Main Points of Analysis and Findings from Dr. Hira's Studies: Understanding Studies of Family Financial Management in the United States

Yumiko ONO and Takao NISHIMURA
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Yumiko Ono* and Takao Nishimura**

Objectives

The purpose of this paper is to review the studies examined by Dr. Tahira K. Hira1 because her studies are nationally and internationally recognized in the field of family financial management in the United States: consumer bankruptcy, consumer credit, social and psychological aspects of borrowing behavior, gambling and consumer credit, and borrowing behavior of college students including student loans. Applying the main points of analysis and findings of her studies are helpful to studies of social welfare.

Procedures

First, Dr. Hira's 46 journal publications from 1982 to 2000 were numbered in chronological order, and classified into 6 categories: (1) money management practices and financial satisfaction, (2) consumer bankruptcy, use of credit cards, and socio-economic characteristics of families with financial problems, (3) certified financial planners, (4) money management of college students, and (5) others.

Second, the studies accomplished by Dr. Hira in 2 categories with relation to the family financial management: (1) money management practices and financial satisfaction, (2) consumer bankruptcy, use of credit cards, and socio-economics characteristics of family with financial problems, are described in detail.

Finally, a brief summary is given.

Classification of Dr. Hira’s studies

Dr. Hira’s studies were numbered from #1 to #46, with all being detailed in the list of references. The articles were divided into 6 categories according to their content. The sign "**" after a number means that Dr. Hira is the single author, "*" signifies that Dr. Hira is the first author, and no marking means Dr. Hira is one of the authors.

- Money management practices and financial satisfaction: #2*, #10**, #12**, #13*, #15, #16, #17*, #18*, #21, #24*, #25*, #28, #30*, #31, #32, #33, #40**, #42*, #43*, #45*.
- Consumer bankruptcy, use of credit cards, and socio-economic characteristics of a family with financial problems: #1**, #3**, #4**, #5, #9*, #19, #20, #23, #27**, #35*, #36*, #41.

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Money management of college students: #11, #26*, #44*, #46*.

Others: #22*, #29, #32, #37**, #38**, #39.

Introduction of Studies Related to Family Financial Management

Since this study focuses on family financial management, 2 of the above-mentioned categories: (1) money management practices and financial satisfaction, (2) consumer bankruptcy, use of credit cards, and socio-economic characteristics of families with financial problems, were closely examined.

Money management practices and financial satisfaction

Table 1 shows Dr. Hira’s articles in relation to this category by number, year, authorship, common data, group, and use of the word “Satisfaction” in the title. There are 3 major sources of common data which lead to the treatises being divided into 4 groups: (1) data collected through personal interviews in Iowa during 1982 & 1986, (2) a random sample from rural areas of eight states in 1988, (3) a random sample of 2000 Iowans in 1995, and (4) other data.

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</table>

a See the list of references.

b Dr. Hira is: the single author: 1, the first author: 2, one of the authors: 3.

c The data were collected through personal interviews in Iowa in 1982 or 1986: 1, a random sample in rural areas of eight states in 1988: 2, a random sample of 2000 Iowans in 1995: 3.
Data collected through personal interviews in Iowa in 1982 & 1986

The data of #10, #12 and #13 were collected through 201 personal interviews about the money management among households in Iowa in 1982.

Study #10 “Satisfaction with money management: Practices among dual-earner households” [Hira, 1987a] paid attention to satisfaction with money management among dual-earner households. It concluded that satisfied dual-earner families are smaller in size, have larger sums in savings accounts, save larger proportions of their annual income, have smaller monthly debt payments, do not have an auto loan, do not have any outstanding balance on credit cards, and pay no finance charges on credit card balances. Credit management is significantly related to the money manager’s satisfaction. An especially notable finding is that “monthly debt payments” variable is related to money manager’s satisfaction, not “total debts” variable.

