〔投稿論文〕

SATISFACTION WITH SELECTED ASPECTS OF HOUSEHOLDS' FINANCES AMONG JAPANESE

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Today most households must cope with an increasingly complex and uncertain economic environment. It is hypothesized that households with greater economic resources are better able to cope with the present economic environment than those with fewer resources. It is not only the amount of resources, but also the effective management of resources that contributes to a household's ability to successfully function in its economic environment. Factors such as money management practices and attitudes towards use of credit may influence a household's financial strength and ability to manage resources effectively. In order to develop appropriate educational materials and programs in the area of family financial management, it is important to determine how satisfied people are with specific aspects of household finances and what factors influence the satisfaction level.

The overall objective of this study was to determine the level of satisfaction with selected aspects of financial management in Japanese households. The secondary objective was to determine the socioeconomic variables and money management practices that influenced the level of satisfaction.

A principle in family resource management is that financial resources such as money and credit, are interdependent with such human resources as skill, knowledge, and cooperation. Thus it is hypothesized that some households with adequate income lack the human resources to effectively manage financial resources and therefore have problems. Resources are also considered as finite or limited and scarce relative to a household's wants and needs. Viewing resource use as a process over time, family members may expand their needs and wants to exceed resources and then adjust their wants to balance them (1, 5, 12).

The importance of sound financial management practices is emphasized in family resource management and personal finance textbooks, and by professionals in such professions as social work and financial counseling. These sources claim sound money management practices contribute to financial security and independence (15).

Related Literature

Much of the research in the area of financial management is descriptive. More is known about the families who are likely to have a budget, use credit cards or save, than is known about the relationship between practices, attitudes and satisfaction with financial management (13, 14, 16).

People generally are aware of the importance of financial practices such as savings, written financial goals and formalized budgets, but few follow recommended financial management practices. Goodwin and Carroll (1986) found that, on the average, fewer than six of ten recommended financial management behaviors to be practiced (4). The number of years married, completion of a course in consumer education, and occupational status of wife were found to contribute to positive financial management attitudes and behavior.

How a family allocates its limited resources influences its financial well-being. During a particular period, a family may choose to use all of its current income to meet consumption needs and improve its current level of living or it may elect to save some of the current income to increase its net worth and financial security. Household size, income, age of household head and labor force characteristics are among the factors found to influence the savings behavior of families (2, 6). Hefferan presents a complex picture of households' savings patterns. The decision to save is influenced by income, and the level of savings is influenced by total assets, housing tenure and education (6).

Credit also can be an indicator of financial management. Practices related to credit card management were the most significant predictors of household solvency status in a study by Hira and Mueller (7). The greater the number of credit cards and the larger the amount the household was willing to charge on those cards, the lower was the level of solvency.

Achieving satisfaction with the family's financial management can be viewed as a goal. Satisfaction may be achieved through met demands, resources available to the family and management skills used to meet the demands (3). Savings and investment are areas of financial management in which families are relatively dissatisfied (9, 10, 11). Hira identified that a large proportion of money managers who were satisfied with various aspects of their household finances, had clarified financial goals, saved larger amounts of income, used larger numbers of credit cards, and had lower debt-to-income ratios as compared to those who were not satisfied (8).

Procedures

The data in this study were collected in Japan during the fall of 1986. Of the 900 questionnaires, 537 were returned, a return rate of 69 percent. The data were collected from the Kansai region which includes the cities of Osaka, Kobe and Kyoto (42%), Nagoya (38%), and rural areas of Nara, Toyama and Wakayama (20%). In each area a professor was identified who agreed to cooperate with researchers. This person agreed to invite researchers to class to explain the project and to distribute questionnaires to students. Students took the questionnaire to their parents and asked the parent who had major responsibility to manage household finances to complete it. Students were asked to return completed questionnaires to their teacher in two weeks. The questionnaire included items related to money management practices, including financial goals, use of consumer credit, household income, savings and satisfaction with selected aspects of household finances. Most of the questions were closed end questions. Satisfaction was measured with Likert-type scale. A satisfaction index was derived from five Likert-type items on nine selected money management practices. The reliability was .85. Pearson product moment correlation between socioeconomic characteristics and money management practices was computed to study the intercorrelations of the variables. Regression analyses were used to determine socioeconomic variables and money management practices that influenced satisfaction level.

