusted and referred to for assistance.

7.2 Findings for Relationships

Findings suggested that relationships play a critical role in women’s lives and consequently their financial capability. According to current literature and a report by the Financial Literacy Foundation (2008), women have an adequate level of financial literacy based on quantitative research but qualitative data were not gathered. This oversight in the literature was addressed by linking middle class women’s relationships to their financial capability by showing that while income plays an important part in quality of life, it is only one component of living. Relationships are vital to women’s well-being as most people make sense of their world through communicating with others. Relationships referred to include those with spouses, partners, children, family, extended family members, and close friends.
7.3 Theme 6: Financial Decision-Making

There are several elements in this theme which are all important as they represent the ability to make good financial decisions. Three main elements, 1) Acquiring property, 2) Superannuation and 3) Managing personal finances will be examined because these were common to all women. Responses were obtained by asking Q5: *As you look forward, can you describe your future and the role money plays in this future?*

A majority of women described how buying property was an important personal and financial milestone to achieve, as owning their own dwelling represented security, independence and freedom. Many saw this investment as ‘forced savings’ represented by the mortgage payment and for some it was an additional investment to superannuation in preparation for the future.

The NVivo Analysis confirmed Theme 6: Financial Decision-Making by providing a more detailed analysis of the data.

**Figure 7.2: NVivo Node Financial Decision-Making**

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<th>Sources</th>
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<td>Superannuation - Legislative changes, Risk appetite, Investing</td>
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The Theme-Category Analysis uncovered Theme 6: Financial Decision-Making.
a) Acquiring property

Most women preferred property as a more suitable asset to invest in compared to shares and managed funds because property was a tangible commodity that they could see and they felt comfortable owning. In other words, they were in control of the investment, unlike shares and managed funds. A majority of participants were aware that salary alone would not create long-term wealth as additional income needed to be generated from investments and in some cases, business. A grandfather’s influence was fundamental in Diane (FS) establishing her beliefs about wealth creation. She explained that ‘working for a boss is never going to bring me financial freedom...earning a salary was never going to make me financially independent.’ While her salary paid general living expenses, she believes in her ability to transform her properties to create an alternative income stream.

Several women wanted to buy property for their children to provide for their financial futures. For example, Jill (OS) stated: ‘I guess another thing that changed with having kids is that rather than wanting to be comfortable for my life, I actually want to be able to set them up.’ The responsibility of providing a secure financial future for themselves and others was evident in the women’s abilities to make good financial decisions.

b) Superannuation

All women were aware of superannuation because of employer contributions and most considered it positively as an important part of their financial future. It was described variously as partially funding their lifestyle when they stop full-time work and adds to their
property investment income. Access to tax concessions, compulsory saving, the flexibility to make additional contributions, and the ability to change to an income stream were seen as advantageous in realising the goal of being self-funded in retirement. However, not all women saw superannuation in a positive light. Constant government legislative changes and not trusting those who manage the funds were concerning because it created disruption to some women’s future plans. Gail (FS) explained that while she agrees with it in principle, she has ‘just been really turned off superannuation. But where I’m getting very, very concerned with it is that there are too many changes and with the too many changes, I have lost trust and confidence in superannuation.’ Another viewed superannuation the same as the stock market. Michelle (OS) was confident to do her own investing and was ‘very, very suspicious’ and ‘don’t [didn’t] trust governments’ with her funds. Another participant described her suspicion regarding superannuation because of her European parents’ experience of losing their savings when leaving Poland. Hence, she invests outside of the superannuation environment while acknowledging employer contributions to her fund. The preferred investment was in property for reasons explained in the earlier section.

Conversely, there were a few women who understood superannuation as a strategy for saving and were comfortable doing this as part of securing their financial future. While being aware of government legislative risk, they saw flexibility in investment options and attractive tax benefits. Superannuation was part of an overall savings plan for the future because not all savings should be placed in superannuation as funds cannot be accessed until retirement age.
Linda (FS) saw her superannuation converted to a pension and did not see her fund ‘as a lump sum I get when I turn a certain age. I see it more as a lump sum that will be converted into an income at a certain age [retirement].’ Christine (FS) thought education was important whether it was at school or organisations conducting seminars for their employees. She stated: So many people have no idea how superannuation works, they think it’s an investment whereas it’s not... it’s important that people know that kind of stuff because that’s …their future. It would appear that superannuation is a complex topic with women who are informed knowing how it works and its place in their lives. For those who are less informed or choose not to engage with superannuation, there are opportunities to educate women due to their involvement through employer contributions. Women who are well-informed can make good decisions to enhance their financial well-being.

c) Managing personal finances

Most women enjoyed the role of managing the household budget. Husbands or partners were not interested in day-to-day tasks such as bill paying but were interested in making decisions about large consumables such as entertainment equipment, cars, and home renovations. All decisions for major acquisitions such as property were agreed upon between both partners. However, some husbands and partners did manage household finances. For example, a participant and her husband both have their own separate businesses. She explained:

‘My husband is very good with managing money – he has more of an interest in it than me – so he basically manages our finances ... he consults with me and tells me about them but he makes the day-to-day decisions.’
A majority of women managed their finances with the aid of spreadsheets, automatic direct debits from savings accounts, separate accounts for specific purposes and applications on their mobile devices to track spending. There were three women who did not use any tools to assist them with personal finances. Instead, money was allocated into discrete accounts and the women used these for all transactions. One woman used a credit card for all expenses as a means of tracking outgoings and paid the balance each month in full. Julie (OS) and Katherine (OS) commented that ‘it’s [transactions] all in my head’ and that they found it hard to explain the process. It appears that while the women had different approaches to managing money, they demonstrated a keen awareness of the incoming and outgoing flow of funds, evidenced by the phrase ‘living within my means.’ As well, they showed a strong sense of responsibility by their commitment to paying bills and credit card debt on time.

Most women described the importance of travel, particularly overseas and how this desire motivated their savings discipline. Linda (FS) explained: ‘It’s important to have a job that pays a bonus because I see my travel as the bonus. So if I didn’t get a bonus I probably wouldn’t travel.’ She saw this as a personal reward for the hard work done in the previous year. Another described taking her family overseas as important so that their son could meet his grandparents. Again, having the money to share this experience with the family was a personal reward shared with her family. Christine (FS) explained how her mother influenced her behaviour by advising not to ‘spend money on the frivolous stuff so that you can afford to go and do things like the travel.’ Evidently the advice made sense as this participant spent five
years living and working overseas. These women were more interested in experiences provided by money and much less about material acquisitions. This intrinsic motivation sustained their work ethic and good decision-making so that they could achieve their ambition to travel. Coupled with travel was the goal for some women and their husbands to work overseas for a not-for-profit organisation when they were financially set up and children had completed their tertiary education. Another stated that she would seek a board role within Australia in the profit or not-for-profit sector when she had finished her full-time working career.

Sound financial decision-making skills were apparent with all women. Spending and saving were monitored and enjoyed with most women planning for short-, medium- and long-term goals, such as for children’s education, overseas travel, and part-time work in the future compared to retiring and not working. A balanced life was the goal for many women and as money plays an important part in funding their preferred lifestyle, being informed and making good decisions is paramount in this process. For example, Linda (FS) explained how she observed that there was little sense in accumulating possessions at the expense of enjoying their life. She said: ‘The big B word is very important’, referring to balance in life and the importance of having ‘the nice things spread throughout as well.’ In sum, making good decisions comprised a mix of personal and financial considerations and then prioritising them in terms of importance for their contribution to well-being.
By asking *Q6, Is there anything you would like to add?* most women offered rich data which covered many of the topics that were discussed. This information has been coded according to the relevant themes. As the interview progressed, most participants were willing to tell their stories about money. This was important as it demonstrated the trust present with the process and the researcher as there were no judgements or right or wrong answers. They were comfortable to disclose whatever they wanted to during the interview.

**Model refinement**

The model was again refined to illustrate the factors that influence women’s financial capability. This comprises all six themes and leads to the seventh and final one, Financial Capability. In this current version, the model was named Factors Influencing the Evolution of Adolescent Women and Adult Women’s Financial Capability and illustrates a subset in the Parental Influence theme named Parents immigrating to Australia. This became important as analysis continued because of the life-changing impact on the lives of the women’s parents upon arriving in Australia from generally catastrophic situations of war and conflict in the late 1970s and 1980s in Europe, and South Asia to a lesser extent. The influence on the women’s relationship with money, was not generically that different from the majority of non-immigrant women. However, it revealed in respect of work, money behaviours, and property acquisition, a strong sense of knowing and experiencing a time in life when there was only enough money to provide basic living necessities, with nothing left for discretionary spending.
This motivation seemed to provide the desire for a better life and to ensure that other family members were cared for.

Additionally, elements were illustrated in the model to show the components of each theme. This model shows the flow and linkage of factors such as parental influence and the influence of significant others and values taught during childhood and adolescence, coupled with emotions, life stages and relationships as women mature, and the ability to make good financial decisions resulting in financial capability.
Figure 7.3: Factors Influencing the Evolution of Middle Class Women’s Financial Capability

- **Influence of parents or significant others**
  - Positive role models
  - Negative role models
  - Absent role models

- **Values**
  - Adolescent Woman
  - Adult Woman

- **Emotions**

- **Life stages**
  - Leaving home
  - Education
  - Work
  - Marriage / Partnered
  - Having children
  - Redundancy
  - Divorce
  - Retirement
  - Death

- **Relationships**

- **Financial Decision Making**

- **Financial capability**

**Elements**
- Values
  - Achievement
  - Ambition
  - Care for others
  - Control
  - Feminism
  - Independence
  - Responsibility

**Emotions**
- Identity capture
- Health crisis
- Pressure
- Fear
- Stress
- Struggle
- Happiness

**Life stages**
- Spending
- Saving
- Superannuation – legislative changes, risk appetite, investing
- Managing personal finance
- Overseas travel
- Property acquisition
- Future

**Elements of personal financial capability**
- Meaning of financial capability
- Financial capability self-eating
- Becoming financially capable
- Maintaining financial capability
- Financial services industry influence
7.4 Findings for Financial Decision-Making

Significant findings were that making sound financial choices was a vital component in becoming financially capable. According to Rowley, Lown and Piercy (2012), by adopting positive financial behaviours, individuals could make better financial decisions and cope with change, but there is an oversight about the decisions that were being made. New findings extend their work by showing that women are capable and confident of acquiring major assets such as property.

Bajtelsmit and Bernasek (1996) posed the question of why do women invest differently than men and concluded that investigating gender differences in investing is a new area of research. A significant finding was that while some women were less inclined to invest in managed funds or the stock market because they did not understand these instruments and did not trust others to manage their money, they were willing to invest in ethical funds, despite being conservative investors. This finding is debated by Schubert et al. (1999) who argue that while women may be perceived to be more risk averse than men, this could be attributed more to perception than fact. Similarly, West and Worthington (2014) conclude that women are only slightly less willing to invest in shares and business ownership, which are perceived as risky. They argue that, in explaining women’s ability to take risk, wealth was more important than income and education. Findings from this thesis indicated that women who held shares within their superannuation funds and those who were in business, did not see these investments as high risk activities. They saw shares within superannuation and running their
own business as investments in themselves, their future and that of their families. In this thesis, most women valued education highly as it offered access to well-paying roles so that they could create personal wealth. While the views are different, different population samples such as survey results analysed using a quantitative methodology could account for this difference.

7.5 Financial Capability

Financial capability was interpreted differently by a majority of women who understood it to mean that they were competent at personal financial management. This meant they could pay for household expenses including mortgage payments, afford occasional luxuries such as travel and eating out, and provide for their children. This interpretation meant that they could be described as financially literate and the researcher did not correct their understanding because their version was required. Responses were elicited by asking Q7: In your view what does financial capability mean to you?

7.1 According to your view, how would you rate your financial capability on a scale of 1 to 5 with 1 being the lowest, and 5 being the highest? Why this figure?

7.2 How did you become financially capable?

7.3 What do you do to maintain your financial capability?

The NVivo Analysis confirmed Financial Capability by providing a more detailed analysis of the data.
The Theme-Category Analysis uncovered Financial Capability.

7.5.1 Defining financial capability

All women described financial capability in terms of living within your means and being aware of one’s earning capacity, being financially secure and financially independent, having choice, and caring for self and others. This highlights a universal understanding of financial capability because the women are making good decisions to ensure their well-being as well as that of others. Women within financial services stressed other attributes such as importance of core values, the need for balance, personal responsibility for decisions and actions, control, and the ability to adapt to change. Education, both foundational and ongoing was paramount to keeping up to date with legislative changes. Perhaps the constant change in financial organisations means that women are able to cope adequately as the world of finance is fast paced and constantly evolving. On the other hand, women in other sectors described financial capability in terms of learning from life experiences, planning, and being aware of cost, how to achieve goals and the economic environment. Other attributes included being risk averse and preferring conservative investments, having confidence with finance, and following their dreams. While wealth was not a driver, knowing how to use money creatively, wisely and resourcefully to create a future where they were not worried about money was paramount.
Women’s understanding of financial capability covered many aspects, evidenced by a strong sense of resilience, inclusion and honesty.

7.5.2 Self-rating

The women were all asked to rate their financial capability on a scale of 1 to 5 (with 1 being the lowest, and 5 being the highest). Based on the women’s individual meaning of financial capability, self-ratings were similar with subtle differences. Three women within financial services rated themselves as a five due to their strong understanding of financial mechanisms. Eight saw themselves rated between four and five as they believed they could improve their money management skills, and that there is more to learn. Goal setting, regular reviewing and making changes if required was critical to staying on track financially. Gail (FS) stated:

I think I’m a five ‘cause I do set short-, medium-, and long-term goals. I’m very clear about those goals. I review them, I make any adjustments I feel necessary according to things that happen in life, for example, major medical bills, redundancy, money you may need to spend for contingencies and I take responsibility. I make sure I keep up to date with tax and superannuation reforms and also politics to be looking at world markets and taking the time to keep abreast of that...I feel that I’m quite well informed and take a healthy and active interest in that and really think, and plan, and budget...money’s not my God and I don’t look upon it as something you can use to manipulate situations, but I look at it as something that has to work for you and to make you independent.

Elaine (FS) explained that she was now confident in not living up to others’ expectations by stating: ‘think for yourself, be realistic, and don’t sort of feel that money equals a secure life.’ Two women rated themselves between a three and a four because they believed they should have acted on decisions earlier in their lives instead of waiting to have a partner to share important life milestones such as property acquisition.
Six women from other sectors self-rated at four, with five rating between a three and a four. Most said that there was room for improvement in their financial knowledge, with Anna (OS) commenting:

I believe there’s room for improvement, I’m not completely across every aspect about finances so, for example, my decision to take low risk options with financial planning means that I don’t have to keep abreast of markets etc and being continually changing my financial behaviours...I want to be relaxed about that. So there is room for improvement but I’m satisfied with a self-rating of four. Might be a bit naïve but I’m happy to live that way.

While she was aware that she may be missing opportunities, she did not want to worry about money and lose sleep about financial decisions. Two women rated themselves a two, and perhaps this was due to experiences with adverse credit ratings. For example, Sarah (OS) stated: ‘I’ve only just become aware of the importance of financial capability or money management’ after past experiences with extensive credit card debt. She is committed to learning and self-improvement as evidenced by this comment: ‘I’m at the infancy stage but am planning to move forward.’ The women’s honest self-appraisals indicate courage and humility in considering how they manage money because without this personal assessment, any ambition or hope of a contented life may be jeopardised.

7.5.3 Becoming financially capable

Becoming financially capable was attained by one women by necessity, others believed it was parental role modelling, and a majority said life experience and observation. Vicki (OS) stated: ‘I think I just had to. I had to. Being reckless wasn’t an option once children were involved. So yeah, forced into it.’ Education and work contributed to women’s capability as
they managed their salaries responsibly. Women in financial services commented that working in this sector was critical in their ongoing education about financial matters. Elaine (FS) attributed her foundational financial knowledge to her grandmother and parents and later her husband and his family who were in business. She stated:

So I think...if someone has nothing, no sense, I think you can be taught. But I think you can only be taught certain things. You’ve got to always return to the innate. You can’t be taught how to handle some situations. Like nothing is quite a spreadsheet, you know, life isn’t a spreadsheet.

This insight indicates the value of life experience and the importance of supportive role models, whether they are parents, extended family members or friends. Her belief that while one can learn information, it is, in part, a mix of assessing opportunities, making good decisions and motivation to act underpinned by values that are drivers to successful money management. Similarly, Denise (OS) described being grateful to her parents for their individual counsel about money. Her father’s financial acumen and philosophy that money was ‘not what you make but what you keep’ coupled with her mother’s feminist values provided her foundational values that gave her the confidence to create a successful life.

Life experience played a significant role in the development of most women’s financial capability. For example, Elaine (FS) said:

Well naturally through life experience, but certainly the last ten years I’ve written here, have been particularly pointy (chuckling) in what I’ve learned about myself. And I think that...I’m not saying the process is complete, but major leap forward in terms of knowing myself and knowing what my values were and how to...it’s interesting...it’s one thing to say, “I’ve got these values”...but putting them into practice and living them, you know, that can be a bit difficult sometimes.
Regardless of age, by observing, actioning, receiving feedback, and reflecting on whether to incorporate this or not, is critical for how a woman assimilates the value of experience into her life. There is much more to life than facts and knowledge, as opportunity and the freedom to choose can lead to a fulfilling life.