Study #12 “Households’ financial management factors influencing solvency and satisfaction” [Hira, 1987b] took notice of solvency and satisfaction as financial management factors. A household’s solvency status was negatively related to money managers’ age, household size, and housing status. Households who saved smaller amounts had higher debt-to-income ratios (lower solvency). Money managers’ satisfaction was influenced by household size, marital status, and amount saved, and money managers who had smaller households, were married and saved larger amounts were more satisfied. Those who had clarified goals were more satisfied. Also, money managers’ satisfaction level was negatively related to household’s debt-to-income ratios. The results of this study emphasizes how important it is for money managers and professionals to pay attention to setting specific goals, and how saving and the use of credit or borrowed money influences the level of financial satisfaction.

The objectives of #13 “The application of managerial system to money management practices” [Hira and Mueller, 1987] were, as stated in the title, to apply a managerial system by Deacon and Firebaugh ² to money management practices, and to ascertain factors influencing households’ solvency status. Regression analysis was used to identify factors influencing selected money management practices and household solvency status. The findings of this research supported the application of Deacon and Firebaugh’s model to money management in the household. This study demonstrated that money managers who were willing to owe larger amounts of money on all credit cards had a higher debt-to-income ratio. Similarly, a larger number of credit cards used by the household were related to a higher debt-to-income ratio (a lower level of solvency). The results provided evidence that improved money management practices will influence the solvency of households. Specifically, those related to credit card use were strong predictors of household solvency.

Studies #15, #16, #21 and #24 were based on the same survey of 123 household money managers in Iowa during 1986.

#15 “Net worth and financial satisfaction as a function of household money managers’ competence” [Titus, Fanslow and Hira, 1989a] tested hypotheses derived from the systems
theory of family resource management in the area of family financial management. A path analysis model based on multiple regression analysis was tested. In this study, households were more likely to have a higher level of net worth if the money manager used optimum planning practices and were more satisfied if the money manager used recommended implementing practices.

The purpose of #16 “Effect of financial management knowledge on household money managers on behaviors and outputs” [Titus, Fanslow and Hira, 1989b] was to examine the differences in money management behaviors and financial outputs between household money managers with more knowledge of financial management and those with less knowledge. More-knowledgeable managers exhibited more financial management actions and had a larger net worth than did less-knowledgeable money managers.

The results of #21 “Assessing the causal relationship among communication, money management practices, satisfaction with financial status, and satisfaction with quality of life” [Mugenda, Hira and Fanslow, 1990] showed that the money managers who were more knowledgeable about financial matters, and those who were highly indebted, communicated more about money matters and reported more money management activities. Satisfaction with financial status was due mainly to economic factors, net worth and savings. Financial counselors should increase households' knowledge and awareness of financial matters, and encourage households to communicate among the family, so that their goals can be satisfied even with limited resources. Quality of life can be defined as “a sense of well-being, a dynamic blend of satisfaction that differs from one person to another.” The demographic factors that influence satisfaction with quality of life were marital status and household size. Satisfaction with quality of life was also predicated by income and satisfaction with financial status.

The objectives of #24 “Determinants of satisfaction with preparation for financial emergencies” [Hira, Fanslow and Vogelsang, 1992] were to examine the relationship between insurance knowledge and insurance coverage and to determine the predictors of satisfaction with preparation for financial emergencies. Male and highly-educated money managers had more insurance knowledge than female and less-educated money managers. High-income households and households in which the money manager was knowledgeable about insurance issues tended to have broad insurance coverage. A household's money manager was more likely to be satisfied with their household's preparations for a financial emergency if they were retired or disabled and if their household had a high net worth and broad insurance coverage.

#17 “Changes in financial status influencing level of satisfaction in household” [Hira, Fanslow and Titus, 1989] explored the impact of changes in family financial status over a 4 year period on level of satisfaction. This study was a panel survey founded on the above-mentioned data of 1982 and 1986 in Iowa. Information was composed of household income, assets, liabilities, and on the satisfaction of the money manager with seven aspects of household finances, etc. Through the examinations of t-tests and regression analyses, this study revealed that money managers were less satisfied with various aspects of their
household finances although their financial status had improved.