Results

Sociodemographic characteristics

Table 1 describes information on socioeconomic characteristics of the sample. A typical respondent was a 45 year old married female who had been married for 16 to 25 years. The typical household consisted of five members with 40 percent of the families having parents of one spouse living with them. Seventy percent of the wives had a high school diploma, and slightly over half of them were fully employed outside the home. Nearly half of those employed (46%) were in occupations reflected by professional, managerial and public service categories. The majority of respondents owned their homes (82%) and almost half of them (45%) lived in cities. Nearly half of the respondents did not complete questions related to household income and assets. Mean household income for those who provided this information in 1985 was 5,740,000 yens or \$37,032, and the mean value of total savings was 3,790,000 yen or \$24,451 (Table 1).

Table 1. Sociodemographic Characteristics of the Sample

Sex	
Females	70%
Males	30%
Marital Status	
Married	92%
Housing Status	
Owners	82%
Household Size	
Mean	5
Wife's Age	
Mean	45 years
Huband's Age	
Mean	47 years
Wife's Employment Status	
Fully employed	54%
Husband's Employment	
Fully employed	70%
Wife's Education	
High School	71%
Husband's Education	
High School	75%
Place of Residence	
Cities	45%
Country	43%
Husband's Occupation	
Professional management and Public Service	46%
Mean Income	
5,740,000 yens	$37,032
Mean Savings	
3,790,000 yens	$24,451

Money Management Practices

Among Japanese households in the sample, spending plans were either developed by wives (49%) or jointly by husband and wife (34%). Financial decisions, however, were either made by husbands (34%) or jointly by both husband and wife (33%). About one-fourth of respondents (25%) said the wife made financial decisions. A large major-

Table 2. Money Management Practices

Who develops spending plan	
Wives	49%
Both	34%
No one	17%
Who makes financial decisions	
Husband	34%
Both	33%
Wife	25%
No one	8%
Had Financial Goals	
Yes	70%
Type of goals	
Adequate Retirement Fund	39%
Child's Education Fund	24%
Travel Fund	24%
Build Savings	26%
Be Financially Well Off	21%
Child's Marriage Money	15%
Stay Out of Debt	10%
Home Ownership	14%
Specific Plans to Develop Retirement Fund	
No	55%
Yes	45%
Used Borrowed Money	
No	65%
Yes	26%
No answer	9%
Used Credit Cards	
No	43%
Yes	36%
Missing	21%
Had Difficulty in Keeping up Debt Payment	
Never, Seldom	64%
Sometimes, Often	36%
Had Arguments about Money	
Yes	38%
Frequency of Arguments	
Often	16%
Occasionally	26%
Sometimes	58%

ity of respondents (70%) said they had financial goals. Various goals identified by respondents are listed in Table 2. Most frequently mentioned goals included "adequate retirement funds," "money for children's education," "build savings" and "travel funds." Respondents were asked if retirement fund was one of their goals, did they have specific plans to build adequate retirement fund? Slightly more than half (50%) did not have specific plans, nearly one-third of the respondents (29%) said they had some plans, and only 13 percent identified having well developed plans for retirement (Table 2).

Hira (8) reported that among households surveyed in a midwestern town in the United States, 59 percent had financial goals and most frequently mentioned goals included: to be financially secure (35%), have adequate retirement income (22%), home ownership (19%), and education fund (12%).

Credit cards were used by 36 percent of the Japanese households. On an average, a household used one card; however 12 percent indicated they used three to four credit cards. Use of borrowed money was not common among Japanese households in this sample. Slightly more than one-fourth (26%) indicated they borrowed money. Money was usually borrowed to purchase homes or cars or for home remodeling (Table 2). In a study using a sample of U.S. households, Hira (8) reported 42 percent of the respondents used two to four credit cards, and 31 percent did not use any credit cards; furthermore, one-third of the households did not have any consumer debt.