7.5.4 Maintaining financial capability

A number of women said that they maintained their financial capability by listening to others, reading, living within their means, and budgeting, sometimes using a spreadsheet but mostly intuitively being aware of upcoming expenses. As well, setting goals, being flexible and adapting to change, helped in the pursuit of a balanced life. Vicki (OS) stated:

I listen to what people say, to when people are talking about money, and especially those who have a lot of money.

Reviewing finances and living by the principle of not living beyond one’s means were other ways that women ensured their financial independence. Four women said that they maintained their capability by hard work to ensure future security. For example, Kim (OS) commented:

Well, I think it just gets down to working hard. That’s what has really underpinned it all. Like, I’ve just had my sleeves rolled up since I was 16 really, working full-time and that is going to continue...as this one for financial security is the really important one.

One woman described how she was now self-reflecting on her values as she was motivated by quality in and of life, not quantity. Elaine (FS) explained:

Probably the thing I do most is I review myself, review what I feel is important to my family. We’re factoring my parents into a lot more now as to whether they’ll eventually live with us or not...and also reviewing our needs and our wants. Is it a need or is a want? When I do spend money, I want quality, not necessarily value but quality for my money...it doesn’t always mean spending more but generally it does.”
This reflection is significant as it indicates an honest appraisal of where and how the participant sees her life at present as she prepares for the future. She is considering her family, identifying needs and wants and clarifying her beliefs in this process. This is important because of the goal of being financially and personally secure with the ability to enjoy life with family and friends.

Working in the financial services industry seemed to enhance some women’s confidence with being financially capable, because their work gave them access to useful information. However, information in and of itself may not be helpful if opportunity and the motivation to act is not present. This is exemplified by Linda (FS) who stated: ‘I practise what I preach.’ Other women’s responses acknowledged the industry in which they worked and this is significant as it enabled them to be financially independent and secure. Molly (FS) stated:

What I was doing for a living was kind of researching, analysing things, so your day to day job is reading about the world and learning. And if you didn’t look very intelligent, people were constantly challenging your ideas, it was just learning on the job...

Similarly, Karen (FS) explained that maintaining her capability ‘was probably a combination of a lot of things being education, being in the finance industry, wanting, having personal goals of wanting to achieve financial independence’. Having an interest in financial services knowledge was clearly a motivator in ensuring these woman maintained their pathway to financial capability.
7.6 Findings for Financial Capability

An important finding was that women did not share a common view of what financial capability meant as they understood it to mean different things. For example, a majority interpreted it as their competency to manage personal finance, with only four women understanding it to mean the freedom to choose and to assess opportunities. In this thesis, the term financial capability is clearly defined and articulated. Current literature is extended by defining the term and not confusing it with financial literacy as appears to be the practice in most developed countries (Atkinson et al. 2007; Bateman et al. 2012; Sherraden 2010; Wagland & Taylor 2009).

7.6.1 Elements of financial capability

According to what financial capability meant to them, a majority of women said that they became financially capable through life experience, others attributed it to parental influence or significant others and one woman said that it occurred by necessity. They maintained their financial capability by listening to others, reading, living within their means, and careful budgeting. For a majority of women working within financial services, this enhanced their confidence with being financially capable as they had access to useful information. However, knowledge is not a guarantee of success as there must be the opportunity, motivation, and confidence to make a decision and act. The women all acknowledged the industry which employed them and this is significant as it enabled them to be financially independent and secure.
7.6.2 Influencing factors

A significant finding was that financial capability consists of six factors which have been linked to show their interaction and flow. Due to the lack of literature on women and financial capability using a holistic approach, this finding addresses that oversight. In the 2014-17 Strategy commissioned by ASIC their definition of financial literacy has been updated to reflect the changes that have taken place in the financial market for consumers and investors in financial services and markets (Australian Securities & Investments Commission 2014). Four core principles now underpin the Strategy. These are: 1. shared responsibility across Australian government, business, community and education sectors; 2. engagement and effectiveness to ensure that approaches are useful for life stages or personal circumstances to motivate people to improve their money management skills; 3. encouraging good practice so that knowledge and results learned from financial literacy initiatives are openly shared; and 4. diversity and inclusiveness so that programs and resources are delivered and easily accessible so that all individuals can participate, learning in the best way that suits them (Australian Securities & Investments Commission 2014). This recognition by the Australian government of these core principles indicates their concern for creating financial literacy for the population, regardless of an individual’s personal circumstances. If people are adequately educated about personal financial matters, their capability can only increase as they are informed to confidently assess and action suitable opportunities to enhance their sense of well-being.
Chapter 5 uncovered that the influence of parents, whether they were born in Australia or overseas, and significant others demonstrated essential role modelling. This was essential in providing fundamental education in childhood and adolescence for women to learn and develop personal financial literacy. Such information and skills enhanced women’s ability to develop financial resilience. Further, values established from parents modelling and described by this cohort of women were motivators in their sense of self-knowledge, understanding personal finances, and balancing personal needs with what family members may want. Values established women’s ability to be financially literate to enhance their financial capability.

Chapter 6 identified the importance of emotions and life stages for women making informed decisions regarding their financial well-being. The desire for a balanced lifestyle motivated women to work in order to fund this goal. While paid work required considerable time and effort, as well as causing stress and pressure, these women were satisfied that the freedom offered by having sufficient money was worthwhile. To remedy this situation, women’s resilience to find better paying roles was their solution to change their circumstance. Health crises meant that good financial decisions were required to secure future financial well-being. Redundancy forced some women to confront an identity transformation. This change meant that the women’s resilience ensured that in relatively short time, they obtained suitable employment to secure their financial position and retain self-confidence.
In chapter 7, findings identified that the women understood financial capability to mean different things, from ability to manage household finance to understanding it to mean freedom to make informed choices and to assess opportunities. Most women claimed that life experiences were significant in their development of financial resilience to achieve the life they desired. A significant finding was that financial capability consists of six factors that influence women’s relationship with money. These factors are related and linked to show their interaction and flow. The importance of all these elements are pivotal in women making good informed decisions regarding their financial well-being. The links between themes and constant change in women’s lives mean that the themes influence each other over time. This movement is not linear and one directional. The knowledge and experience loop offers women the opportunity to learn and develop their financial resilience, which is characterised by the ability to change.

Across these three chapters, a model was developed and refined to illustrate the emerging factors. The final version, Factors Influencing the Evolution of Adolescent Women and Adult Women’s Financial Capability, confirms six factors that influence women’s relationship with money over time.

The significant finding is that six factors, each comprising a sub-set of elements, are linked to contribute to women’s financial capability. Because of this linkage or relationship between factors, effects from one or any number of them, influence each other over time. Underpinned
with socialisation theory, the identification and combination of these factors and their relationship within and to each other has not been addressed in the current literature. This oversight was uncovered in the thesis and extends current knowledge.

Findings addressed the literature oversights by showing that middle class women who had negative or absent parental influence could be financially capable as they chose to learn from others. Similarly, findings from women who had immigrant parents indicated they could manage money confidently, regardless of their background.

Findings on values expanded current literature by linking different values that affect women’s capability. Findings on emotions, life stages, relationships and financial decision-making were linked to illustrate the fluid and continues influence each has during a life-time. All findings resulted in contributing to a new holistic model of middle class women’s financial capability.

The next three chapters provide a discussion of the six themes identified in the analysis chapters (Chapters 5, 6, and 7) and that underpin the model. The findings generated from the previous three chapters are discussed with previous literature reviewed in Chapter 2 in order to uncover and further understand the factors which are perceived important by the participants in this study. Chapter 8 presents the discussion of parental influence and significant others and values.
Chapter 8: Discussion – Parental Influence and Significant Others, and Values

8.0 Introduction

This chapter discusses the influence of parents and significant others and the role of values in creating resilient attitudes. The findings generated from Chapter 5 are discussed with previous literature reviewed in Chapter 2 to uncover and further understand the factors that were perceived important by the women in this study. Specific contributions to the literature and the way in which they address current literature oversights will be presented.

8.1 Parental Influence and Influence of Significant Others

The influence of parents and significant others was paramount in the development of adolescent women’s financial education and resilient attitude to money. Adult women also acknowledged this as important in their current relationship with money. Moschis (1985) and Furnham (2001) confirm the importance of parental influence in providing foundational education for their children. Similarly, Johnson and Sherraden (2007) state that young people in the USA would have greater financial capability if they were more than financially literate. The thesis findings suggest that there were positive role models, negative role models, and absent role models (Aronson 2006). Sherraden (2010) identifies the situation where it appears unlikely that a child who lives in an environment that lacks positive financial role modelling will be financially literate. The finding that individuals who had negative or absent role
models were financially capable provides contrary evidence and this finding contributes to current literature.

While Margaret Sherraden’s research is seen through a social work lens, particularly with youth and disadvantaged people in the lower socio-economic group (Birkenmaier, Sherraden & Curley 2013; Huang, Nam & Sherraden 2013; Sherraden et al. 2011), similar stages and themes were seen to apply to this group of Australian middle class women. The findings lend support to the claim that Australian middle class women developed and achieved financial capability because they recognised the importance of family values. Coupled with four factors to develop resilience, skills and experience, they were able to make good choices that supported their personal and economic goals for a good life. In this thesis, it appears that regardless of gender and social class, most people develop according to their family and social environment, which can be either adverse or supportive. This finding confirms Sherraden’s research and extends the literature by using socialisation theory to link six factors that influence middle class women and financial capability.

Socialisation

The family and economic systems are the focus of this thesis because socialisation within an economic system is the process of learning the consequences of economic decisions. Thus socialisation theory informed the thesis by uncovering the role of family in teaching women how to make good economic decisions.
The findings in this thesis revealed a group of women whose parents had immigrated to Australia. These parents’ decision to leave their homeland to create a better future for themselves and their families was a courageous and correct decision at that time, as evidenced by the women’s own, and their families’ state of financial and personal well-being. This finding extends current literature and aligns with Misra, Budig and Boeckmann (2011) who examined government policies to assist working migrant women with families in Australia, Europe, North America, and Israel.

Furnham (1984) noted that richer people seemed more concerned about the future than those who were less wealthy. While this view might seem vague, it could be noteworthy as presumably people’s belief systems determine their actions, both present and future. This means that if a person believes that they might be worse off, steps might be taken to mitigate this outcome. Research on saving reveals that the more optimistic people are about the general economic climate, the more they expect and try to save (Furnham 1984). Furnham’s study demonstrates that people’s attitudes towards, and habits of, money usage are complex and multifaceted. Furthermore, there are a number of specific variables – particularly sex, age and education – which discriminate between people’s beliefs and behaviours. While studies have been done on the correlates between personality and money attitudes, Furnham (1984) concentrates more on demographic and social belief variables, which have been shown to be very important. By demonstrating thoughtful and responsible money behaviour, these middle class adolescent women seemed to exemplify the importance
of socialisation in their attitude to money. This is important because responsible money management generally ensures the ability to create a balanced and fulfilling life.

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In summary, it appears that many factors such as family, peers, culture and mass media influence contribute to the socialisation processes. For the purpose of this thesis, the areas of focus are those processes that take place within the family. Through overt communication appropriate behaviours are taught as well as modelling influences such as observation to provide foundational skills for much of future learning, for example an adolescent with an emerging confidence to manage personal finances.

_Money Awareness (Financial Literacy)_

The adolescent women’s awareness of finance and the choices it offered were evident from their stories about independence, fun, enjoyment, self-focus, consumption, and achievement in making acquisitions as a result of diligent saving. This level of financial literacy is attributed to the process of learning within the family unit. It is supported by Lusardi, Mitchell and Curto (2010) who found that adolescents’ cognitive abilities were a factor, along with the family’s emphasis on education and their daughter’s peer group, all influencing the level of financial literacy. As the participants were from middle class families, these three factors were present and evidenced by the young women who were able to clearly explain their sound understanding of basic personal finances. For adolescent women to be financially literate, they should have a sound knowledge of basic financial concepts and access to basic banking
All participants explained that their parents emphasised the need for them to seek employment. Aquilino (2005) argues that there is a strong relationship between parents’ attitudes toward financial support and how this may change as the child moves from adolescence to adulthood. Further, he states that, as children become aware of their parents’ feelings about continued financial support, there may be open discussions during the high school years about who will be responsible to pay the costs of tertiary education (Aquilino 2005). As the adolescent women were planning to leave home to attend university, the need to become economically self-sufficient was a theme that had been openly discussed with parents as the women were actively seeking part-time work to supplement future living costs.

When an individual moves from adolescence to adulthood is unclear. Aronson (2008) explores the proposition of looking sceptically at the assumption that objective markers are automatically indicative of becoming an adult woman and instead examines the subjective meanings of these markers from the perspective of young women themselves. She argues that focusing on objective markers obscures three themes that dominate young women’s understandings of their own lives: independence/self-reliance, self-development, and uncertainty (especially in the areas of work and university completion). These three themes, suggest that young women are partially ‘living feminism’ or bringing aspects of feminist
ideology and attitudes into their lives, as they make the transition to adulthood (Aronson 2008).

The first theme, independence/self-reliance, emerged in young women’s perceptions of financial independence, getting married, and becoming a parent. As the first part of this thesis explored adolescents, financial independence was integral in developing confidence and taking responsibility for personal well-being. The second theme, self-development, refers to women who had completed further education. This theme does not apply to the girls in this thesis as they were in their final years of high school. The third theme, uncertainty, was present in young women’s experiences with full-time work and in the middle class experience of completing further education. According to Aronson (2008), young women make sense of their lives through perspectives absorbed from the women’s movement in that some of their expectation include having fulfilling jobs, supporting themselves economically and, developing their own identities.

Parental attitudes are vital in establishing their children’s development and financial education by allowing them to learn responsibility to achieve reward for effort (Furnham 2001; Furnham & Thomas 1984). The importance of family processes and influences on adolescents’ financial behaviours and attitudes was explored by Kim, LaTaillade and Kim (2011) in the areas of parental warmth, parent financial monitoring and parent-child interactions with money. Children reported that they learned about financial management primarily from their
parents. Accordingly, the emotional climate in which they learned and discussed financial matters was central to their positive involvement within the family and across community (Kim, LaTaillade & Kim 2011). The support and guidance offered by the participants’ families and extended family members ensured that the young women gained valuable experience in developing and managing their personal finance behaviours. This caring environment provided a safe place where lessons could be learned with guidance and encouragement to help the adolescent women gain confidence and abilities to manage their economic future lives.

Furnham (1984) noted that richer people seemed more concerned about the future than those who were less wealthy. While this might view might seem vague, it could be note-worthy as presumably people’s belief systems determine their actions, both present and future. This means that if a person believes that they might be worse off, steps might be taken to mitigate this outcome. Research on saving reveals that the more optimistic people are about the general economic climate, the more they expect and try to save (Furnham 1984). Furnham’s study demonstrates that people’s attitudes towards, and habits of, money usage are complex and multifaceted. Furthermore, there are a number of specific variables – particularly sex, age and education – which discriminate between people’s beliefs and behaviours.

While studies have been done on the correlates between personality and money attitudes, Furnham concentrates more on demographic and social belief variables which have been
shown to be very important. By demonstrating thoughtful and responsible money behaviour, these middle class adolescent women seemed to exemplify the importance of socialisation in their attitude to money. This is important because responsible money management generally ensures the ability to create a balanced and fulfilling life.

Future focus

Parents encouraged their daughters to gain part-time work to help with their future education. Webley and Nyhus (2006) explain that children of parents who are future oriented will observe a wide variety of behaviours that stem from that orientation, and so will have plenty of opportunities for social learning. Perhaps more significantly, it is argued that the need to take into account the future consequences of actions is something that parents who are future oriented highlight for their children on the many occasions that these issues arise. While personality traits such as conscientiousness may be inherited and parents and children may share these traits, these factors lead to similar approaches to saving and the future (Webley & Nyhus 2006). Therefore, it may be the case that only some of an adolescent’s approach towards economic behaviour is a result of upbringing and economic socialisation while the rest reflects the consequences of inherited personality traits. The blend of personality traits and future orientation may explain the participants’ sense of responsibility for preparing for their futures by willingly working part-time while still at school.
Current Money Behaviour (Financial Inclusion)

Current behaviours in managing money and ideas for the future seemed to build upon early foundational practices learned in childhood. These behaviours indicated that the participants had entered the marketplace by using basic banking products and cash cards.

Saving

The savings discipline seemed effective with the five adolescent women. Furnham’s (1999b) study of children aged 11-16 years revealed that females were more economically conservative and less economically active than males and that males were more interested in economic matters, such as banking. Additionally, he claims that for early adolescents, gender rather than age is an important factor in shaping economic attitudes, if not behaviours (Furnham, Adrian 1999b). There are similarities and differences between Furnham’s study and this project. For instance, some similarities are that participants were from white, middle class intact working families. Some differences are this research cohort comprises adolescent women only and that they expressed interest in financial matters. This contrasts with Furnham’s research, which includes adolescent women and men and adolescent men expressed greater interest in banking and economic matters.