Random sample taken in rural areas of eight states in 1988

The data of #25, #30, #31, #32 and #33 come from a random sample drawn from rural populations in eight states. The financial manager in each household completed a mail questionnaire, and the final sample size was 2,510.

#25 “Resource management of rural households” [Hira and Fitzsimmon, 1992] examined differences in frequency of resource (time and money) management practices and feelings of control between the two household types: one-parent households and two-parent households. Single parent households have increased in both rural and urban areas. Because these households have one less person to handle resource management than two-parent households, using recommended time and money management practices may be the only way to stretch limited resources. Chi-square analysis indicated no significant differences between household type in frequency of resource management practices or feelings of control. Theses findings indicated the same educational programs and materials about money and time management and feelings of control can be used for either household type, and some results showed a need for financial and time management programs, and feelings of control in both types of household. Resource management can help increase feelings of control, and then individuals feel more confident about managing their resources.

In study #30 “Factors associated with expectation of household’s future financial condition” [Hira, Fitzsimmons, Hafstrom, and Bauer, 1993], path analysis was used to examine the casual relationships among selected objective and subjective factors associated with a household’s expectation of future financial condition. One of the results of this study showed that respondents who perceived the effect of changes in the external environment on their own household’s financial condition as positive were younger, had higher net worth, perceived more internal control over their situation, and reported that most of the changes in the external environment were positive.

#31 “Financial management: Development of scales” [Fitzsimmons, Hira, Bauer, and Hafstrom, 1993] was a contribution to the development of family resource management scales, specifically financial management scales. Two scales that were reliable and had some degree of validity were developed: frequency of financial problems and frequency of financial management. The scales could be used in future research, teaching, or counseling to organize financial management concepts.

Study #32 “The determinants of worry over chronic health condition for rural couples” [Bauer, Hira, Wihelm, Varco and Saji, 1993] found that the probability of having a condition that worries the financial manager increased if she or he was middle aged or older, was not employed, and had an external locus of control, which is a variable of personal control. This probability also increased when the dissatisfaction with the resources available to handle a financial emergency increased and the more often the financial manager did not have money to
pay for a doctor.

The purpose of #33 “The effects of perceived locus of control and perceived income adequacy on satisfaction with financial status among rural households” [Sumarwan and Hira, 1993] was to examine the relationship among selected socioeconomic variables. Results of this study indicated that age, household income, household net worth, perceived locus of control, and perceived income adequacy are significantly related to satisfaction with financial status. Household income and household net worth had indirect effects on satisfaction through perceived locus of control and perceived income adequacy. Perceived locus of control also has an indirect effect on satisfaction through perceived income adequacy.

Random sample of 2000 Iowans in 1995

The data of #40, #42, #43 and #45 came from a random sample of 2,000 Iowans who received a questionnaire by mail in 1995. The final number of usable questionnaires was 529.

#40 “Financial attitudes, beliefs and behaviors: Differences by age” [Hira, 1997] took up two clusters of data, about the above-mentioned data and 129 students. The aims of this study were to ascertain differences by age in: the perception of current financial situation and concerns; the perception of financial decision-making patterns in the family; type of financial activities and age of involvement; the relative importance of various socialization agents; respondents' own and their parents' money personalities; abnormal buying behavior.