In response to the question, "have you experienced difficulties in keeping up debt payments?," about 36 percent indicated having had some difficulty. When asked if there were arguments about money between spouses, 38 percent of married respondents indicated having had arguments related to money matters. Of those who had arguments, 16 percent argued often, 26 percent argued occasionally, and more than half (58%) reported arguing sometimes (Table 2). According to Swift and Hira (1987) in a study of U.S. households, 37 percent of the married respondents had arguments about money (16).

Satisfaction with Selected Aspects of Family Finances

Table 3 summarizes the information on level of satisfaction with all aspects of household finances. Somewhere between 47 percent to 59 percent of the respondents were neutral about all aspects of household finances. Four areas of household finances with which relatively larger proportions of respondents were satisfied included ability to pay back borrowed money, money management practices, ability to stay out of debt, and current life style. Almost one-four of the respondents (24%) were satisfied with their ability to pay back borrowed money. Between 21 and 22 percent of the respondents were satisfied with their current life style, money management practices, and ability to stay out of debt. The three aspects of household finances with which a larger proportion of households were dissatisfied included ability to save (23%), level of current assets (26%) and ability to meet emergency expenses (13%). Less than 20 percent of respondents were satisfied with the following four aspects of finances: overall quality of life, willingness of family members to talk about money, ability to meet emergency expenses and level of current assets. Only 10 percent were satisfied with their ability to save (Table 3). These results are quite different than those reported by respondents of a study conducted in the United Sates, where it was reported that the majority of the respondents, that is, 80 percent or more were satisfied with their money management practices, ability to stay out of debt, ability to pay back borrowed money and family members' willingness to discuss finances (8). The specific aspects of finances with which a larger proportion of respondents were dissatisfied included, ability to meet emergency expenses (45%) and their ability to save (40%). A distinguishing factor is that most respondents in the United States study were either satisfied or dissatisfied, whereas a larger proportion of Japanese respondents were in the neutral category. Based on the researcher's work experience in Japan, the difference

Table 3. Satisfaction with Selected Aspects of Household Finances

Selected Aspects of Household Finances	Level of Satisfaction		
	Extremely Dissatisfied and Dissatisfied	Neutral	Satisfied and Extremely Satisfied
	%	%	%*
Money management practice	8	58	22
Current life style	6	54	21
Ability to save	23	53	10
Ability to stay out of debt	8	54	22
Ability to pay back borrowed money	6	47	24
Level of current assets	26	50	12
Willingness of family members to talk about money	10	59	14
Ability to meet emergency	13	59	13
Overall quality of life	10	58	18

N = 357

* = Totals for three categories satisfied, neutral, dissatisfied do not add to 100 % due to missing cases.

can be explained by a difference in two cultures. Most Japanese, unlike North Americans, do not usually feel comfortable in expressing specific opinions on issues. However, in both studies, larger proportions of households were dissatisfied with same aspects of household finances such as ability to meet emergency expenses, level of assets, and ability to save.

Correlation Between Socioeconomic Characteristics and Money Management Practices

Table 4 presents the results of Pearson product moment correlation between 13 socioeconomic variables and eight money management practices. Respondents' sex was strongly related to two practices, "used borrowed money" and "had difficulties in keeping up debt payments." More men than women reported use of borrowed money; whereas more women than men reported having difficulties in keeping up debt payments. Marital status was significantly and positively related to only one practice, " who made financial decisions," indicating financial decisions were made jointly by married couples. Household size was significantly and negatively related to two practices, "had retirement plans" and "used credit cards." A larger proportion of smaller than larger households had made specific retirement plans and used credit cards.

Wife's age was significantly related to four practices. A larger number of households with younger than older wives used borrowed money. A larger proportion of households with older than younger wives also had difficulty in keeping up debt payments, argued about money and argued more frequently (Table 4).