The participants were confident with managing personal finances. Having financial experience such as having a bank account and observing parents’ financial behaviours, such as saving and investing, had a positive effect on the participants’ saving behaviours (Koonce et al. 2008; Murphy-Erby et al. 2013). Similarly, Clarke et al. (2005) found that families that
were prudent in paying bills on time, living within the family’s income, and avoiding unnecessary debt had increased respect in the family, a sense of self-worth, and diminished financially driven family tensions. On the other hand, they concluded that irresponsible financial behaviour led to greater family unkindness, decreased family communication, and diminished quality of life (Clarke et al. 2005). In this thesis, the adolescent women were aware at a young age that money was essential to acquire the desirable things, and saving offered a compelling reason to acquire desired items, especially as they grew and embraced life experiences and knowledge.

Cash versus credit

The participants allocated money in different places, such as jars or money boxes, and earmarked for different purposes. Additionally, if money was in a wallet, this meant it could be spent, if it was placed in a money box, this indicated it was savings. A young person’s perception and use of cash may be quite different from that of using a card. For instance, money is a concrete reality in the person’s hands and must be handed over in order to buy an item. On the other hand, using a credit card or even a cash card means there is no physical handling of cash and no experience of handing money over in exchange for an item, thereby helping to negate the impulse to spend more (Abramovitch, Freedman & Pliner 1991).

The women in the study spoke of their reluctance to use a card for making purchases as they preferred to withdraw cash from an Automatic Teller Machine (ATM). They seemed more confident with the concrete action of using money compared to the abstraction of credit cards.
Work

Engaging in work on the property, completing household chores and working on a part-time basis were important approaches that parents used to encourage their children to learn about the relationship between work and financial reward. From the financial return was the freedom to choose how to save, spend and invest for the future.

Giving pocket money or an allowance for completing household jobs is generally practised in many families to teach money management, to learn the value of money and being responsible for doing jobs in the home. Furnham, Adrian (1999a) claims that any allowance system involves negotiation and rule-following and states that children should be relatively autonomous in how they spend their money if they are to learn from the experience.

Rachel does not appear to experience a typical pocket money scenario. It is clear that both her parents and those of Grace considered their respective daughters able to care for and raise some calves to be ready for sale. The young women’s rewards were that the money received at sale was theirs to allocate as they wished. Emma, Megan, and Brooke received pocket money for doing household chores and Rachel worked part-time to receive extra funds. These behaviours are typical of what most adolescents do to develop money management skills and confirm literature by Furnham (1999a; 2001).
The opportunities offered by parents that encourage self-direction and opportunities for personal growth suggest that it is the way pocket money or an allowance is managed that instills values more so than the amount of money given (Furnham, Adrian 2001). Through diligent saving, using cash instead of credit and learning the value of work and its reward, the adolescent women’s narratives seemed to indicate a robust sense of financial capability for their ages.

Money and the future

The five participants offered thoughtful and open responses when the influence of money on their future was discussed. Their immediate priorities were higher education, university, accommodation, and job aspirations, followed by the acquisition of more substantial assets such as a house and a car. They were aware of the enormity of the issue of wealth creation to live the kind of life to which they aspired. Emma commented that she had not consciously considered the future ‘until today’. Her comment was insightful as it appeared that while she may have considered themes such as money and her future, she had not articulated personal thoughts and feelings. Perhaps she had not linked the issues and they had not become real until they were articulated.

Changing parental relations

In placing into context the themes raised by the adolescent women, it might be helpful to consider life transitions or summarily, links from childhood to adolescence and approaching adulthood. Novakovic and Fouad (2012) describe adolescence as the time when children develop both mentally and physically into adults. Gilligan (1982) argues that ‘The concepts of
attachment and separation depict the nature and sequences of infant development that appear in adolescence as identity and intimacy and then in adulthood as love and work’ (p. 151). She further adds that as children develop, this separation disappears as progress can be charted by measuring the distance between mother and child during child and adolescent development (Gilligan 1982). As an individual develops from childhood to adolescence to adulthood, there are different influences such as affection and authority on the parental relationship. Generally the dynamics in the relationship between the child and parents will change. During adolescence, some of these changes may include life transitions such as finishing secondary school, and preparing to attend university, participating in full-time employment, or taking time off before pursuing further education.

Further education

The five participants agreed that they would need to leave home to attend university. While they were still at high school when this pilot stage was undertaken, it was considered useful to examine the impact of leaving home to pursue further education. Studies of the transition to adulthood typically focus on the timing and sequencing of five transitions: completing schooling, starting full-time work, financial independence, getting married and becoming a parent (Aronson 2008). These markers may have existed during the mid-twentieth century in a secure, dependable way but they no longer capture the complexity of the present time as the transition to adulthood has become prolonged (Arnett, J. 2000). For the purposes of this thesis, the focus was on the first three transitions: school, work, and finances.
The participants were quite confident that they would be leaving home to attend university. At the time of meeting the participants, whether or not all of them intended pursuing further education straight from high school, they all seemed confident about their future transition to university. The importance of further education is explored by Aronson (2008) who found that middle class women who were at university ‘assumed that it [university] was the appropriate path for them’ (p. 69).

Leaving home to attend university was taken for granted for these girls as they lived in a regional area and their preferred universities were elsewhere. For parents, the act of leaving home indicates that their child is entering a new stage of life. This helps parents recognise that their prior expectations concerning the child's behaviour and their role as a parent may need to be re-evaluated in light of the child's new status (Aquilino 1997). After all, leaving home is a catalyst for signalling the loosening of parental control and increased independence for children. As they adjust to their freedom, a different relationship evolves that is based on mutual care for and respect of all parties (Aquilino 1997). While this observation concerns adult children, perhaps it could apply to adolescents who leave home to live independently.

There is evidence that young people challenge the notion of life stage markers as representing the achievement of being an adult. According to Arnett (1997), adult status is not just a biological phenomenon but a social construction. He further added that adult status is created by members in a society from agreed-upon criteria to signify that which is most important in
identifying adult status (Arnett, Jeffrey 1997). As such, the transition to adulthood from adolescence is also socially constructed. For example, respondents in his study did not see the transition to adulthood as generally being marked by discrete events; instead, the transition was seen as ‘intangible, gradual, psychological, and individualistic’ (Arnett, Jeffrey 1997, p. 15). Only financial and residential independence were deemed necessary for adult status. The view that only two criteria are required for adult status conflicts with the notion of discrete life transitions such as marriage and parenthood. These events are seen as marking the entry into different ages within adult development but not necessarily related to age. Life changes now ‘are reached gradually and incrementally, as processes that take years to complete’ (Arnett, Jeffrey 1997, p. 21).

An adolescent’s career choice is influenced by many factors, some of which are the parents’ socioeconomic status coupled with how a young person appraises their own self-worth to help them decide future educational and career aspirations (Bandura et al. 2001). Similarly, Novakovic and Fouad (2012) state that adolescence is an especially important time for setting up a woman’s career development as decisions made during this time can impact a woman’s career pathway in significant ways. As students attend higher grades, they are more likely to encounter difficult educational material that could cloud their view of their success and ability to achieve in education. Studies have shown that parental support and attachment may influence an adolescent girl’s educational decisions and subsequent career development but additional research reveals that parents influence their children’s beliefs about their own
capabilities, which, in turn, affects aspects of career development (Novakovic & Fouad 2012). Adolescence is an important stage for young women to consolidate accepting responsibility for the consequences of their actions, consider carefully their personal beliefs and values independently of their parents and begin to establish a relationship with their parents as an equal. This is an important time for testing, learning and incorporating those aspects of behaviour that best support a person’s development.

In summary, themes running throughout the discussion included education, saving, work, and travel. Plans for further education, such as attending university either straight from school or later, meant leaving home. The girls displayed a realistic attitude about this issue and were aware of the need to work in order to save money so that their future plans could be realised. The topics of saving and work have been addressed earlier in this chapter so have not been repeated here, even though saving and work was discussed again. It is apparent it is an ongoing theme from current behaviours which they anticipate will be given equal importance in the future.

*Financial Capability*

Financial capability may be defined as including both the ability to act, armed with knowledge skills, confidence, and motivation, and the opportunity to act, through access to quality financial products and services (Sherraden 2010). This definition may be seen as an alternative concept to financial literacy, which is the term widely used to describe approaches to preparing people to manage their finances. It could be argued that financial capability
includes financial literacy. Similarly, Johnson and Sherraden (2007) explain that young people should be equipped to participate in economic life to enable them to live fulfilling lives. Along with having financial knowledge and the ability to make the decision to access a financial institution such as a bank to establish a savings account, adolescents are on a pathway to become financially capable. Sherraden et al. (2011) argue that financial education programs are really only successful if they are linked to practice. It is taking action or in the act of doing that the knowledge is grounded in the experience and therefore enhances the individual’s economic understanding. This foundational step was critical in the adolescent women’s development in their personal behaviour to become financially independent.

Existing literature identifies that financial education programs alone have not led to greater financial literacy in the general population. For example, Gudmunson and Danes (2011) argue that for decades efforts to increase financial literacy have occurred through educational programs designed to enhance individual financial knowledge. Those educational efforts have reflected the assumption that knowledge naturally gives way to behaviour that improves an individual’s financial conditions but perhaps cognitive financial knowledge alone may be a weak stimulus for producing financial behaviour change (NEFE 2006). This view aligns with Watson (2003) who questions whether education alone is enough to develop responsible consumers as they are quite clearly not ‘rational decision makers’. He argues that ‘As the consumption ethos becomes more ingrained in society, the importance of saving is pushed further and further in the background’ (Watson 2003, p. 736). While his statement describes
results from research conducted on households in the USA, it could equally apply to Australia or perhaps to any developed country. However, the responses from this small sample of five girls would indicate that saving is an essential life skill they have developed and continue to develop. It appears that balance is important in spending and saving, and enjoying a high living standard within country, community, and the family.

The trend of promoting financial literacy over many years has been challenged by Moschis (1987) who called for a better understanding of family influence in the socialisation process. It seems that over time, the disparate work done in this area has yet to be summarised in a compelling and integrated picture of family socialisation, incorporating theory and empirical evidence. Danes and Haberman (2007) assert that, especially for young children, family serves as a filtering point for information from the outside world. During the child’s development, parents continue to build upon the foundation of financial socialisation and this groundwork hopefully provides valuable capability throughout a lifetime. The definitions of family financial socialisation are broad in scope, just as with financial literacy and financial capability mentioned previously. Danes (1994) suggests that ‘financial socialisation is much more inclusive than learning to effectively function in the marketplace. It is the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviours that contribute to the financial viability and individual well-being’ (p. 128).
Adolescence is a time when a young person has the opportunity to engage in their financial life by learning and doing at the same time. As discussed earlier, this interaction between financial literacy and financial inclusion is central to the idea of financial capability (Sherraden 2010). Financial products that are easy to understand and simple to use such as high yielding bank accounts with a small initial deposit are important for young people and low income families. Sherraden (2010) claims that using knowledge gained from school, such as a savings account with low fees and an attached access card, a young person establishes an early and positive relationship with a financial institution. She gains a sense of mastery in money management, feels secure because her money is safe and enjoys a sense of achievement as she is accumulating savings. To conclude, the girls’ actions seem to indicate a robust sense of financial capability based upon the influence of their respective families’ socialisation processes.

8.2 Values

The findings confirm that parents and significant others taught adolescent women personal values and attitudes to money by modelling behaviours that would support their daughters as they matured. Serving as a standard for how an individual chooses to act, values are tied to emotions, not necessarily ideas, and are the motivators that indicate what is important to people in their lives. Schwartz (2012) argues that people all hold numerous values with different degrees of importance and that values are abstract goals because they transcend particular actions and situations. This abstraction distinguishes values from attitudes and
norms, which normally refer to specific actions, objects, or situations (Schwartz 2012). Values identified by participants in this thesis were important in influencing their attitude to managing personal finance.

Coupled with values, is the significance of self-efficacy or belief in oneself that motivates a person to set and achieve personal goals. For example, most participants identified themselves as having strong self-belief, being self-reliant, and determined. Achievement was a value they regarded highly as it motivated them to pursue post-graduate education to gain well-paying work. According to Halpern and Cheung (2008), self-efficacy is ‘the expectancy that your efforts will lead to success; it is your belief that you will succeed that mobilises your energies and keeps you working hard’ (p 209). Self-confidence refers to exhibiting assuredness, security or self-reliance in oneself. The subtle difference between self-efficacy and self-confidence is that while an individual may be self-confident, she must be motivated to achieve. It is this motivation and resilience to achieve in spite of setbacks and challenges that helped women achieve independence. If a woman believes in herself, she is more likely to achieve her goals that result in good financial outcomes (Farrell, Fry & Risse 2015). It is this ability to take responsibility for one’s actions and situations that is central to quality of life. Similarly, Bandura (2006) states that people are not ‘onlookers of their behaviour’ as they contribute ‘to their life circumstances’, they are ‘not just products of them’ (p. 164). The women’s active participation in their lives is based upon values attained in childhood and developed and adapted as they mature. For example, a woman’s motivation to earn a
substantial salary by the time she was 30 years meant that she was determined to work within financial services and change roles until she achieved her goal. Several women explained their belief in not only being employed but continuing to be employable. This finding confirms the literature on middle class women’s resilience. By having a long term focus and adopting a flexible attitude to change in the work environment, these women secure their financial independence by being aware of and taking suitable opportunities.

Achievement and Ambition

A significant finding was that the motivation to achieve was high with women who wanted financial independence, freedom, and financial security. Most women described themselves as achievers or high achievers and that achievement was important to them. According to Eccles (1987, 1994, 2011), achievement is researched from the perspective of gender, education and work. This finding identified an oversight in the current literature and addresses this by extending the literature. Eccles (1987) created a Model of achievement-related choices that she has enhanced over time (see for example 1994 and 2011), and forms the basis of much current research into the differences between women’s and men’s educational and work choices. Findings in this thesis confirm much of Eccles’ work, especially regarding the fact that women who work and have families to care for explained how having multiple roles, while providing richness to their lives, also provided stress. However, the women were not hampered with their education and in a majority of cases, were satisfied with their career decisions. For example, women who excelled at mathematics and science at school said that working in financial services was an attraction, along with the generous salaries and the
opportunity to earn bonuses for exceptional work. Those who were competent in these subjects at school but did not excel, did not see this as negative because they were capable and willing to explore areas where this was not the primary focus. While financial services is a male dominated industry, this was not perceived as a barrier to the women’s ability to participate in challenging and financially rewarding work. It is acknowledged that participants were in middle to upper middle management roles and not at the executive level. Further, current data from the Workplace Gender Equality Agency (WEGA) for financial services show that women make up more than 4.6 percent of CEOs and more than 36.2 percent of managers. This compares with all industries where women are more than 13.5 percent of CEOs and more than 5.4 percent of managers (Financial Services Institute of Australasia 2014).

The gap between financial services and other industries for CEOs and managers is notable. In financial services, the number of female CEOs is low compared to other industries where it is high. However, in financial services, the number of females in management roles is high compared to other sectors where female participation is low. It appears as though female participation in these roles is inverse in these two sectors. This could be explained by more flexible work practices being accessed in other sectors so that women can blend work and family responsibilities. While this condition is in place in the financial sector, practice is less conducive to the CEO role due to time commitments which generally favour men as they are not as actively involved in family commitments. However, change is slowly becoming evident.
in financial services because large banks such as Commonwealth Bank of Australia and Westpac have appointed a number of women to senior roles between 2012 and 2014. In this thesis, the women were not asked about their further career progression as that was not the focus of this thesis.

In sum, because the women believed that they could succeed in their chosen career, it is evident that their decisions depended on the values attached to that occupation. This finding confirms the literature and extends it to show that middle class Australian women value their education and are confident and capable of choosing to work in male-dominated occupations, while recognising their commitment to family.

**Control**

Control is generally linked to power because men are typically considered to have more power than women. Williams and Chen (2014) argue that while women showed control in household decisions which included not just domestic tasks, this reduced their interest in achieving power in the workplace. Findings suggested that many women controlled the family’s personal finances and enjoyed this task; they liked to know what was going on. Similarly, the women were motivated to succeed in their workplace, but this was not achieved at the expense of exerting power and control over others. It was achieved through managing relationships with others in a balanced manner. Some referred to themselves as ‘control freaks’ and as most husbands or partners did not enjoy household financial management, women undertook the role. Current literature refers to men being more financially literate than women and generally managing household finances (Fonseca et al. 2012; Pahl 1990, 1995; Theodos et al.
2014). For example, Fonseca et al. (2012) argue that ‘men specialise in acquiring financial knowledge and women specialise in household functions’ (p. 100). Similarly, Pahl (1990) contends that the allocation of money in the family highlights the fact the men control financial matters in the household. Her research explores the social and economic processes that exist between earning and spending. She argues that two principles apply. One is that financial arrangements are constantly changing and second, that these arrangements must not be separated from the social and economic context of the household. The allocation of funds reflects how money is spent as well as who controls it. Accordingly, as money is one of the most fundamental measures of equality, it provides a useful way of exploring the social and economic processes within households and the wider society (Pahl 1990). While this claim may apply in many households, the thesis uncovered that in more than twenty instances, women, in their view, were more financially literate than their partners. This finding differs from Pahl (1990) in that the middle class women managed household finances as well as undertaking research for property acquisitions, including bank loan negotiations. While women were in control of, and had power over domestic financial matters, they were willing to share with their male partners who wanted to be involved in final decisions. This was the pattern except for two partners who were not interested in general budgeting or investment research.