A majority of respondents were satisfied with their current financial situation except for the amount they saved. Generally speaking, younger age respondents were more likely to identify mothers as financial decisions makers. Regardless of the age group, it appears that decisions related to house buying and saving were made jointly by both parents. Younger respondents were more likely to have been involved in specific financial activities as children. However, having their own incomes and debts did not mean that they were involved in the family's financial matters. Among the various socialization agents, family, in particular, mothers and fathers are identified as the most important sources of influence on respondents' financial attitudes and beliefs. Among the younger age group, friends were an important source of influence, and school, television and books are also strong influences. A much larger proportion of the student group than the random sample group identified themselves as spenders, not as planners, and regarded their mothers as spenders and their fathers as worriers or advisors. A significantly larger proportion of the younger respondents reported many impulsive and compulsive buying habits, and their buying habits created debt and other problems at work and home. It is obvious that people not only learn from their families, but they also learn from the world in which they live. Some generations developed a frugal, 'save for a rainy day' money morality and others developed freewheeling 'spend it while you have it' attitudes.

The purpose of #42 "Predictors of financial satisfaction: Differences between retirees and non-retirees" [Hira and Mugenda, 1999a] was to ascertain differences in socioeconomic and financial factors that predict financial satisfaction for retirees and non-retirees, and to
ascertain if self-image and spending and spending behavior predicts financial satisfaction among retirees and non-retirees. A review of the literature, and statistical analyses including descriptive tests, the T-test, and the chi-square test were done. The results showed that despite the reported lower mean income among retirees, more retirees than non-retirees were satisfied with their current financial situation. Income is not linearly related to financial satisfaction, and that self-image was found to be highly and significantly correlated with financial satisfaction. Other factors that significantly predicted financial satisfaction for the retirees or non-retirees included perceptions of financial satisfaction compared with others and in relation to the past. Also, for both the retirees and non-retirees, financial concern, spending behavior and perception of comparative financial situation were significant predictors of financial satisfaction.

The objectives of #43 “The relationships between self-worth and financial beliefs, behavior, and satisfaction” [Hira and Mugenda, 1999b] were to explore the extent to which self-worth influenced financial beliefs, behavior, and satisfaction with one’s current financial situation, and to determine predictors of self-worth. Self-worth, a system of thoughts and feelings concerning or focused on self, may be a driving force in people’s perceptions of their financial situation and spending behavior. Those with high and low senses of self-worth did not differ in terms of age, income, marital status, and gender. However, the groups did differ in educational level and employment status. A significant and positive relationship exists between financial beliefs and self-worth. In this study, those who were satisfied with their current financial situation and were optimistic about their future financial situation had high self-worth. The relationship between spending behavior and self-worth is complex, because some people spend to get rid of low self-worth, but others feel guilty from excessive spending.

The main objective of #45 “Gender differences in financial perceptions, behaviors, and satisfaction” [Hira and Mugenda, 2000] was to demonstrate differences in the way men and women perceive financial issues. A Chi-square test was used to determine if differences in various aspects of financial beliefs and behaviors between males and females were significant. Data for most variables was collected using a five-point Likert-type scale. The main findings were as follows:

(a) A woman’s financial concerns are more likely to affect her work performance, yet less likely to interfere with her personal relationship, than those of her male counterpart.
(b) Women are less likely than men to feel that their financial situation is better than that of others at the same socio-economic level.
(c) Women are far more likely than men to buy without need or to buy things they know they don’t need.
(d) Women use shopping as a method of celebration far more frequently than men.
(e) Women have less sales resistance than men.
(f) The spending habits of women are more likely than those of men to create chaos in their lives.
(g) Women are less likely than men to be satisfied with their ability to handle financial emergencies.

(h) Women are more likely than men to be satisfied with their level of savings, but dissatisfied with their current financial situation and their ability to meet long-term goals.

Other data.

#2 “Importance of financial counseling for families in debt” [Hira and Leskiw, 1982] was based on the report of an undergraduate work-study project in Canada. Its objective was to show concerned professionals the necessity of financial counseling. Students of the project reviewed the definitions and importance of financial counseling, and gave a presentation in their assigned district. The project gave recognition to the need for professionals to give financial counseling, and the students acquired writing and presentation skills.