Wife's education level was significantly and positively correlated with three practices. More households where wife's education level was higher had made retirement plans and used borrowed money than households where wife's education level was lower. However, fewer of these households had difficulty in keeping up debt payments. Place of residence was correlated with one practice, 'used credit cards;' more respondents living in cities and 'bed towns' (like suburbs in the U.S.A.) used credit cards than those who lived in rural areas. A larger proportion of respondents from regions with large metropolitan areas as compared to those from rural areas had difficulty in making debt payments and argued about money. A larger proportion of home owners than renters made financial decisions jointly and had specific retirement plans (Table 4).

Husband's age was significantly and negatively related to four practices. In households with younger than older husbands, financial decisions were made jointly, borrowed money was used, there were arguments about money, and arguments were more frequent. Husband's education was significantly and positively related to four practices. Larger proportion of households where husband's education level was higher

Table 4. Correlation Between Socioeconomic Variables and Money Management Practices

Socio-Economic Variables	Who Made Financial Decisions	Had Financial Goals	Had Retirement Plans	Used Credit Cards	Used Borrowed Money	Had Difficulty in keeping up with debt payment	Had Arguments about money	Frequency of arguments
1. Sex	—	—	—	—	−.15***	.17***	—	—
2. Marital Status	.12***	—	—	—	—	—	—	—
3. H. H. Size	—	—	−.14*	−.11*	—	—	—	—
4. Wife's Age	—	—	—	—	−.19***	.14**	.10*	.01*
5. Education	—	—	.10**	—	.20***	−.17***	—	—
6. Place of residence	—	—	—	−.09*	—	—	—	—
7. Region	—	—	—	−.19***	.10**	.10*	—	—
8. Housing Status	−.08*	—	−.08*	—	—	—	—	—
9. Husband's Age	−.21***	—	—	—	−.19***	.22***	−.15*	−.15***
10. Husband's Education	.13**	—	—	.08*	.08*	.09*	—	—
11. Husband's Employment	−.1591***	—	—	—	—	—	.13***	.15***
12. Husband's Occupation	−.19***	—	.10*	—	—	—	−.12**	.15***
13. Household savings (1985)	—	.21***	—	—	−.15**	−.14**	—	—

p≤ * .10; ** .05; *** .01; **** .001

than lower, financial decisions were made jointly, credit cards and borrowed money were used, and difficulty in keeping up debt payment was reported. Husband's employment status was correlated with three money management practices. In more households with full time employed husband than unemployed or part time employed husband, financial decisions were made by only one person, there were arguments on money matters, and arguments occurred more frequently.

Husband's occupation was negatively related to two practices, "who made financial decisions" and "had arguments about money." In households where husbands were employed in managerial and professional occupations than blue collar and farming occupations, decisions were made by husbands and there were fewer arguments regarding money matters. On the other hand, husband's occupation was positively related to two practices, "had retirement plans" and "frequency of arguments." More households with husbands in professional and managerial than blue collar and farming occupations had retirement plans, and reported more frequent arguments. The variable, 'amounts in savings-1985,' was significantly related to three management practices. Households with larger savings than those with smaller saving had financial goals. On the other hand, households with smaller savings than larger savings used borrowed money and had difficulty in keeping up debt payments (Table 4).

Determinants of Satisfaction with Selected Aspects of Household Finances

Table 5 presents the results of regression analysis used to test the relationship between dependent and independent variables. The dependent variable is represented by the satisfaction index. The independent variables included six socioeconomic characteristics: household size, wife's age, husband's age, and education, place of residence, and household savings in 1985. Independent variables also included four practices: had retirement plans, who made financial decisions, argued about money, and used borrowed money. To determine the influence of selected socioeconomic characteristics and money management practices, on satisfaction level, the percentage of variance was computed (R^2) for the regression equation. Inspection of Table 5 shows that 32 percent of variance in satisfaction level was explained by selected socioeconomic and money management variables ($R^2=0.32$, $F=4.04$, $P\leq.001$). Five variables were major contributors to the variance in respondents' satisfaction level. Households who had developed specific retirement plans with projected cash flows needed, were less satisfied than those who had no plans, some plans, or plans with no cash flow projections. Respondents who reported spousal arguments about money were less satisfied than those who did not argue. Respondents from households with larger amounts in savings in 1985 were more satisfied. Both husband's and wife's ages were