Pahl (1995) explains the relationship between money and power in household finances and states that systems managed by men were associated with privilege in financial decision-
making while systems managed by women were associated with less money allocated to themselves. Where the partners pooled their money and managed it jointly, there was equality, but this was rare (Pahl 1995). In this thesis, while power was not a term used by the participants, the majority of women who managed household finances enjoyed this process using joint accounts marked for specific purposes, such as mortgage payments, investment, and discretionary spending. This behaviour indicates a trust and equality in managing money in a relationship. In later research, Pahl (2000) examines patterns between accounting ‘as the language of business’ and couple’s financial arrangements as speaking ‘about the nature of their relationship’ (p. 516). Pahl (2000) argues that the ‘joint account continues to be a powerful symbol of marital togetherness’ (p. 516) because two people come together and have to find a balance between the individual and the couple. It appears that the women had successfully navigated this pathway as husbands were aware of their strengths and weaknesses and trusted their partners to manage joint accounts, confident in knowing that matters could be discussed at any time. This finding addresses an omission in the literature and extends the financial capability and women’s literature to date.

**Independence, Security, and Responsibility**

Findings suggested that independence, security, and responsibility were critical to women’s financial capability. According to Lusardi and Mitchell (2008), women are generally financially illiterate and because of this deficiency, they do not make plans.
Independence and financial independence were used interchangeably by the women so that will be used in this thesis. Independence meant having the freedom to choose how to allocate their money to satisfy their sense of a good life. Similarly, security was a motivator for all women. According to Gerson (2010), being self-reliant to secure independence means establishing a solid base in work, having meaningful personal relationships, creating a supportive network of close friends and family and those who are mothers being clear about what it means to be a good mother. For example, women with children focused on balancing their own aspirations with creating a secure financial future for their family. Plans to provide a private school education for their children was a priority for some. For those who were single, this meant setting short, medium and long term goals, reviewing those frequently and making changes as circumstances changed. Single women who valued their independence and self-reliance highly blended a web of close friends and family to provide connection and support for their well-being (Gerson 2010). For example, some women described often health issues that required costly initial treatment, support with care, and ongoing funding to maintain reasonable health. Others wanted to buy property to help secure their future.

All women described the importance of taking responsibility for themselves and families. Regardless of marital status, there was no indication of expecting others to take care of them. The reverse appeared evident as the participants demonstrated a strong response to ensuring that the well-being of their children and other family members was catered for. This caring response was apparent in the women’s choices to work part-time when children were young or
full-time because of economic necessity and child care facilities were used. Halpern and Cheung (2008) argue that having one’s priorities and planning how to achieve those are central to having the kind of life one desires. Women returned to full-time work not only for financial reasons but because they wanted the stimulation and challenge of the work environment as their families grew up. For women who had experienced redundancy, they took time to reflect and heal from this encounter. As well, funds from the package were allocated in a balanced way for the future by investing in property or shares or rewarding themselves with travel. This future focus and ability to adapt to change indicates a robust sense of responsibility for self and others. In this thesis, it also shows that women were determined to combine work and family commitments that were acceptable to all concerned and were prepared to make changes to enable everyone’s needs to be met (Halpern & Cheung 2008).

The role of independence, security and responsibility in an individual’s values is pivotal in how they see themselves as actively engaged in creating their lives. These middle class women, while being a small sample of a population, displayed resilience in their willingness to honestly self-assess and make changes if their life was not the one they aspired to lead. A strong sense of independence, of not wanting to be dependent on others, even within a relationship, was significant because the women’s ambition and wanting to achieve meant that work was a vital ingredient in this process.
The place of money in this actualisation was clear as they worked hard and consistently, knowing that money was a tool that enabled good decisions to be made. Money did not rule them, they saw themselves as in charge of its distribution. That freedom to choose supported their sense of security, both in the present and as they prepared for the future. It also supported the freedom to balance their saving, spending, and investing decisions. Hilgert, Hogarth and Beverly (2003) claim that one way to increase financial knowledge is to gain experience and they found that knowing about credit, saving, and investment resulted in good practices in these areas. They also argue that this pattern could flow in the other direction or both ways. The possibility is acknowledged but the focus in this thesis is on capable women who are willing to learn from others as well as from available media. Taking responsibility for learning when they encountered new situations, such as acquiring major assets, managing credit, and investment information, there was no hesitation in seeking information from reliable sources such as banks, friends and family that would assist their decision-making. In fact, if they perceived that shares were a risky investment, they chose other avenues, being aware that shares were already in their superannuation. The process of seeking and assessing financial information, and deciding that a product was unsuitable for them because of the risk of losing money, indicates an honest approach to making decisions that are aligned with their beliefs. There is an oversight in the literature regarding middle class women and these findings address that oversight.
8.3 Summary

This chapter discussed findings for the first two factors, economic socialisation within the family and extended family and friends, and values. Adolescent women’s experiences with managing money were described. Adult women’s early financial experiences were founded during adolescence and this period was important for establishing an attitude of financial resilience. Values are critical in determining a person’s attitudes and how they see their place in the world. Without values to enhance an individual’s well-being, they are unable to make informed decisions. Control, independence, security, and responsibility were sub-sets of values that were identified in this thesis. Chapter 9 will discuss participants’ emotions and life stages and how these factors influence their financial well-being.
Chapter 9: Discussion – Emotions and Life Stages

9.0 Introduction

This chapter examines the role of emotions and life stages that women experience as they manage personal finances. The findings generated from Chapter 6 are discussed with previous literature reviewed in Chapter 2 to uncover and further understand the factors which were perceived important by the women in this study. Specific contributions to the literature and the way in which they address current literature oversights will be presented.

9.1 Emotions

While redundancy is not a life stage, the emotions associated with not working were a significant finding and extends literature by identifying the link between middle class women and their emotional response to this specific event. Damasio (1994, 2000, 2003) writes extensively on emotions, feelings, and the physical responses to these, while Ariely (2008) and Diener and Seligman (2004) research financial choices from an economic and sociological perspective. Because of the paucity of literature on women’s financial capability, these findings extend the existing literature and address this oversight by discovering women’s emotional response to a redundancy event.
Emotions play a vital role in how an individual manages themselves and, in turn, a situation. Among myriad emotions that the women described, a significant one was the feeling of loss of identity when being made redundant from middle to high level management roles. This crisis led to an identity transformation from being a person respected and involved in managing people to being by oneself. It involved feelings of not having a purpose, of loss of challenge and sense of achievement in a stimulating environment, of grief as unsure of the next step, of anger due to change, and of loss of self-confidence. These feelings arose because of a dramatic and traumatic change which, while inevitable from a rational organisational perspective, left the participants affected in a confused and vulnerable state due to their emotional response to the situation, for which they were not prepared. After all, one may rationally understand the process in a redundancy event but very little can prepare a person for how and what they might feel the first time they are involved. As is generally the case, after the first experience, most women call on their resilience to overcome subsequent events.

While the monetary gain was generous, this only partly assuaged the fact that women were required to create a new identity. In cases where women had children, this took the form of being a full-time mother. They were content to fulfil this role but could not see themselves doing this exclusively as work was an important part of their lives. As Akerlof and Kranton (2010) state, middle class women can make choices between pursuing a career and being an at-home partner. Bendien’s (2014) research focused on professional, well-educated Dutch women who entered the workforce in the 1970s-1980s and were able to build an uninterrupted
working career. She argues that most policy makers are still strongly influenced by cultural history and the traditional division of labour, which sees males as the main breadwinner and women as engaged in both paid employment and unpaid work in the home. While her research is based on white Dutch women, findings confirm a similar case could be made with Australian women interviewed in this thesis as The Netherlands and Australia are both developed countries with sophisticated social structures and cultural heritages. Women are able to choose between full-time and part-time work or to not work but the priorities are entrenched in traditional models of labour division. Changes in identity and sense of loss when paid work is removed from a woman’s life often leaves a void that can be difficult to fill, especially the first time when one does not have the experience and perhaps the support to process this change (see below).

The redundancy package which is usually generous, is designed to ease financial stress in the short-term while a person adapts to their new situation of unemployment. Some take advantage of the money and time to purchase investments and travel. Generally, employment is found quickly. However, if this is not the case, financial hardship could result uncovering feelings of insecurity, dependency, and disappointment in self as funds could be requested from the partner and family. Again, women’s determination to overcome adversity in their quest to be financially independent and secure demonstrates many abilities, one of which is the ability to self-regulate their emotional state and responsibly take action to find work or a way to make money to regain their sense of self and focus on their personal and financial
well-being. As Hochschild (1979) argues, gestures of emotion work that are exchanged in private can be exchanged in the market place in the form of labour. Identifying and differentiating the different kinds of emotion work is usually found in middle class work, such as management more so than in working class occupations. It is this self-management of emotions and feeling that contributes to women’s well-being as well as to that of the organisation.

Other emotions were identified with finance. On one hand, well-paying work allowed freedom to live a balanced life and provide happiness to self and others. On the other hand, pressure and stress of balancing work and family commitments was described along with a fear of not having enough money, and the struggle at times of making ends meet. This last situation happened only if one partner had been made redundant, and the loss of one income in a two income household is usually strongly felt. It appears that while emotions play a critical role in personal financial behaviour, it is more a question of how one responds to a situation, and the plans that are in place as well as the amount of money available. The connectedness or relationship between money and personal lives is central to Zelizer’s (1989, 2005) seminal works that interpret the social meaning of money and how culture and society change its structure by how money is issued, controlled by institutions, restricted and used by individuals. Similarly, Bandelj (2012) uses relational work to emphasise that emotional underpinnings of economic exchange are as important as the rational choices an individual makes. While money is not the goal but more a tool and does not buy well-being, middle class
women understand that despite how much money one has, if other factors for instance, relationships, health, and choice to work or otherwise are not present, then happiness will remain elusive regardless of how much money one has (Zelizer 1989).

9.2 Life Stages

A significant finding was that life stages, also known as the life cycle approach in current work by (Blanchflower & Oswald 2004; Diener 1984; Plagnol 2011; Povey, Boreham & Tomaszewski 2013) extended this work by adding women’s financial capability to the current literature focused on well-being and happiness.

Well-being was identified as a significant factor in women’s desire to work. While it was acknowledged that money did not buy happiness, it meant that they had choice about how they allocated funds. For example, younger women were focused on the acquisition of assets such as a well-priced house or apartment. A car was essential but was not a top of the range model. The focus was on experiences such as overseas travel more than material personal items. Women with families focused on property and a serviceable vehicle followed by their children’s activities and education. Older women were concerned about working to contribute to their superannuation accounts to fund their lifestyle when they stopped working full-time. Without exception, all women intended to work part-time as they approached later years. This desire to continue to work was evidence of their zest for life, to be intellectually challenged and actively participate in society. This goal offered a sense of purpose and was reflected in
their energy and commitment to be useful within family and community. Diener and Biswas-Diener (2002) state that for middle class people in economically developed countries, acquiring more money is unlikely to enhance well-being. They propose that enjoying working and contributing to society may be more useful that wealth accumulation because increased wealth can lead to unhappy relationships and great stress. The women were aware of this conflict and appeared vigilant in living a balanced life. Findings revealed that women actively planned their lives by setting short, medium and long term goals and conducted regular reviews to ensure that they were on track. If changes were required, these were made to regain the balanced lifestyle they were seeking. Similarly, Povey, Boreham and Tomaszewski (2013) argue that social variables such as health, marital and employment status, and age are important influences on well-being and that finance, while central to the proposition, is not the only aspect that determines a person’s quality of life.

Health was a critical factor in influencing life satisfaction and most women enjoyed good health. Dolan, Peasgood and White (2008) maintain that there is a strong relationship between physical and psychological health and well-being. In this thesis, while a minority of women were managing health issues, they appeared to enjoy reasonable health, were able to work, and consequently had sufficient money to sustain their lifestyles. For these women, their health was a major focus because if they became unwell, while there may not be financial challenges with adequate insurance, they did not want to relinquish their independence and
ability to work. Being physically well appeared to affect their psychological health, so balancing different aspects of their lives was critical to overall well-being.

**Education**

This finding extends the work of (Johnson & Sherraden 2007; Sherraden 2010) thus the contribution to the literature is that education was pivotal for most women as a good education offered greater opportunity to gain well-paying employment. In developed societies, education is important in achieving career and personal economic success because many financial practices such as buying property and educating oneself and family are based on a sound education (Leung 2011). Education and work were strongly linked to financial independence and financially self-sufficiency, which are sound indicators of financial capability.

**Work**

This study confirms the importance of work in women’s lives (Bianchi & Milkie 2010; Cheung & Halpern 2010; Moen 2010; Perlow & Kelly 2014). Work is critical to middle class women’s financial capability because well-paying employment can provide independence, security, and the ability to make decisions to lead healthy, satisfying lives. As well, the findings extend the literature by linking middle class women’s financial capability to work and small business (Gerson 2010; Gottfried 2013; Kanji & Cahusac 2015). According to Figart and Warnecke (2013) many paid and unpaid activities that are undertaken in daily lives are part of the process of taking care of ourselves and others. Personal economic lives take place within an economy which means that ‘the economy does not exist in a vacuum. It is embedded in society, so all factors shaping societal behaviour shape the economy as well’
Work is foundational in providing income and assists in creating financial capability and can be performed on a full- or part-time basis or an individual can choose not to work. Furthermore, a majority of the middle class women were well educated and prepared for professional employment by their parents with most being able to choose when to have children, thus establishing continuous work participation, leading to gaining important work skills (Damaske 2011).

Most women work for financial need. Middle class women work to enhance their financial situation and personal fulfilment such as a sense of achievement and financial independence. However, once children join the family, women generally change their work patterns to care for dependents. The basic problem that women face when making decisions regarding work and family is that work practices were established when the workforce comprised mostly males and issues arose when large numbers of women entered paid work, especially during the second half of the twentieth century (Bailyn 2010). For women at the professional level, they hit a number of barriers. Sturm (2001) refers to this as first order discrimination and describes it as exclusion, lack of job opportunity, and stereotyping. Bailyn (2010) states that this discrimination is now more controlled through legislation in the developed world. However, Sturm (2001) argues that second order discrimination or issues that arise from inclusion, has taken its place and this refers to unconscious and unintentional bias based on assumptions and views that disadvantage women. It is in the context of institutional work
practices that favour men and their life experiences, that this major life event is now discussed.

A majority of the women with young children explained that inflexible work practices and the lack of affordable and conveniently located childcare facilities influenced their decisions to either work part-time or undertake work that was less pressured than roles that they held prior to having children. Another option was to participate in small business with their partner. For women with children, this choice is generally linked to family commitments and not just for economic rewards (Kulic 2014). From childhood, through adolescence to maturity, parents and significant others teach individuals basic financial management. Generally, from earliest experiences money is a reward for work, usually offered as pocket-money and later as wages or salary. This transaction of receiving money for work is organised through social structures that organise social life into institutions.

Socialisation theory underpinned this thesis because the importance of family was foundational in developing the women’s financial capability and resilience. Humans need social experiences to learn their culture and to survive and this expression of culture is found at the individual level. By learning and teaching, children and adults constantly learn and adapt behaviours, beliefs, and actions that ensure the continuity of society. Sociology is a social science and academic study of social behaviour that includes its origins, development, organisation and institutions. A major contributor to a well-functioning society is the role of
paid work undertaken by the population. Women, and especially middle class women, contribute to the economy. Therefore, it is essential that they are financially capable to ensure the future security and well-being for themselves and families. Capitalism is a classical topic in sociology and can be defined as an economy which is organised so that what is being produced for consumption is distributed via exchange in the market and where some portion of what is being produced also goes to profit. For people and societies to survive, the economy has to be organised in a particular way and capitalism is only one way. There has to be production of raw materials into goods, these have to be distributed, and that production of goods and services is then consumed. An important difference in economic organisation is between housekeeping and profit-making as production is either for consumption or for profit.

Karl Marx, who wrote Capital in 1867, is credited with identifying capitalism. Max Weber, who was influenced by Marx, saw capitalism as focused on the market as opposed to production. He wrote his seminal work, The Protestant Ethic and The Spirit of Capitalism in 1905. While there were differences between the theories these two authors formulated, the important difference is one of meaning. On the one hand, while Marx was very interested in understanding the relationship between capitalism and culture, he did not address the issue of meaning that a person attaches to her or his action. On the other hand, Weber included this aspect in his analysis, thereby opening up the exploration of capitalism in many directions that were unavailable to Marx (Swedberg 2006).
Joseph Schumpeter was influenced by both authors and wrote Capitalism, Socialism and Democracy in 1942. He chose the entrepreneur rather than the capitalist because the entrepreneur combined existing factors to create innovations and economic change. His views were influenced by the period between world wars and he was concerned that the success of large corporations and their bureaucracies would be the reason why capitalism would fail and be replaced by socialism. Swedberg argued that capitalists would fail because of their success as they would become complacent and no longer counter socialists and intellectuals’ attacks, thereby ensuring the collapse (2006).