#18 “Satisfaction with selected aspects of household finances among Japanese” [Hira and Nagashima, 1989] was in collaboration with Nagashima, S. The objective of this study was to determine the level of satisfaction with selected aspects of financial management in Japanese households. This examination made it possible to compare findings related to American’s in #12, #13 and #15 with the Japanese situation. The data was collected in 1986 from 537 respondents who were parents of students and had major responsibility to manage household finance in Osaka, Kobe, Kyoto, Nagoya, Nara, Toyama and Wakayama. Aspects of household finances with which a relatively large proportion of respondents were satisfied included money management practices, current lifestyle, ability to stay out of debt and ability to pay back borrowed money. However, specific areas with which a relatively large proportion of respondents were dissatisfied included ability to save, level of assets and ability to meet emergency expenses. Studies in the U. S. showed similar tendencies. A notable feature of responses to the ‘satisfaction’ question was the fact that a large majority chose “neutral” as their response rather than “satisfied” or “dissatisfied.” The reason was not explored in this study, but based on the researcher’s work experience in Japan, most Japanese do not usually feel comfortable expressing specific opinions on issues.

Study #28 “Credit, saving, and insurance practices influencing satisfaction with preparation for financial emergencies among rural households” [Sumarwan and Hira, 1992] examined direct and indirect effects of socioeconomic characteristics and mediating effects of financial management practices variables on satisfaction with preparation for financial emergencies. A sample of 297 money managers was randomly selected from two rural counties of a midwestern state. Results showed that a household’s monthly income was the only socioeconomic variable that had a significant direct effect on satisfaction with preparation for financial emergencies, whereas the effects of other socioeconomic variables were mediated through the effects of financial management practices. Financial management practices such as the managerial behavior index: monthly saving, and the number of insurance types had significant positive
effects on satisfaction with preparation for financial emergencies. Monthly debt payment had a significant but negative effect on satisfaction. The managerial behavior index and monthly debt payment had both direct and indirect effects on satisfaction with preparation for financial emergencies. Their indirect effects were mediated through monthly saving. Monthly saving and the number of insurance types showed only direct effects on satisfaction with preparation for financial emergencies.

Consumer bankruptcy, use of credit cards, and socio-economic characteristics of a family with financial problems

This section deals with consumer bankruptcy and use of credit cards, and it is composed of #1, #3, #4, #5, #9, #19, #20, #23, #27, #35, #36 and #41. Table 2 shows Dr. Hira's papers pertaining to this category by number, year, authorship, and common data.

Table 2 The correspondence table of Dr. Hira's papers:
Consumer bankruptcy, use of credit cards, and socio-economics characteristics of family with financial problems

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a See the list of references.

b Dr. Hira is: the single author: 1, the first author: 2, one of the authors: 3.

Studies #1 and #3 dealt with the Small Debtor Program, which aimed at providing low income and low middle-income individuals with the assistance of a federal trustee from 1972 under The Bankruptcy Act in Canada. #1 “Evaluation of the Small Debtors Program in Manitoba” [Hira, 1980] provided some suggestions for improvement of the Small Debtor Program. Respondents in Manitoba expressed general satisfaction with the existing bankruptcy program. In addition, they felt the existing program could have far-reaching effects in the rehabilitation of those who are bankrupt if it emphasized: the provision of information on credit buying, financial counseling where needed, more information about the procedure for bankruptcy and the status of the bankrupt.

#3 “Socioeconomic characteristics of families in bankruptcy” [Hira, 1982] showed the socio-
economic profile of the people who have gone through the process of bankruptcy under the Small Debtor Program in Manitoba, the debt structure of the bankrupt, and the major reasons for filing bankruptcy. Among those applying for this program, the proportion of people from small towns and rural areas, female, single, and young people slowly increased. Personal loan companies appeared to be the largest dollar lenders to bankrupt individuals; although retail stores had debts from a larger percentage of bankrupt persons. Over-extension of credit appears to be a major cause for declaring bankruptcy.