Table 5. Factors Influencing Level of Satisfaction

Independent Variables	Beta
Household Size	.08
Wife's Age	.30*
Amount in Savings (1985)	.21**
Had Specific Retirement plans	−.35***
Argue about money?	−.26***
Who made financial decisions	−.13
Place of residence	.06
Used borrowed money?	−.01
Husband's education level	.02
Husband's age	.45**

$R^2 = 0.32$ *p≤ .10
F = 4.04*** **p≤ .05
***p≤ .001

also significant predictors of satisfaciton level. Older respondents whose spouses were also older were more satisfied than younger respondents with young spouses.

One relationship in the above model requires more explanation. There was a negative relationship between 'had retirement plans' and level of satisfaction. One could conclude that households that had retirement plans were less satisfied than those who did not have retirement plans. When attention is given to how the variable was operationalized, the key factor is specific plans versus just some plans. Categories for this variable included: no plans=0, general plans=1, specific plans=2, plans with some money estimates=3, specific plans with specific money estimates=4. It can be speculated that when there are no plans, or very general plans, there is a feeling of either no concern about the retirement needs, or there is an inadequate understanding of family's ablity to meet retirement needs; hence no dissatisfaction expressed. On the other hand, when efforts have been made to develop more specific plans, there is an awareness about long term needs, and perhaps the challenges involved in providing for the retirement needs adequately. However, this relationship requires further exploration.

Hira (8), in her study of U.S. households found money managers' level of satisfaction with selected aspects of household finances was influenced by household size and marital status. Furthermore, households who had larger amounts in savings and had financial goals reported higher level of satisfaction than those who had smaller amounts in savings and did not have financial goals.

Conclusion and Implications

This study describes money management practices of Japanese households and their satisfaction with selected aspects of household finances. Most respondents indicated they had financial goals, most frequently mentioned goals being adequate retirement funds, build savings, children's education and travel funds. Slightly more than one-third of respondents reported using borrowed money and even smaller proportion, one-fourth, used credit cards. Slightly over one-third of the respondents had experienced difficulty in keeping up debt payments and had argued about money with their spouses.

Aspects of household finances with which relatively larger proportion of respondents were satisfied included money management practices, current life style, ability to stay out of debt and ability to pay back borrowed money. However, specific areas with which relatively larger proportions of respondents were dissatisfied included ability to save, level of assets and ability to meet emergency expenses. Reasons for dissatisfaction with these three specific areas were not explored in this project. However, it can be speculated that the dissatisfaction was due to the fact that respondents did not have adequate funds to meet their specific needs, or that they did not fully understand the extent of their needs and the adequacy of funds in savings and assets. Educators and financial counselors agree that good money management practices are instrumental in helping families build their savings, increase ability to meet emergency expenses and have a higher level of assets over the time period. Since these were the areas with which a larger proportion of respondents were dissatisfied, it is important that further investigation focuses on specific causes of dissatisfaction. The educational programs should emphasize both financial management skills do help build emergency fund, level of savings and assets as well as skills to understand the status or household finances to determine adequacy of funds to meet specific short and long term goals.

A notable feature of responses to 'satisfaction' question was the fact that a large majority chose "neutral" response rather than "satisfied" or "dissatisfied" response. It is not clear whether respondents actually had neutral feelings towards most aspects of their household finances, or they did not know enough about their financial situation to form a clear opinion, or they did not want to reveal their actual feelings and felt somewhat comfortable in selecting a neutral response. Household economists in Japan have a challenge to explore this issue further. Other topics of future research should include the in-depth look at the satisfaction level with retirement planning. Are people in Japan dissatisfied with retirement planning because they believe that the funds may not be adequate at retirement?

Results of this study provide evidence that several money management practices significantly relate to satisfaction level. These results may be helpful in identifying specific topics that should be included in household economics and family resource management courses. Specific areas to be emphasized in such courses may include development of financial goals, spending and savings plans, development and interpretation of family financial statements, credit management, and communication related to money matters.

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