Similarly, in the time between world wars, Michael Polyani added another dimension to the process by arguing that the distinction between house-keeping and profit-making when he introduced a third way in which an economy can acquire unity and stability: reciprocity, redistribution, and exchange. Each term describes a form of social action and also is equivalent to an institution. For exchange, the equivalent institution is the market, for redistribution it is the state and for reciprocity, it is the family. Polyani’s categories allow modern capitalist economies to be defined in three main sectors: the market economy, the state economy, and the household economy. A non-profit and not-for-profit economy, comprising foundations private universities, and voluntary associations may be part of some economies (Swedberg 2006).
Today, the theory of capitalism no longer focuses on theories of how prices are set through demand and supply as it includes how institutions give structure to capitalism. The current neo-liberal theory of capitalism is grounded in the nineteenth century work of Ludwig von Mises and Friedrich von Hayek, two Austrian economists who posited that the state must stay out of the economy and leave the decentralised spontaneous nature of capitalism to operate. Since the 1980s, this form of neoliberal capitalism, adapted in various developed countries where it operates, is the main ideology.

In summary, capitalism is forever changing as it seeks new profits. However, as it is at the centre of modern society and exerts a profound influence on people’s lives, it is paramount that it remains at the focus of sociology. Further, work can be seen as a social construction as individuals create their world, which in turn creates society. Acker (1990) claims that most women spend most of their time in work organisations that are generally dominated by men. Acker posits a redefinition of work and work relations so that ‘the rhythm and timing of work would be adapted to the rhythms of life outside of work’ (p. 155). For example, this means that all work whether it is producing goods, offering services, or caring for people would be seen as just as important as any other work and would be shared between women and men. While this may appear as a utopian view, dominance, control, and subordination especially of women could be at least minimised in organisational life (Acker 1990). As alluded to at the beginning of this section, work plays a significant role in assisting women’s financial well-being. Accordingly, gender will now be discussed because its influence was explicitly
described by four women. Gender may be defined ‘as inequalities, divisions, and differences socially constructed around assumed distinctions between female and male’ (Acker 2004, p. 20). Furthermore, Acker (2004) argues that gender ‘is a factor in organizing daily life for individuals, families, communities, and societies as large structures’ as well as ‘a basic organizing principle in social life specifically for allocating duties, rights, rewards, and power, including means of violence’ (p. 20). This comprehensive definition covers many areas of the gender debate and while the topic is acknowledged, this thesis is underpinned by socialisation theory as it applies to women as individuals, their families, and work organisations because these factors influence their financial resilience. The thesis extends socialisation theory by identifying additional factors including parental influence that inform middle class female adolescents and women’s relationship with money from early childhood to adulthood.

One woman, who spent her early years living in a large family in a semi-rural environment described how her father informed his children that the sons would be receiving blocks of land when they married. His daughters would not receive this gift because they would leave school, work for a short time before getting married and having children and their husbands would take care of them. This conversation shocked the woman concerned and she challenged her father but he was not changing his view. In hindsight, she realised that gender bias existed in her own family, she did not have to look further afield to see this, it was happening to her. Another described instances in the workforce of different rules applying to males and females regarding salaries, access to loans, superannuation, and promotions. Males received higher
salaries for the same role, were eligible for loans regardless of marital status, received higher rate of employer contributions to superannuation, and could easily gain promotion in their careers. While many of these aspects now receive more equal treatment for women and men, discrepancies remain. Yet another of Cypriot-Greek origin, explained how her mother was a feminist and raised her daughters to believe in themselves and follow aspirations. The influences of family and significant others as well as the political, cultural and social environment, which a person inhabits, are pivotal in shaping a woman’s values and subsequent behaviours in how she creates her place in society.

There are now many more women in paid employment sharing different and complex living arrangements, ranging from traditional heterosexual two parent families, to blended relationships, same-sex partnerships and every combination in between. Most women are in the paid workforce and it is in this environment that they encounter the many shades of male decision-making and behaviour that either excluded some women from promotion to higher level roles or to receiving less salary than men for doing same work. This fact is known and discussed openly across all sectors, but is especially significant in financial services because most roles are based purely on knowledge, which is generally not gender specific. For example, McDowell (2014) argues that the culture of banking and the financial sector deserves closer attention from policy makers, politicians, and academic analysts who all agree that the culture needs changing due to generous bonus payments and scandals following the crisis in 2007-08. Following the initial crisis, behaviours and generous financial rewards
were seen to be curtailed but recently, bonuses and scandals returned. Influences other than rational decision-making and the power of financial modelling need to be examined more closely to include women in senior management roles. They are able to provide different perspectives on issues along with the traditional and rigorous discussion required at executive levels. While women have made progress in employment areas such as engineering and mining, they are in a minority. This issue has been discussed for at least the last ten years yet women’s salaries are still, at best, between 10 and 30 percent less than for males who do similar work. Many organisations pay lip service to equal opportunity but when it comes to evidence of the rhetoric, while there is progress in some areas such as banking, there is still a lot to do. As such, implementing workplace policies that are aimed at both women and men is essential if they are to be represented equally in the workforce.

Small business

Findings revealed that four women acknowledged their observation and experience of generating income other than by receiving a salary. Owning or participating in family business revealed that income could be derived from business and investments made by the owners to sustain and grow the enterprise, along with salary. Sharma (2008) refers to four types of capital invested in family business. These are financial, physical, human and social capital. Of these, financial capital is described as ‘patient investments made by the family’ (p. 974). All types of capital are essential in any business. Financial capital is important in this study because the women involved in their own small business perceived it as an important part of themselves (Sharma 2008). Further, being in business enhanced their sense of independence
and responsibility by ensuring that they were enabled to create a secure financial future for their families. One woman who is single, described the influence of being involved in her parent’s mid-sized family business. Three women were in business, two with their life partners who operated small businesses, while the third woman, who is married, set up a legal practice with a female friend. In the last scenario, two women were friends and both had worked together at a global legal firm. They decided to leave and set up their own practice and were both the main salary earners. The first two women chose to leave full-time work because of having children and taking care of them as well as their partners who were now the main income earners.

The third woman explained that her reason for leaving paid employment and starting her own legal practice was because of long, inflexible work hours demanded by the organisation and poor behaviours exhibited by some men in a predominantly male culture. These issues were affecting her health as well as the relationship with her husband and with other family members. This influence was significant because the participant had a Greek-Cypriot background and family was important to her.

Of the first two women, one chose to willingly leave full-time work with a global accounting firm to be a full-time mother and partner in her husband’s business, which she had purchased for him. The other woman was not so enthusiastic about relinquishing her former full-time teaching role to be at home with children and work behind the scenes of her husband’s
business doing the books. She expressed feelings of frustration about losing personal freedoms as well as not having her own money. Even though the business paid her a salary, she described feeling guilty because she was not actively working in it and had not earned the right to be paid. As well, despite her entitlement to a generous period of seven years maternity leave, in her current situation she felt uncertain about resuming teaching with young children and working in the family business.

The distress described about trying to find time for family, work, and self were evident as work-family fit or misfit placed pressure on women within the context of the gendered and unequal life stage (Moen 2012). As Moen (2012) argues, the term ‘fit’ in terms of match or mismatch between work, home and the broader community appears to suit the circumstances of these women as they chose to focus on the fit to shape health and quality of life. Additionally, the concept of ‘fit’ is an umbrella term that can include ‘employees’ sense of time and income adequacy, psychological distress, job security, and retirement satisfaction’ (Moen 2012, p. 92). Scholars tend to study these separately but lives are lived holistically in time and space. Research would be better served studying these elements together instead of in isolation and measuring a single item of a person’s life because of the many contexts and institutional rules and regulations about work (Moen 2012).

Moen (2012) contends that balance can be a useful goal but is usually focused on an individual’s private issues, rather than with public issues of social structure and culture. This
focus is on the individual, not the family or couples and it is usually the women doing the balancing (Moen 2012). One woman explained her philosophy of trying to lead a balanced life and allocated her funds using a principle of thirds, one-third was saved, another third was invested, and the last third was used for discretionary spending. Conversely, another participant outlined her belief in focusing more on a mix in life, rather than a balanced life. She explained this by allocating time for family, work, and self. Her mother demonstrated this behaviour and as it appeared to work successfully for her, the participant followed this model as well.

In sum, as policies in most developed countries are constructed around workers as individuals and not as family members, it might be timely to review this practice as most workers are married or partnered and most are in dual-income households. The focus on fit refers to social conditions such as time and work as this produces a major mismatch and it is this notion of time and work, not working families, that requires a new approach (Moen 2012).

**Children**

Findings uncovered that when women decided to have children, they had to decide how or if work was to be part of their new situation. Part of the reason offered by business is that women need to take time to have children and this important work interferes with running an organisation. While this fact is acknowledged, there are innovative ways to incorporate flexibility into work and life responsibilities. One way of overcoming this cultural barrier might be for more senior men in the workplace to stand up as role models for flexible work.
Additionally, assuming that men do not want to work more flexibly may not be true. Craig, Mullan and Blaxland (2010) argue that in Australia from 1992 to 2006, workforce participation rose for both mothers and fathers. While fathers did not take on a greater share of housework, both parents spent more time taking care of children, resulting in more time spent in both paid work and parenting by both partners. The difference between the total workloads of parents and those without children increased substantially, especially for mothers. A feature of both labor and liberal governments was their unwillingness to directly engage in policy to assist the balance of paid and unpaid work commitments which meant that the costs of privately provided childcare were and remain substantial for families. The focus is similar to other liberal welfare states including the USA and Canada where the issue of childcare costs is negotiated between employers and employees rather than being addressed directly by national policy (Craig, Mullan & Blaxland 2010). Similarly, Bendien (2014) posits that the combination of work and childcare arrangements still lag behind the current workplace because of inflexible work practices and adequate childcare provisions. While her research is based in the Netherlands, similar circumstances exist in many developed countries as most politicians appear to still compare the current requirement for childcare facilities with the past when there was less need. The notion of the ideal worker and the ideal career is a myth that needs to be extinguished and it is important that organisations change policies and expectations in the workplace. Perhaps, it is time to take gender out of the mix when it comes to flexible work practices and supportive, flexible, and affordable childcare facilities so that women can combine their working ambitions and personal lives in a harmonious mix.
For example, parenting is not a women’s issue, it is a parenting issue. Every person has the right to a challenging and rewarding career and a pivotal part of supporting women realise their potential is to help men on the household front. Women want support and flexibility from employers to assist them balance the responsibilities of childcare and career responsibilities (Bendien 2014; McDowell 2014). The women with children claimed that while parental leave and flexible work were important, perhaps it was more a matter of men being willing to change their beliefs and see a woman not as a threat but as a person who is female, is intelligent, and wishes to lead a fulfilling life. It is acknowledged that men and women are different and see the world through different lenses but this difference can bring other ways of seeing problems and solving those issues. There are myriad ways of being and perspective and this richness is being lost if only 50 percent of the population gets to have their say.

While flexible leave entitlements are mandatory by law in Australian organisations, affordable, convenient, and available child support is less than adequate. This situation is similar to that in the UK (Kanji & Cahusac 2015) while in the USA, there is a lack of social infrastructure such as subsidised childcare or paid family leave to support working parents (Gottfried 2013), which means that families cope on their own. Similarly, Gerson (2010) argues that ‘values reside in institutional practices no less than in individual minds’ (p. 220) and that institutions that promote the work ethic and the desire to care have not kept up in providing avenues for women to successfully integrate earning and caring for others. Perhaps
if this situation could be improved creatively by government and employers, all women may be able to contribute their experience and skills while also caring for children.

Findings uncovered that as women experience financial independence either through choice or circumstance, they know that work offers monetary reward, which can then be used to create freedom and security, in other words the kind of life they aspire to live. Work also offers intellectual challenge and the ability to be with others which mostly appeals to many women’s innate sense of working together to resolve matters. This ability to care for others can be used positively in the workplace as this environment could be seen as a microcosm of society, similar to the household economics being viewed as a microcosm of a country. Equality in the workplace and in the family must go together and they must reflect each other (Bailyn 2010). There is no simple answer as the problem is complex. It is argued that the issue is more about how organisations, women, and men, approach issues that really is at the heart of the matter. According to Perlow and Kelly (2014) most employers respond to work-family challenges by trying to help individuals accommodate work demands, but any solution with a possibility of being successful must include all parties being involved in redesigning work and how it is valued. Generally, any change meets resistance because it requires substantial investment of time and energy. Findings confirmed that women conformed to employers’ assumptions that they would be dedicated to their work by working long hours, being available because of technology, and willing to organise their lives around work rather than the other way (Perlow & Kelly 2014). The underlying argument against implementing change is that change
initiatives need support from top management and this level may not be interested in disrupting a structure and culture that they and others in power have mastered and benefited from (Perlow & Kelly 2014).

Individuals bring their fears, beliefs, and taken-for-granted views of the world to any situation in which they find themselves. Hochschild (1997) argues that individuals may see work as home because work can provide the kind of environment they want, such as a place where one can personally connect with others, receive good support, and have a sense of achievement. However, individuals may be unaware that practices in the workplace are the ones that make home life so busy and complicated, thus making it feel like unrewarding work (Hochschild 1997). The workplace is a space where individuals spend many waking hours so it is natural that in bringing themselves to this space, that this is where change needs to take place. One cannot change people because they must want to do that but if the advantages of a supportive and flexible workplace and change being viewed as a non-threatening process, women and men could have the freedom to achieve their dreams.

In summary, while gender is an issue and many efforts have been made to include women in the workplace, it is not a question of women competing with men or vice versa. It is a question of choice, the freedom and opportunity to choose how an individual wishes to live. This is the heart of capability and, in turn, the nature of financial capability. If women are
willing and able to work to earn money, they can decide how to fund their level of independence, security and fulfilment that harmonises with their sense of well-being.

**Redundancy**

As stated in section 9.3, women made redundant from paid employment described the struggle they encountered and the feeling of loss as they redefined their identity by moving from previous professional management roles to at-home partner. Strangleman (2012) describes work experience as a way that people ‘carve out meaning and identity from their work, are socialised into and through employment and how they in turn pass on these values’ (p. 2) to others. This attachment to work is highly valued because it produces bonds and ties to colleagues and the wider community as well as to family. While work may not always define a person, it appears that it has a major influence on shaping an individual’s identity because it consumes time and energy to create or sustain an endurable life. Kanji and Cahusac (2015) contend that professional women who leave work when they become mothers described their difficulty in changing identity because of the assumption that they had made a choice. Findings uncovered that women who had been made redundant did not choose to leave work to be at-home mothers but found themselves in this role on a full-time basis because their roles were no longer required in paid employment. While the process may be different, the findings are similar and confirm the literature because the loss of identity was acute and life changing. Identity changes are crucial to understanding women’s experiences because different ways of being, language, and conduct are associated with the different social spaces of work and family (Simmel 1997 cited in Kanji & Cahusac 2015).
are very distinct as for women in senior management positions, it may be expected that coping without employment is difficult. Part of the reason for this greater difficulty is that these women are less able to cross back over the boundary to recreate their work as they know it (Kanji & Cahusac 2015). This crossing of boundaries after leaving work is a key mechanism for maintaining consistency (Weick 1995) and for containing the boundary that they had put in place. Adapting to changed circumstances and redefining their identity was difficult for a majority of women who expressed feeling angry, lost and confused because the boundary no longer existed. While they valued their families, the women missed the intellectual challenge, the recognition, sense of achievement and the dynamics of the work environment, especially the loss of colleagues. It appeared as though they had become invisible to the organisation and colleagues as the redundant woman was no longer included socially or in some cases contacted.

9.3 Summary

This chapter utilised the life stages approach to show that events in a woman’s life do not necessarily follow a linear and predictable pattern. For many middle class women, the move from completing education to paid full-time work is generally a smooth transition. After marrying or being in a de facto relationship, the addition of children can disrupt full-time work. Deciding to work either part-time or enter small business or combine these two activities can be seen as a flexible way to combine family, work, and self. The effects of redundancy were seen to have both positive and adverse effects in that the financial package is
usually generous and allays immediate concerns about financial management while an adverse
effect is the change in identity that a woman can experience following her removal from her
professional environment. Women’s resilience appears to support their efforts to manage life
events by enhancing their skills to maintain their financial capability. Chapter 10 discusses
relationships and financial decision-making and their role in women’s relationship with
money.

10.0 Introduction

Chapter 10 discusses the influence relationships have on financial decisions that middle class women make. The women’s understanding of how they perceive financial capability is examined. The conceptual model is revisited to illustrate the six factors that influence this cohort’s relationship with money. The findings generated from Chapter 7 are discussed with previous literature reviewed in Chapter 2 to uncover and further understand the factors which were perceived important by the women in this study. Specific contributions to the literature and the way in which they address current literature oversights will be presented.