#4 “Is Canadian bankruptcy law in accord with present economic situation?” [Hira, 1983] highlighted the importance of the social and economic rehabilitative functions of the bankruptcy process as demonstrated both historically and in previous studies about bankruptcy. Put another way, in order for the law to fulfill its objectives of rehabilitating the debtors, professional financial counseling must be made available because help is needed by those who are contemplating bankruptcy.

#5 “The impact of financial problems on family relationships” [Ulrichson and Hira, 1985] was a consideration of financial problems for the family based on previous studies. Several researchers have found a relationship between financial stress and problems such as mental illness, suicide, heart and kidney disease, stroke, violent behavior, and depression. Investigators have also found an association between various forms of family violence and specific stressful conditions such as unemployment and financial problems.

The objective of #9 “Families’ perception of the bankruptcy process” [Hira, and Mugenda, 1987] was to evaluate the bankruptcy process. Data were obtained from the 1982 survey in Iowa, and the assessment was based on the responses given by families who had been discharged from the bankruptcy court. This study reported on the causes of bankruptcy and its impact on families. A majority of the respondents identified marital problems and medical bills as important causes for declaring bankruptcy. A majority of families reported that declaring bankruptcy improved their social position. Approximately half of the respondents reported it improved their marital relationship.

The purpose of #19 “Knowledge, beliefs and practices in the use of credit cards” [Danes and Hira, 1990] was to investigate the relationship between knowledge, beliefs, and practices in the use of credit cards. Data were collected from 198 household money managers in 1982, and this study had common data with #10, #12, #13 and #17. The main findings were:

(a) Those respondents with high levels of credit card knowledge believe credit cards should be used more for installment reasons than convenience reasons.
(b) Those respondents who believe credit cards should be used for installment reasons are inclined to use more credit cards and to accumulate finance charges more often.
(c) Those with more education and income have a higher level of knowledge than those with less education and income.
(d) The older respondents and those with low incomes believe that credit cards should be used for convenience reasons.
(e) Those with high education level and large household sizes use more credit cards and accumulate finance charges more often.

The objectives of #20 "Changes in factors influencing consumer debt among Scottish families, 1984-1987" [Hira, 1990] were to determine socio-economic and debt management factors causing debt problems among Scottish families. Data for this study was collected from the records of the debt counseling segment of the Citizens Advice Bureau in Glasgow, Scotland, during 1984-87. The final sample consisted of 404 cases selected at random. A majority of debtors (70%) had debt equal to 50% or more of their total annual income. For about 27% of households, debt owed was 100% or more of their total annual income. The analysis of variance (ANOVA) results indicate that employment status; number of sources of borrowing, marital status and sex significantly explained the variation in total debt burden. As the numbers of sources of borrowing increases, not only the management of transactions gets complicated and one can easily lose sight of the total debt burden, but it also indicates that people start borrowing from high cost sources of borrowing.

The data of #23 "Credit card usage consumer debt burden of households" [Wasberg, Hira and Fanslow, 1992] was collected through personal interviews in Iowa in 1982 and 1986, the same as that used in #10, #12, #13, #15, #16, #17, #21 and #24. The objective of this study was to examine changes in credit card usage and the amount of debt. Significant differences by paired-samples t-tests were found between 1982 and 1986 total household assets and total amount of debt. Regression analysis indicated that significant predictors of the amount of consumer debt burden were age, net income, total assets, and the degree to which managers felt comfortable with debt. Younger money managers were more likely to make larger monthly debt payments and have more consumer debt. Households with larger incomes and higher levels of assets also had higher total debt. Significant predictors of change in debt burden over the 4-year period were change in net income and total assets, with year-end savings being negatively correlated with consumer debt.