10.1 Relationships

Findings uncovered that relationships play a critical role in the participants’ lives and consequently their financial capability. Scholars who research well-being have identified that meaningful relationships, usually with close family members and friends, are a major area where individuals find or create lasting happiness (Halpern & Cheung 2008). Coupled with relationships is the area of work where people create satisfying lives. These two areas identified by Halpern and Cheung (2008) are where women especially can use their ‘strengths to contribute to something that is “bigger” and more lasting’ than the individual (p. 229).
Interacting with others who women care about deeply gives the opportunity to experience positive emotions and well-being. Because of the biological nature of being a female, women have a deep sense of care and empathy for others. It is through their social interactions with others that they learn, develop, and define who they are. For example, when the women found that they had negative or absent role models to teach basic money management skills, extended family members filled this role by demonstrating and teaching this knowledge. As well, participants turned to close friends for advice on financial matters and for several women, trusted friends offered investment and insurance solutions that might improve the women’s economic futures. These interactions are significant as they demonstrate the depth of friendship and the trust and care that exists between women who want the best for friends and family.

Implicit in conducting relationships is caring for others. Women generally do this, especially for children and in some cases, ageing parents. In this thesis, while women and men may have equal work commitments, the majority of caring was undertaken by women with some men involved in home and childcare duties. In these cases, the women were in higher paying jobs and so it made sense for the partner on lesser income to fulfil a substantial caring role.

An important finding was that the women who had partners and children described children as critical to their well-being. For example, women worked to pay for their children’s education to ensure they had a solid foundation for a successful future, both personally and
professionally. If they chose not to work, women supported their partner in creating a safe and secure home for their children. For women who are single, the important relationships in their lives were with close and extended family members and friends.

Women’s relationships are rich and varied. Whether their primary relationships are with partners and children or they are single, the people in women’s lives give it meaning. Singh and Cabraal (2006) claim that a person’s life stages do not necessarily follow patterns from the 1980s, which were usually signposted by marriage and children. In the 21st century, de facto relationships are more common, sometimes leading to marriage and children and possibly divorce, remarrying and being part of a step or blended family (Singh & Cabaal 2006). There was a difference in how money was managed for those in de facto relationships and those who were married. The divorced women who were now part of a blended family, described money management in the new family as being well-managed. The family home was in joint names and paid for together as were household expenses. However, separate accounts were maintained for personal spending. One woman explained that her partner owned the house but she contributed to mortgage payments and domestic expenses. She retained a separate account for personal expenses.

The majority of married women who had not been divorced managed household finances. The family home was in joint names as were accounts for all expenditure. One woman’s partner managed the finances and she was comfortable with this arrangement as she had little interest
Women who managed the household budget did not describe themselves as enjoying being in control. They viewed it as a task that must be done in a disciplined and diligent manner. Vogler, Lyonette and Wiggins (2008) argue that ‘managing and controlling money are two separate functions and that managing it is only likely to become a source of power when income is high enough to enable real spending decisions and broader strategic decisions’ (p. 119). Findings revealed that women willingly managed household budgets and that strategic decisions were openly discussed with partners before buying or investing took place, thus

in this task. Conversely, four women described themselves as ‘control freaks’ as they enjoyed managing finance and liked to know what was going on. Even when their partners had agreed to manage personal finances, the men relinquished the task after a few months because they did not enjoy it and did not think they were competent. However, when large purchases such as televisions and other technical equipment were being considered, the men wanted to be involved. This confirms literature by Vogler, Lyonette and Wiggins (2008) who claim that women tend to have more interest in the domestic sphere while men were more interested in technical equipment. In this discussion, the researcher posits that this cohort of women had a broad and active interest in spending decisions and while they may not have expressed a strong interest in technical equipment, they were interested in more than the domestic realm. It appears that the partners respected each other’s strengths and communicated effectively before making major acquisitions.
confirming a healthy and transparent relationship based on the trust shared between women and their partners.

Any discussion on relationships must embrace the importance of meaningful work as the workplace is an environment where many women’s relationships are formed. As a majority of women are in paid full-time work, the circle of relationships in this environment reflects that of family in that one brings one’s self to the workplace and exchanges time and effort for financial reward. Distributing personal finances is a responsible task. Vogler and Pahl (1993) contend that women’s full-time employment has meant greater equality within households, not just greater participation in work. This has resulted in a shift from housekeeping allowance systems of the 1970-1980s to a system of pooling. Pooling describes a typology of four distinct systems to describe the allocation of money in a household and was developed by Pahl (1983). Briefly, the patterns are: 1. the whole wage system, where usually one partner is responsible for managing money; 2. the allowance system where the main earner retains control of income and hands out a specific amount of expenses; 3. the shared management or pooling system where both partners have equal access to all money and equal responsibility for spending; and 4. the independent management system where each partner keeps their income separate, neither has access to all household money, and each is responsible for specific expenses. Scholars have enhanced this typology over time, see for example (Pahl 1990; Vogler 2005; Vogler & Pahl 1993) to include two more patterns, pooled money that women control and pooled money that men control. Findings revealed that a combination of
pooling income for joint expenditure and separate accounts for discretionary spending or simply joint accounts for all transactions were usual practice because advances in technology resulting in flexible products and services offered by banks and financial organisations made this possible. It may also be that these middle class women managing household income enjoy the role and the systems they implement because they earn either more than their partners or an equal amount.

The triumvirate of meaningful work, deep relationships and happiness as proposed by Halpern and Cheung (2008) indicates that if a woman has these three elements in her life then she is possibly leading a sustainable and satisfying life. It is acknowledged that money cannot buy happiness but if an individual lives below the poverty line, money can solve the problem because individuals are able to buy basic needs. Assuming that middle class women have sufficient income to cover living expenses, discretionary spending, and investment decisions, and they have satisfying work and enjoy supportive relationships, this cohort enjoy a good life. Findings indicated that women valued their friendships and family more than accumulating large amounts of money. They explained that money was a tool and passionately stated that it did not define them as they defined themselves. Several stated that regardless of their accumulated wealth, they were aware that more may not necessarily equate to greater happiness. Their sense of happiness or contentment comprised independence, security, and freedom of choice. If there was sufficient money to maintain these attributes of their sense of well-being, this is what money meant to them.
Financial Decision-Making

Significant findings were that making sound financial choices was a vital component in becoming financially capable and that financial decision-making was multifaceted. Personal financial management issues are complex and important. From day-to-day budgeting to meet basic needs, to decisions about accessing the easy availability of credit cards, lines of credit, home loans and offset accounts to long-term planning for family, health and retirement that unfolds over time, an understanding of all these elements is vital as they have implications in earning potential and wealth accumulation (Leung 2011).

Psychology

Findings uncovered that women practised careful and responsible decision-making and were cautiously optimistic in planning for their financial futures. In the social sciences, having a view of how human nature works provides a background to discussions on specific behaviours. In the 1970s, social scientists broadly accepted two views: that generally people are rational and think soundly and it is only when emotions such as, for example, fear and affection come into play that individuals can become irrational (Kahneman 2011). Kahneman (2011) discovered that when normal people make mistakes, these errors in thinking are a result of an inability to think clearly rather than having unhelpful, emotional thoughts (Kahneman 2011).

Tversky and Kahneman are seminal scholars in the extensive field of decision-making, choices and risk. They argue that individuals are not rational and logical, see for example
They are credited with establishing a judgement theory claiming that people mostly make decisions when they are uncertain by using heuristics and biases. Heuristics are rules of thumb that are usually effective but can lead to errors of judgement because they are generally biased as there is not always the time to investigate every available option (Tversky & Kahneman 1974). After establishing their judgement theory using heuristics and biases, they followed with important work on decision-making, creating Prospect Theory (Kahneman & Tversky 1979) or a theory of choice evaluated in terms of gains and losses. This is considered more influential than their work on judgement as Prospect Theory is one of the foundations of behavioural economics (Kahneman 2011).

Kahneman’s (2011) latest work examines how the mind works drawing on recent cognitive and social psychology developments, such as the concept of expert intuition and the importance of emotion in making intuitive judgements and choices. Individuals are intuitive thinkers and sometimes that intuition is imperfect which means that judgements and choices often differ substantially from economic and statistical predictions. Intuitive thinking relies on heuristics, perception and memory and is called fast thinking or System 1 thinking while slow thinking or System 2 thinking is more deliberate and requires more effort (Kahneman 2011).

Understanding the context is important as findings uncovered that making good decisions is a serious and complex process. Making good financial decisions is even more critical because
money is a finite resource that offers the possibility to create the kind of life that a woman aspires to have for herself and her family. Some broad stages in the decision-making process include using heuristics and being aware, or not, of biases, assessing risk to make a possible gain coupled with the ability to limit or sustain a loss, the role of intuition, the importance of emotion, and the ability to understand when fast and slow thinking is taking place. Findings revealed that most women were probably not aware of components in the decision-making process because this was not the focus of the thesis, but they appeared to have generally made informed and considered decisions to achieve well-being. In this thesis, the question under discussion is factors influencing women’s financial capability and making decisions is a significant activity that women undertake. Making good decisions is more important than knowing how they are made because always the outcome is the best indicator of that decision.

*Risk*

In examining risk and its role in financial decision-making, Bajtelsmit and Bernasek (1996) argue that one is only able to observe the outcomes of decisions rather than the decision-making process itself. Similarly, Schubert et al. (1999) observe that women are more risk-prone towards losses and men are more risk-prone towards gains in a gambling setting. However, when decisions were about investment and insurance choices, they found no differences in risk attitudes. This lead to the conclusion that risky financial decisions are inherently about context and that preconceived ideas about ‘the risk attitudes of female investors and managers may be more prejudice than fact’ (p. 385). Further evidence supports the claim of West and Worthington (2014) who conclude that women are only slightly less
willing to invest in shares and business ownership, which are perceived as risky. They argue that wealth was more important in explaining women’s ability to take risk than income and education. In addition, West and Worthington (2014) claim that wealth is more important than income and education in explaining women’s financial risk-taking. Findings from this thesis indicated that women who held shares within their superannuation funds and those who were in business, did not see these investments as high risk activities. They saw shares within superannuation and running their own business as investments in themselves, their future and that of their families.

Conversely, Faff, Hallahan and McKenzie (2011) claim that women and men have different attitudes in their financial risk taking with women being less risk tolerant than men, especially with respect to age. Data such as marital status, number of dependents, education, income, and net assets were also collected as these influence decisions. Faff, Hallahan and McKenzie (2011) state that by 2030 as women will make up approximately 70 percent of the ageing population in Australia, their decisions will have a significant influence on broad economic prosperity. If women have a conservative approach to risk, there will be more conservative investment decisions made which will result in lower levels of wealth for women in retirement (Faff, Hallahan & McKenzie 2011). This view rests on the assumption that women do have conservative attitudes to risk but findings revealed that while women may make safe decisions, they do invest in shares and business, both of which are described as risky. In this thesis, most women valued education highly as it offered access to well-paying roles so that
they could create personal wealth. While the views are different, different population samples such as survey results analysed using a quantitative method design could account for this difference. Taking into account that outcomes from decisions are all that can be observed and that the context in which decisions are made is significant, it is argued that risk is but one factor in the process of making choices. Some other influential factors are values, education, life experience and resilience which combine to enhance women’s financial capability.

*Managing personal finances*

Findings uncovered that women managed their personal finances in a disciplined and responsible manner with the majority who were in relationships controlling household finances because their partners were not interested in this task. The women in relationships who worked enjoyed being in control of household finances because they wished to ensure that money they earned as well as their partner’s was managed responsibly (Kenney 2006). However, partners were interested in the research and process of acquiring major assets such as property, technology, cars, and leisure equipment. Single middle class women see life with opportunities and many budget and invest to be financially independent and secure (Henry 2005) while women with families budget for their retirement and to provide for their children.

In developed capitalist countries, this goal is challenging because individuals, and especially women are required to take more risks because they live longer, they have lower earnings, and have less wealth because of job interruptions due to having children (Bajtelsmit & Bernasek 1996). These issues prevail in most developed countries and in Australia, government implications of having a user pays health system, a flexible labour market and the
responsibility to fund one’s retirement (Fear 2008) add further complexity to this situation as all these issues require understanding to make good financial decisions. Findings suggest that women’s attitude and resilience assisted them to find a pathway to create a sustainable lifestyle for them and their families by being financially capable to ensure that they are able to retain and maintain their independence and build future wealth accumulation.

Fonseca et al. (2012) put forward the view that women usually undertake household functions and men make financial decisions thereby acquiring more financial knowledge. As well, women and men with similar education take on the same number of financial responsibilities and that as their education increases, they take on more economic activities. The foregoing discussion implies that men make financial decisions but findings revealed that in most households, women took responsibility for this task, mainly because they wanted to and their partner was not interested, but wanted to be involved in major acquisitions. In contrast, Rowley, Lown and Piercy (2012) posit that by adopting positive financial behaviours, individuals could make better financial decisions and cope with change, but there is an oversight about the decisions that were being made. Their work focusses on women who participated in a behavioural change program that included financial decision-making. While they reported successful changes in behaviour as a result of partaking in the program (Rowley, Lown & Piercy 2012), findings in this thesis extend their work by showing that women are capable and confident of acquiring major assets such as property.
Pahl (2008) claims that couples need ‘to find a balance between being a financial unit and being two separate, financially autonomous individuals’ (p. 589). Findings revealed that, with couples who were in de facto relationships, they adopted a method of agreeing who would pay the mortgage and common bills. The system was either paying together or separately. These women also had their own accounts for discretionary spending and to pay for their adult children. However, women in married relationships explained that all income was deposited into several different joint accounts which were nominated for specific purposes such as payments for mortgage, common bills, and discretionary spending. On the basis of the findings, it seems fair to suggest that for married couples especially, there was no evidence of individualisation in family finances as the two people viewed themselves as a unit, both financially and personally. While this was a small sample, the finding contrasts to Pahl (2008) who argues that the pattern of individualisation of family finances is not as prevalent in the UK as it is globally. Findings confirmed that de facto couples manage individual accounts (Pahl 2000, 2008). This thesis extends the literature by demonstrating that married couples held joint accounts, thus this sample represents the diversity and creative ways in which couples manage their finances.

Individuals and couples manage their economic affairs in ways that suit their situations. Sherraden, McBride and Beverly (2010) argue that low-income families make financial decisions and manage their expenses through hard work, faith and frugality, despite challenges of high expenses and low incomes. Findings revealed that middle class women
described similar attributes such as hard work and disciplined budgeting to manage their economic circumstances, which indicates that despite socio-economic conditions, individuals adopt similar basic behaviours that assist them to cover basic financial needs based on their values, priorities, and constraints. Financial capability lies at the heart of this discussion and part of this process is the role of budgeting or more specifically mental accounting.

**Mental accounting**

Mental accounting is described by Antonides, de Groot and van Raaij (2011) as ‘the psychological separation of different economic categories’ (p. 546) and by De Meza, Irlenbusch and Reyniers (2008) as ‘a set of cognitive operations used by individuals and households to organise, evaluate and keep track of financial activities’ (p. 95). Individuals use mental accounting as a way to partition the way they think about issues and how they are going to structure solutions to manage issues. For example, discreet budgets are earmarked for weekly supermarket spending, expenditure on children’s activities, and monthly mortgage payments. Findings uncovered that three women explained how they intuitively knew their financial commitments and kept track of these expenses ‘in their heads’. They did not use a spreadsheet or a smartphone application as after their salary was deposited into a bank account, a specific amount was then diverted to a second account for spending. Additionally, many women used a credit card for expenditure and paid the balance in full at the end of each month, thus enabling them to have evidence of spending and make adjustments if required. Shefrin (2013) describes mental accounting adding the importance of emotions and posits that this heuristic is ‘designed to help people face temptation successfully and override their fast
thinking impulses’ (p. 16). Emotions are part of fast thinking. As women act responsibly to meet financial obligations, they make and follow their rules about allocating funds to particular categories so that they meet obligations and do not break this commitment. Antonides, de Groot and van Raaij (2011) contend that mental budgeting is practised to keep control of household finances, especially when financial means are limited, which means that households with higher income and wealth would practise this less. Findings revealed that this applied in one case only as the woman was recently divorced with two daughters and received insufficient financial support from her ex-husband, so keeping track of finances and saving for specific purposes was a priority. Having saving goals is associated with mental budgeting because saving goals encourage earmarking or labeling for specific purposes such as current expenses or future uses (Antonides, de Groot & van Raaij 2011). The other two women received generous salaries but still practised mental budgeting meaning that they preferred this method of managing personal finances. In addition, knowledge of financial products and investments contribute well to mental budgeting which suggest that this activity is not a naïve type of financial management (Antonides, de Groot & van Raaij 2011). Findings uncovered that mental budgeting was a useful strategy for three women regardless of their wealth as it assisted them to organise their funds, both mentally and physically to ensure that they met all financial obligations, giving them peace of mind. The role of budgeting is significant in personal financial management so that sound investment decisions can be made.
Investment practices

Leung (2011) investigates financial management practices to achieve goals and their relation to social reproduction. Leung (2011) argues that the working class use coping practices to manage day-to-day financial obligations with little left for long-term planning; middle class use balancing practices to juggle busy family lives and career using financial trade-offs to maintain stability while upper middle class who are settled in their social position, focus on practices that offer them time to enjoy leisure activities that surplus finance for achievement can provide. Their focus is on of themselves and families. Leung (2011) used the Coleman Computerized Status Index (CSI) which assigns a number class, for example, working class 13-23, middle class 24-36, and upper middle class 37-53 based on education, occupation, residence, and family income (Coleman 1983). While these important factors were considered in this thesis, they were viewed as integral elements of the middle class women’s lives to be examined on a whole person basis, therefore they were not assigned a number. Subtle differences between research conducted by Leung (2011) and findings in this thesis were uncovered. On one hand, findings confirm the literature that education is a key driver for economic success and is critical to achievement in a first world society because this is a stepping stone to well-paying employment, which is one ingredient in the mix for attaining financial capability. On the other hand, budgeting and managing work, family, and self were undertaken by all women regardless of their status. However, while Leung argued that upper middle class individuals carry out achieving practices that they are confident will lead them ‘to long-term financial independence, wealth accumulation and [a] well-balanced life style’
(p. 235), findings revealed that this cohort of middle class women held the same aspirations. This is taking into account the fact that the income definition of Leung’s upper middle class and the definition in this thesis is based on annual income of at least $A100,000. While the difference is in definition and is subtle, it is important because women in well-paying roles may be more motivated by their values and attributes such as confidence, achievement focus, and resilience to be financially independent more than the income they earned.