Data for #27 "Causes and effects of consumer bankruptcies: A cross-cultural comparison" [Hira, 1992] were collected during 1988 through surveys conducted in Canada, Japan, Scotland and the United States. The overall objectives of the study were to determine differences in factors influencing decisions to file bankruptcy, expectations from bankruptcy and impact of bankruptcy filing on a debtor's life in each country. U.S. and Canadian debtors indicated that filing for bankruptcy had a positive influence on their health status, family relations, and employment status. The impact of bankruptcy for Japanese debtors was rather harsh, resulting in family problems, health problems, suicides, and running away from home.

Studies #35 "Methods of data collection from debtors in bankruptcy after discharge: A pilot study" [Hira and Norris, 1995a] and #36 "Pilot study of consumer debtors provides new insights: What influences debtors' attitudes?" [Hira and Kostelecky, 1995b] intended to determine the most efficient and valid method of data collection for debtors in bankruptcy and develop and pre-test a survey instrument based on consumer behavior models. The data of
these studies were randomly collected in 1992 from the court lists of all debtors who filed for bankruptcy, in Iowa, Maine, North Carolina and Ohio. Results of this study provided strong support for the value of the instrument developed in this pilot study. It also concluded that the telephone survey had the potential to produce variable information from debtors in bankruptcy that has not been collected thus far.

The purpose of #41 “Personal bankruptcy a risk management technique: Policy implications” [Power, Hira and Murphy, 1999] was to extend the risk management paradigm to include the decision by individuals to use the Federal Bankruptcy Act to manage personal financial risks. Broadening risk management to include personal bankruptcy is consistent with the view that risk management is no longer an interdisciplinary discipline that has a singular focus on managing purely corporate risks.

Conclusion and Implications

The essential attitude of Dr. Hira’s studies

Through her studies Dr. Hira has made an effort to help professionals working in the area of family financial management. Most of the papers give definite suggestions on the basis of findings through her research. These results are fed back to the practice of family life, and these outcomes directly help professionals who work as financial counselors or educators to understand families. For example, the studies about satisfaction, which will be highlighted next, have contributed to identifying topics and the target populations which might benefit from educational points. Through these points, money managers in households and their counselors can make financial anxiety clear, and set some goals and develop specific plans for those goals.

Satisfaction as a key word

As table 1 shows, the word ‘satisfaction’ was used in the title of 13 out of 20 of Dr. Hira’s studies. Therefore, it can be ascertained to be one of the key words in Dr. Hira’s studies. This means that satisfaction with family financial situation is related to improving money management practices. Put another way, it is significant for family financial management to increase the level of satisfaction with various aspects of their overall financial situation.

One of the findings reached by Dr Hira is that a higher level of satisfaction creates a situation in which the money manager can afford to control money management. Studies also emphasize the importance of saving because the level of financial satisfaction seems influenced by the ability to be financially independent. That is, in order to increase the level of satisfaction, professionals should encourage the habit of saving and improve debt-to-income ratio.

Future subject

Management of financial resources is an important aspect of family life. Therefore, scholars
dealing with social welfare in Japan should pay more attention to this area. To begin with, we can discuss previous studies of Japanese in comparison with the findings of Dr. Hira. We also need to investigate findings which have been made regarding Japan through U.S. research such as those found in study #18 [Hira and Nagashima, 1989], but which have not yet been confirmed in Japan.

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References


* Organized by chronological order.
199-207.


#26 [Hira and Brinkman, 1992]: Hira, T. K. and Brinkman, C., 1992, "Factors influencing the


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1 Dr. Tahira K. Hira is a professor of Personal Finance and Consumer Economics and assistant to the President at Iowa State University (ISU). She created ISU's Financial Counseling Clinic which is used to conduct research and provide hands on experience in research and counseling to both graduate and undergraduate students. She was founding president of the Association for Financial Counseling and Planning Education (AFCPE). The above information was quoted from Dr. Hira's home page: http://www.public.iastate.edu/~tkhira/homepage.html.


4 Nagashima S. was an associate professor at Nara Women's University.