This is significant because findings revealed that women were clear about their preferred investment preferences and why they chose not to invest in perceived risky investment. This was for three reasons: 1) they did not understand fully how the share market worked and were not interested in knowing; 2) they did not trust others to manage their funds, and 3) they did not want to pay high fees to an entity or person to hopefully make money for them. Findings revealed that women were confident with investing in property directly as they considered it to be a safe asset that generally offered a sense of security as it was tangible, the owner was in control of managing it and ownership was clearly documented. Additionally, they understood how the process worked with loans, interest rates, mortgage offset accounts, and tax provisions. As well, being a real or concrete investment, they could see and they felt satisfied with essentially adding an asset to their portfolio. In other words, they were in control – of the investment process from researching the market, securing a loan, doing the transaction, and hopefully seeing their investment rise in value over time. All of this was framed with a view
to securing their financial security and independence in older age or to give their children a financially beneficial start in life.

10.3 Financial Capability

Findings revealed that financial capability had different meanings to most women. Some interpreted it as financial literacy and being competent to manage personal finances capably. Four described it as not only understanding financial knowledge but being aware of opportunity and having the freedom to choose. This finding applied to women both in financial services and those from other sectors. It is argued that if this misunderstanding is salient in a small sample, then it may be prevalent in a wider community. According to Sherraden (2010), financial literacy is the ability to make informed judgements and effectively decide how best to use and manage money. It comprises financial education, which is knowledge and skills and an understanding of products that might suit personal circumstances. Financial literacy is the term which is commonly taken to include capability. It is this blurring of language and meaning that appears to cause misunderstanding. While the terms literacy and capability are used interchangeably in many countries including Australia, in this thesis the term capability is used to include financial literacy together with opportunity, choice, and motivation to act.

According to what financial capability meant to the women, findings uncovered that a majority said that they became financially capable through life experience, others attributed it
to parental influence or significant others and one woman said by necessity. It is acknowledged that becoming financially capable involves more than financial education. While this is important, it is only part of the solution as people’s attitudes, motivations and opportunities are more significant than knowledge and skills (Lusardi & Mitchell 2014; Money Advice Service (UK) 2013). For example, the women maintained their financial capability by listening to others, reading, living within their means, and careful budgeting. For a majority of women working within financial services, this enhanced their confidence with being financially capable as they had access to useful information. However, knowledge is not a guarantee of success as there must be the opportunity, motivation, and confidence to make a decision and act. The women all acknowledged the industry which employed them and this is significant as it enabled them to be financially independent and secure.

A significant finding was that financial capability consists of six factors which have been linked to show their interaction and flow. Socialisation refers to the cognitive behavioural and environmental influences that shape learning about personal finance (Sherraden 2010). This process taught by parents to children within the family and also by significant others, demonstrates the values, attitudes, knowledge and behaviours that guide understanding and approaches to financial decisions. Learning to self-regulate emotions which begins in childhood, continues throughout a lifetime and the importance of relationships and events in various life stages provide experience in managing oneself because of the interlinking roles each has in financial decision-making.
Financial inclusion is the ability for individuals to access suitable education and advice with products so that they have the opportunity to exercise personal choice (Sherraden 2010). It is coupled with literacy and means that an individual can participate in the consumer marketplace of banking and financial institutions to access their products, services, and advice. The focus of this thesis is middle class women who are included in this arena because they are literate and can confidently seek resources to assist them manage their personal financial situation. It is acknowledged that for those on low incomes, financial life is challenging. Programs designed in collaboration by government, universities, not for profit organisations, and some Australian banks offer education and banking products such as savings accounts and low interest loans to assist those who want to learn and improve their financial position (Australian Securities & Investments Commission 2014; RMIT University 2015; The Smith Family 2009).

Financial capability is the ability to act with knowledge, skills, confidence, and motivation coupled with the opportunity to access quality financial products and services in a framework provided by government policies, laws, regulations and practices (Sherraden 2010). Financial capability assists an individual make informed decisions that support her or his idea of a good life. The emphasis is on taking action, not just thinking about it.
Placing financial capability in context, Amartya Sen’s work addressing capability in the early 1980s lays the foundation for much of the current research in the capability in the US, the UK, Europe, and Australia (Sen 1980, 1993, 1999). Later, Martha Nussbaum (2000, 2002) developed a capability approach based on a philosophical perspective combined with rights for the individual by naming ten capabilities she considered central to human functions. These capabilities emphasise providing opportunities and choice with a focus on what a person actually does, not what they say they do, and practical action. While Nussbaum stresses that the list of ten capabilities is not exhaustive or complete, they provide a starting point for a number of current capability studies.

Robeyns (2003, 2005, 2006) argues that the capability approach, as primarily developed by Sen and Nussbaum, is not a panacea for research on social policy and development, but may provide a framework for analyses. Using Sen’s capability approach, Kuklys (2005) develops new ways of operationalising this approach by exploring different ways of interpreting traditional data. Importantly, capability approaches have been used in a range of fields and contexts such as developing countries, education, health, and financial education.

Examining women’s actual behaviour, not simply what they know and what they plan to do, continues to attract research interest in women’s financial capability (de Bassa Scheresberg et al 2014, Lusardi & Mitchell 2008, Financial Literacy Foundation 2008). In most developed countries, changing social, economic, cultural, and political trends mean that how people live
their lives requires different financial intelligence than in previous times, thus the need for a
more financially capable world is clear. Consequently, an informed analysis of how the world
is evolving and what this may mean for financial priorities is important (Atkinson et al. 2007,

The comprehensive findings in Chapters 5, 6, and 7 are the basis for the Conceptual Model of
Factors that Influence Middle Class Women’s Financial Capability. The revisited conceptual
model will be discussed in the next section.

10.4 Revisited Conceptual Model

Following manual category topic analysis and NVivo analysis of the interview data generated
with women, a new modified financial capabilities model emerged, which represented factors
that influenced women’s financial capability. Six themes were identified: 1. influence of
parents or significant others and Parents immigrating to Australia; 2. values; 3. emotions; 4.
life stages; 5. relationships; 6. financial decision-making; leading to Financial capability.
These themes were merged with the model that was generated from the comprehensive
literature review. The importance of parental influence or that from significant others in
forming values in adolescent women flows into maturity. If an individual has a sound
combination of values, emotions, and supportive relationships, they are in a good position to
move through life stages. With these foundational elements in place, skills in financial
decision-making are implemented and refined; thus these six themes lead to financial capability or resilience. There is a link and flow between the themes and the order is changeable. If however, if a person is lacking in one of the factors, it does not necessarily mean they may not be financially capable. The deficiency could be corrected by addressing the area to enhance their capability.

This thesis aimed to identify factors influencing middle class women’s financial capability and to represent this through an appropriate model. The initial model (Section 3.4) Figure 3.1 was developed based on socialisation theory. In the 1970s, socialisation was seen as a process limited mainly to children. Socialisation theory focuses initially on the importance of family in providing children with foundational economic information and behaviours to gain personal financial management knowledge and skills. Sherraden (2010) refers to economic socialisation as ‘cognitive, behavioural, and environmental influences that shape learning about personal finance’ (p. 4). Sherraden (2010) argues that economic socialisation and financial education contributes to individuals’ financial literacy. They are then able to access financial products and make good decisions and are considered financially capable. The initial model at Figure 10.1 identified that these attributes contribute to financial capability, which includes financial development and management, and financial and personal stability and well-being. This model extended the original model by identifying factors such as financial management and personal stability and well-being as factors which contribute to financial capability. In this thesis, financial management refers to managing personal finances. Personal
stability and well-being refer to an individual’s sense of self and are additional to the financial aspects. Personal and financial aspects are important as they are connected, influence each other and contribute to a person’s motivation to be financially capable.

**Figure 10.1: Initial Conceptual Model of Financial Capability**

Family is important as it provides a safe location for children to learn and experiment with money. Similarly, Gudmunson and Danes (2011) refer to family financial socialisation and posit that this process includes four elements. These are the quality of family relationships, modelling behaviour, children’s observations of day-to-day interactions and behaviours, and enduring relationships based on change. They argue that these aspects should be included because of the pace and number of changes that take place in a person’s life. This means that socialisation theory is ongoing as it is integrated in the lifelong process. By blending the ideas
of Gudmunson and Danes (2011) and Sherraden (2010) and incorporating the findings in this thesis, the model in Figure 10.2 identified six factors that influence women’s relationship with money.
The second model incorporates initial findings from analysis undertaken with adult women. In this model, elements were identified within each factor, specifically parents immigrating to Australia and the influence that had on daughters in these families. Participants described how their parents emphasised the importance of having a strong work ethic, being disciplined about saving for the future, and acquiring property. These attributes, coupled with freedom to choose from opportunities available in Australia, were viewed as essential to achieve a financially secure life.
The third iteration of the conceptual model in Figure 10.3 identified that parental influence now included the influence of significant others such as extended family members and friends on women’s personal financial management skills. This wider influence was evident as those who did not have positive role models sought other methods of acquiring economic knowledge. Additionally, parents immigrating to Australia formed a subset of parental influence due to the number of women who had parents from non-Australian backgrounds. Adolescence was identified as a valuable time to acquire financial knowledge, make personal decisions concerning saving and spending, and form the goal to be financially independent. This finding identified that values established in childhood, such as working to receive pocket money and saving a portion, were reinforced and rewarded positively by parents in adolescence. These good behaviours, coupled with a willingness to locate useful resources and information, provided the adult women with sound skills and confidence to acquire further knowledge to make good decisions. An observation of working women’s approach to finances is noted. In the ANZ 2011 Survey it was identified that women working in lower blue collar occupations, with no formal post-secondary education and relatively low levels of income and assets were not as financially wealthy (ANZ 2011) compared to middle class women who had access to education and professional roles. There may be myriad reasons for this view but it appears that ‘people’s financial attitudes affect their level of financial literacy quite strongly’ (ANZ Survey p.3). This indicates that attitudes and confidence are integral to women’s ability to manage their personal finances. Moreover, findings identified elements that related to each of the six factors leading to financial capability.
Figure 10.3: Third Conceptual Model of Factors and Elements in this Thesis

Influence of parents or significant others
Positive role models
Negative role models
Absent role models

Parents immigrating to Australia

Values
Adolescent Woman

Values
Adult Woman

Emotions
Life Stages
Relationships
Financial Decision Making

Financial capability

Elements of personal financial capability
Meaning of financial capability
Financial capability self-rating
Becoming financially capable
Maintaining financial capability
Financial services industry influence

Elements
Values
Achievement
Ambition
Care for others
Control
Feminism
Independence
Responsibility

Emotions
Identity rupture
Health crisis
Pressure
Fear
Stress
Struggle
Happiness

Life Stages
Leaving home
Education
Work
Marriage / Partnered
Having children
Redundancy
Divorce
Retirement
Death

Relationships
Family
Friends

Decision making
Spending
Saving
Superannuation – legislative changes, risk appetite, investing
Managing personal finance
Overseas travel
Property acquisition
Future

Source: Author
Based on existing literature and the findings of this thesis, Figure 10.4 presents the revisited conceptual model with a more holistic view of relevant factors influencing middle class women’s financial capability.

**Figure 10.4: Revisited Conceptual Model**

Source: Author

This model extends the concept of financial capability by identifying six factors that emerged from the findings. Beginning with adolescence, the influence of parents and significant others
which includes demonstrating personal values of behaviour, were important for all women to be economically socialised. This stage gave adolescent women the opportunity to learn and practice managing their personal finances. It introduced them to simple banking products and the principles of making saving and spending decisions. These early stages of financial literacy were foundational in preparing young women to make good financial decisions and to make errors without adverse consequences. Support from family and friends was available to guide and assist if required. As women matured, financial skills and knowledge were influenced by relationships and life experiences. Adapting to change meant developing resilience to either improve or maintain personal circumstances by making good financial decisions. The model reflects the foundation of socialisation and the identification of factors that influence middle class women to develop resilience and be financially capable in the long term.

10.5 Summary

This chapter presented the discussion of the last two themes, relationships and financial decision-making leading to financial capability. It also explained the Conceptual Model of Women’s Financial Capability. The literature by Birkenmaier et al. (2013), Johnson and Sherraden (2007), Lusardi (2011), Lusardi and Mitchell (2008, 2011, 2014) and Sherraden (2010), provided a valuable service in showing how financial capability has developed with children, women, and women and men. Much of this research is quantitative. In contrast, this thesis demonstrates other factors that influence middle class women’s ability to manage 347
personal finances from a qualitative perspective. For example, identifying the links between economic socialisation, values, emotions, life stages, and relationships in contributing to a resilient attitude to make good decisions results in women who are financially confident and independent. This is significant because women who are financially capable contribute to their personal and social well-being of families and friends as well the economic interests of community and country. Chapter 11 presents the conclusion to the thesis.
Chapter 11: Conclusion

11.0 Introduction

In this chapter, which draws the thesis to its conclusion, research inquiry statements will first be discussed to shed some light on what factors matter for middle class women’s financial capability. The sections that follow are discussed in terms of their contribution to the body of knowledge and methodological aspect. Based on key findings, a number of recommendations are offered for middle class women, business, and policy makers especially pertaining to their roles and actions towards women’s financial capability.

11.1 Research Inquiry Statements

This thesis has adopted a constructivist approach through the methods of Chamaz (2006) and Creswell (2009). The value of using this approach is that the researcher and participants created the narrative together from the women’s meaning of the world in which they lived and worked. Financial capability emerged as the foundation that led the researcher to explore the relevant factors influencing middle class adolescent and adult women’s relationship with personal finances.

The findings indicate that the influence of parents and significant others and their values play a critical role in first modelling behaviours and attitudes that affect adolescent women and second adult women. These two factors are foundational for how women manage their personal emotions in relation to financial matters. For example, a majority of women said that financial security was important to them and their families. Financial freedom and financial independence were critical for their personal sense of well-being as most of the women did
not like being dependent on others. Full-time employment or being in small business was a motivation to retain their independence.

Further, identity transformations that occurred through redundancy and motherhood were challenging and difficult experiences to manage because the identity of most successful women was very closely aligned with their career. When this altered, the reflection required to change identity from working to being a full-time mother for example, was described as confronting. An essential component to gaining well-paid employment was a good education. This was viewed as ‘a ticket to the game’ which means high salaries were commensurate with roles in successful organisations.

Adoption of the life stage approach illustrated that women’s lives did not necessarily move in a linear, sequential pattern from one event to another. For example, traditional views of life and marriage, still valid in the 1980s and 1990s where many women left home to enter the workforce, marry and have children are not the templates for relationships for today (Singh & Cabraal 2006). In the 2000s, many women may leave home to study and work and may return to the family home to save, travel overseas or start a business, enter a relationship and may have children within a marriage or not, and separate and divorce with a potential second relationship. This means that women’s progress through life stages comprises many pathways so the necessity to be financially resilient is paramount to create an independent and secure future. Relationships played a pivotal role in all women’s lives, especially those with family, children, friends, and partners as this caring for others motivated women to contribute to the well-being of those closest to them.
Financial decision-making was undertaken with confidence, involving mostly good spending and saving behaviours. A majority of women said that buying property was important and most had confidently acquired this prior to being in a relationship or getting married. Most women managed the household budget as their husbands or partners were not interested in this task. A number of women said they liked being in control of finances and some described themselves as ‘control freaks’. This is significant as it illustrates independence and a curiosity and interest about making good financial decisions.

Regarding financial capability, most women rated themselves on a scale of one to five, between three and five, with a few rating themselves one or two. The reasons for this are varied. Almost all women were wary of superannuation, even though they were aware it was important for retirement or the future. Reasons given were constant legislative change created by governments, not trusting those who manage superannuation funds, and preferring property investment as they could see the asset and were familiar with mortgage structure. Some women stated that they would like to know more about financial education but again, did not trust providers of information or those who gave advice, and did not want to gain formal education qualifications to make personal finance. On the other hand, there were some women who were aware that superannuation was a necessity but invested outside of this area so that they had a balanced financial situation.

11.2 Contributions of Research to the Body of Knowledge

It is confirmed that Sherraden’s (2010) paper was foundational in this thesis. However, it should be noted that Sherraden is a leading world expert in the area of financial capability. The quality and amount of scholarly work she has produced attests to her international
standing in this field. The outcome of this current thesis contributes to the body of knowledge in three main aspects. First, findings generated from this thesis are contributing to the extension of the financial capability literature which predominantly focuses on women, men, and financial literacy. In this respect, the findings showed that the knowledge principles by studies conducted on women and men could also be applied to middle class adolescent and adult women in neoliberal societies.

Second, the findings provide a significant theoretical contribution to the field of financial capability research, especially to the body of middle class women by exploring factors influencing their relationship with money over time, which to the researcher’s knowledge, has seldom been addressed in the financial capability literature. The findings of this thesis have bridged different fields of research from sociology, gender, psychology, and behavioural finance. As most financial capability studies were conducted from a traditional finance lens rather than from a holistic sociological perspective, the integration of six factors in this thesis is considered as a contributing aspect of this thesis.

Third, this thesis brings an important contribution in explaining how financially capable Australian middle class women should not only enhance the sustainability of business but also could lead towards enhancing the sustainability of a harmonious society, especially between the relationships of work, family, self. This thesis challenges dominant theoretical frameworks which normally studied financial capability of both women and men using one or two variables from a numerical and statistical viewpoint. This thesis sheds some light on studying middle class women from a sociological perspective, whereby the social, cultural, and historical aspects have shaped the direction of the research context of Australian middle class women’s financial capability.
11.3 Methodological Contribution

Methodologically, an important contribution of this thesis is through the employment of semi-structured interviews with both adolescent and adult women in this study that has provided a richer understanding of the factors influencing women’s financial capability. The originality of this current thesis lies in the amount of data gathered in the research field either through interviews or relevant documents. The triangulation of findings from interviews and the final conceptual model enables the researcher to explain and further justify several issues uncovered in this thesis. When analysing the literature, it was apparent that the dominant paradigm was a quantitative one. The contribution of this thesis is through semi-structured interviews to enhance understanding of key concepts and a new approach to investigate and define key concepts.

Moreover, this thesis employed a constructivist paradigm in exploring the subjective meaning of women’s realities of their financial capability. This was implemented through Creswell’s approach which was generated from adolescent and adult women. As well, this thesis draws on Weick’s (1989) conceptual building approach which focuses on conceptualising and sense-making to interpret participants’ involvement in and the main constructs underpinning women’s financial capability. This approach provides a more realistic and holistic view in addressing the research question.

The use of both hand coding (manual) and NVivo software to analyse the data enhanced the ability of the researcher to be more creative and systematic to ensure the rigour of the thesis. Utilising both manual and computer software has helped the researcher to recheck the consistency of the data analysed from both techniques.
11.4 Research Recommendations and Implications

This thesis offers an important contribution for development and implementation of initiatives for women to be financially capable. Additionally, the findings and the revisited conceptual framework of women’s financial capability have practical and policy implications for women and organisations. These findings suggest that this cohort of middle class women are smart, capable, willing to work and learn, which is evidenced by their values, such as independence, responsibility, and a drive to achieve. These values which were modeled by parents and significant others, especially during adolescence, influenced women’s relationships with money including their financial capability. Their emotional honesty and appreciation of a good education meant that a majority were self-confident in managing life stages, both positive and adverse, which was sustained by their families, significant others and friends. The women made mostly good financial decisions which ensured security for themselves and others. Their willingness to make informed property purchases indicated self-reliance and assurance that suited their risk appetite, which some described themselves as risk averse. A majority of women said that they were financially capable or financially resilient which confirms the six factors that influenced the evolution of their relationship with money from adolescence to maturity.

Recommendations for adolescent women

This thesis discovers and further enhances understanding of the motivations of middle class adolescent women to be financially independent. The findings have shown that sound financial literacy is present at this development stage. This knowledge and skill should be enhanced by schools to build upon this foundation. In some Australian schools, participation in literacy programs is available from kindergarten to year 12, but is not compulsory for all students. This thesis suggests that adolescent women should be actively encouraged to enrol
in these programs. The education will enhance their likelihood of being financially capable as they develop in managing part-time work, study, and their personal finances. With support from parents and school, adolescent women will have the confidence and experience to access the retail marketplace for financial products, services, and advice. Being able to ask appropriate questions to enable them to make informed financial decisions will assist them secure financial independence and security in the future.

**Recommendations for adult women**

The current findings showed that the attainment of financial capability should be a goal for all women, regardless of their socio-economic circumstance. While this cohort of women are smart, motivated, and willing to learn so when they wish to learn about a topic, they actively seek information, this may not apply to all middle class women. Women need confidence, curiosity, and a willingness to learn if they wish to seek opportunity. Taking responsibility is one of the women’s personal attributes but many are wary of who to trust or speak to about complex financial matters. They could complete a course, but because of time constraints, this is viewed as another pressure on time. It is recommended that women could participate in an association or group that offers financial information and be supported by like-minded women. Networking is an effective way of meeting others and offers a proactive way for women to enhance their knowledge to make informed financial decisions. Furthermore, work is the major source of women’s income and can be provided by either being an employee or being in small business. If workplace events such as seminars are offered by employer, women are advised to attend, especially if the topic is retirement and one wishes to secure a financially secure future.

**Recommendations for business and policy makers**

Through the discovery of factors influencing the financial capability of middle class adult women in this thesis, the nature of work was found to have a significant influence on
women’s ability to manage their desire to work in challenging and well-paying roles, caring responsibilities, and time for themselves. As such, organisations and policy makers could use this information to revise current policies and formulate new policies to further refine flexible work arrangements and make available access to conveniently located and well-priced child care. As it appears that women are not the problem but that work is, business leaders and policy makers should update their practice and policy to reflect the current time. Collaboration is the solution. Significantly, refined work practices are sought by both women and men as in the 2000s, they generally both seek to achieve their desired mix of time for work, family and self.

11.5 Limitations

Any study has limitations (Marshall & Rosman 2011). While this thesis has made several contributions to the body of knowledge, practice and policy, the thesis inevitably has several limitations. First, the unit of analysis in this thesis is restricted to a small, country-specific, self-identified Australian middle class women. In this respect, the factors influencing financial capability may be different from other socio-economic groups due to the availability of well-paying work opportunities and geographic location. While technology can assist with many work tasks, most career roles are located in Australian capital cities.

Second, using qualitative methods in this thesis one would not be able to measure the strength of factors affecting middle class women’s financial capability. However, the aim of this thesis is to uncover factors so as to explain the specific phenomenon in regard to Australian middle class women’s relationship with money over time. Further, using NVivo to analyse
qualitative data helped the researcher to identify which factors have been cited most by the participants, using queries of each theme that emerged in the thesis.

Third, relevant factors uncovered in this thesis were based on the participants’ beliefs and views and this may eventually lead to the biased perspective of the participants. Further, their experiences of working within financial services or other sectors would shape their perspectives on which factors are important for financial capability. Nonetheless, applying triangulation between findings of the three groups (e.g. adolescent women, women within financial services, and women from other sectors) and research methods (e.g. interviews, document analysis, and field notes) in this thesis lessens the impact of biases. This is because the different sources and rich information helped verify the participants’ experience and thoughts, and to have an improved picture of a particular issue. Additionally, biased interpretations may also be caused by the researcher’s ability to interpret the findings based on her own knowledge and perspectives.

Finally, while the thesis asked women to discuss their experiences over their life course, these views were captured at a particular time in their lives. A longitudinal study would show several factors which will evolve over time such as life stages, relationships, and financial decision-making that could strengthen women’s financial capability.

11.6 Directions for Future Research

The cultural identity of Australian middle class women has emerged as a growing, yet largely ignored, section of the population. A future study on this group’s financial capability would be worth investigation in order to extend our understanding on the connection between the
factors in regional Australia or other countries. Comparative studies such as an international study and a cross-class comparison are areas for future research.

The relevant factors influencing Australian middle class women uncovered in this thesis may also guide future research to investigate financial capability in other classes in Australia. As much work has been done with marginalised populations, an investigation of those who are wealthy would explain what capability means to them, for example in terms of inherited wealth or earned wealth.

Lastly the use of a quantitative approach in future research would complement the current study that identified the factors affecting Australian middle class women’s financial capability. The application of the quantitative approach could measure relative weight of importance of each factor, particularly through several multiple-criteria techniques such as Saaty’s (1980) Analytic Hierarchy Process.

11.7 Summary

In sum, research addressing Australian middle class women is still in its infancy. There are significant opportunities for further research. This thesis is a milestone for other researchers to explore this topic further, whether in Australia or in other contexts. The revisited conceptual model of the thesis may provide theoretical and practical implications for Australian middle class women by providing a foundation for future research by government institutions, business, and banks. Becoming financially capable requires more than one approach for success. Socialisation within the family or by significant others is the foundational stage in the process. Becoming financially literate is a pivotal second stage as it
is important to have knowledge about personal finance in order to actively participate in the market for products, services, and advice. Once financial literacy is acquired it is then another stage to be aware of opportunities, and having the willingness and motivation to take action by making good decisions that will enhance personal and financial well-being. Essential factors in establishing a healthy relationship with money enable women to be financially capable. Guided by their values and emotions, work ethic, and relationships, they are able to make good decisions because of their resilience gained from life experiences. As well, women’s ability to capably manage money is set in the context of a safe and well regulated neoliberal society coupled with support from family, and friends who they trust. An essential point is that this thesis is not intended as an endeavour to determine which factor is most important or correct. Rather, it is an attempt to find constructs of financial capability for Australian middle class women where perspectives diverge and those perspectives are acknowledged and respected.

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Appendices

Appendix A: Participant Demographics

<table>
<thead>
<tr>
<th>Family B’ground</th>
<th>App Age</th>
<th>Position in Family</th>
<th>Education</th>
<th>Marital status</th>
<th>Children</th>
<th>Employment</th>
<th>Location</th>
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<td>-</td>
<td>Paid f/t</td>
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<td>-</td>
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<td>Elder of 2</td>
<td>Degree</td>
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Other Sectors

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Appendix B: Interview Guide – Adolescent Women

Initial Questions

1. Tell me about your earliest memory of money.
2. When you were younger, who talked to you about money? What did they say?
3. Tell me how your mother (or father) influenced you.
4. Who talks to you about money now? What do they say now?
5. How does your mother (or father) influence you now?
6. How have your feelings changed since you were younger?

Intermediate Questions

1. When did you first have your own money?
2. Tell me what money means to you now.
   If the topic of shopping comes up, ask:
3. What do you like about shopping?
4. What or who influences you to go shopping?
5. How do you feel about money now?
6. How did you learn the value of money?
7. Tell me how you felt when you were first able to spend your money as you wanted.
8. How would you feel if you had no money?
9. Tell me about a time when you were sad about money.
10. Tell me about a time when you were happy about money.
11. Tell me about a time when you were angry about money.
12. How do you manage money now?

Ending Questions

1. Tell me how you feel about money and the future.
2. Tell me how you might feel about achieving that outcome.
3. Is there anything you might not have thought about before that occurred to you during this discussion?
4. Is there anything you would like to ask me?
Appendix C: Interview Guide – Adult Women

1. Can you tell me about any of your experiences with money that you can recall when you were say, **14 to 16 years old**?

2. Tell me about your experiences between **that time and today**.
   - How do you spend your money?
   - Managing money
     - Micro – Budgeting – Who manages personal finances?
   - Credit card usage
   - Debt

3. Could you describe in as much detail as possible **some important events** over time that may have influenced your experiences with money?

4. What are the **factors (influences, circumstances)** that you consider affect your relationship with money over time?
   - Possible factors:

5. As you look forward, can you describe **your future** and the role money plays in this future?
   - What do you think of superannuation?
   - How long do you intend to work? Full-time? Part-time?

6. Is there anything you would like to add?
   - Is there anything I have missed?
   - Is there anything you’ve thought of during our conversation?

7. In your view, what does **financial capability mean to you**?
   - According to your view, how would you rate your financial capability? (On a scale of 1-5 with 1 being the lowest and 5 being the highest)
   - Why this figure?
   - How did you become financially capable?
   - What do you do to maintain your financial capability?
Appendix D: Ethics Approval

RMIT University
GRIC Box 2470V
Melbourne 3001
Australia

Tel +61 3 9925 1000
Fax +61 3 9925 2003
www.rmit.edu.au

Ref: Ethics Appl. 759

Tuesday, March 24 2009

Robyn Ward
School of Management
College of Business
RMIT University

Dear Robyn,

I am pleased to advise that your application for ethics approval for a Research Project has been approved by the Chair of the Business Portfolio Human Research Ethics Sub-Committee. Approval has been granted for the period from 23 March 2009 to 3 March 2010.

The RMIT Human Research Ethics Committee (HREC) requires the submission of Annual and Final reports. These reports should be forwarded to the Business Portfolio Human Research Ethics Sub-Committee Secretary. Annual Reports are due in December for applications submitted prior to September the year concerned. I have enclosed a copy of the Annual/ Final report form for your convenience. Please note that this form also incorporates a request for extension of approval, if required.

Best wishes for your research.

Yours sincerely,

Prue Larent
Secretary
Business Portfolio Human Research Ethics Sub-Committee

Encl.
Notice of Project Amendment Approval

Date: 28 February 2013

Project Number: 759

Project Title: Exploring the Factors that Impact Female Children’s Emotional Responses to Money

Risk Classification: Low Risk

Principal Investigator: Ms Roslyn Fussell

Supervisor: Dr Aline K. Biollaz

Project Approved: From: 25 March 2009 To: 3 March 2016

Project Amendment Approved: From: 14 February 2013

Amendment Details: Consent: 24 additional interviews with adult female participants to verify the financial capabiliy model generated from the pilot study of female adolescents.

Terms of approval:

1. Researchers must contact the senior investigator if any additional research activities or amendments occur.

2. Amendments to the original project proposal and its ancillary documents are to be approved by the Human Research Ethics Committee (HREC) and the investigator should obtain a new approval letter.

3. Any changes to the project proposal, including any modifications to the consent form, will be reviewed and approved by the HREC.

4. The project must be conducted in accordance with the consent form and the current ethical and legal requirements. Any changes to the project should be approved by the HREC.

5. Annual reports:

   a. The principal investigator is responsible for preparing an annual report on the progress of the project.
   b. The report should be submitted to the HREC and the University at the end of each year.

6. Amendments:

   a. Amendments to the project proposal must be submitted to the HREC for approval before the project can proceed.

7. Dismissal:

   a. Projects may be suspended or terminated by the HREC at any time.
   b. Participants must be debriefed and provided with contact information for the research ethics committee.

   c. The research team must ensure that all data is securely stored and that all participants are informed of the project's termination.

   d. All data must be destroyed or anonymized.

   e. All research involving human participants must be conducted in accordance with the Declaration of Helsinki.

   f. The study's methods, results, and implications should be published in a peer-reviewed journal.

Recommendations:

Yours sincerely,

Professor Roslyn Fussell
Chairperson

RMIT UNIVERSITY
### Appendix E: Sample of Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Content description</th>
<th>Data example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parental influence</td>
<td>Mother / father / grandfather / or inappropriate parental modelling</td>
<td>I refused to have joint accounts because one of the things my mother told me and I will never forget it and I’m going to pass it on to my daughter, is you never ever rely on anyone else for your financial stability, not even your husband.</td>
</tr>
<tr>
<td>Work</td>
<td>Importance of work including part-time work while at university and full-time work; work means money; prepared to work hard to make money</td>
<td>I’ve always had to work so work has always been a strong focus of mine so even though I don’t move jobs necessarily for the money, ..</td>
</tr>
<tr>
<td>Financial security</td>
<td>Job gives financial security</td>
<td>I do have a big focus on the job giving me the security, or the financial security and I don’t think I’ve ever been with anybody who wasn’t as focused about jobs and the security side of it either.</td>
</tr>
<tr>
<td>Financial independence (and loss)</td>
<td>Financial independence is a personal responsibility to ensure one has sufficient funds for financial well-being</td>
<td>I believe that you’re responsible for your own financial independence whether you’re married, unmarried, female, male.</td>
</tr>
<tr>
<td>Freedom</td>
<td>Freedom is the ability to spend, save, and invest as you choose</td>
<td>Yeah so half way through uni I just really wanted to give uni up and go and work, because I could see money coming in, I enjoyed that, I enjoyed the things that it allowed me to do and buying things for myself, but mum and dad convinced me to stay and I’m glad they did now.</td>
</tr>
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<td>Self reliance</td>
<td>Need to take personal responsibility for own financial well-being</td>
<td>Absolutely, so I was always very conscious of I only had myself; there wasn’t any .. and I didn’t want to be in a situation where I was borrowing from people, other people as I’d seen my mum do that and it wasn’t something I wanted to .. and I suppose really even if I had just very strongly felt that I didn’t want to have to be reliant on anyone.</td>
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<td>Need for control</td>
<td>My absolute goal is financial independence so I have control over myself. So I’m very much a control freak (both laughing) cause I control things I can control.</td>
</tr>
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<td>I think I had a real morbid fear about commitment to a mortgage and um and being tied to a job and not being able to make a decision to move away on the spur of the moment if I wanted to, so that really made me delay the decision I think for a long time, because I was doing it on my own.</td>
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<tr>
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