**An Analysis of the Relationship between Demographic Characteristics and Financial Practices among Tertiary Students in Botswana**

*Mogotsinyana Mapharing1*

and

*Christian Mbekomize2*

University of Botswana Faculty of Business

1E-mail: Mogotsinyana.mapharing@mopipi.ub.bw

2E-mail: mbekomizecj@mopipi.ub.bw

|  |
| --- |
| **ABSTRACT**  This study examines the financial practices of 823 students from three tertiary institutions in Botswana with regard to seven demographic characteristics of gender, age, class, work experience, boarding status, parenthood and marital status. This study asked students to indicate how regularly they engage in 18 specific financial management behaviours using a 6 point Likert scale. Statistically significant higher means were registered among students aged above 25, those with more than one year work experience, those with children and those who are married, with regard to issues of risk management. The results further suggest that males were more involved than females in the issues of investment planning and implementation. Furthermore, students living off-campus portrayed higher engagement in budgeting, risk management and understanding lease agreements than those living on-campus. On the overall, the students in all demographic groups demonstrated a rare involvement in the financial practices studied. This has implication to the society they come from and the schools they attend. These institutions should find ways and means of improving financial practices. Therefore the programmes that aim at stimulating good financial behaviour should be encouraged both at home and schools.  **Keywords:** financial practices, tertiary students, demographics, descriptive study, Botswana |

**INTRODUCTION**

Personal financial literacy and its influence on financial decisions and practices has been a subject of many researchers in the last few decades. For example, Chen and Volpe (1998) examined the financial literacy of college students in the USA and found that students with less financial knowledge tended to hold wrong opinions and made inappropriate decisions. The authors deduced that the low level of students’ financial knowledge would limit their ability to make informed decisions in the future. Likewise, Bianco and Bosco (2001) observed that the amount of debt students incur while at school is due, in part, to their poor understanding of personal finance. According to National Endowment for Financial Education (2014) financial literacy is a basic understanding of personal finance with respect to borrowing, savings, debt and investment and financial behaviour refers to the choices that people make about their finances. The Organisation for Economic Co-operation and Development (2012) combines the two concepts in the definition of financial literacy. According to OECD (2012) financial literacy is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life.

Concerns about financial preparedness have been widely documented in recent studies demonstrating that both young and older adults lack the basic knowledge needed to make good financial choices ([Mandell & Klein, 2009](#_ENREF_14)). Among the symptoms of insufficient personal financial literacy include: rising individual debt levels with overuse of credit cards, using personal loans for consumption and undertaking over-optimistic home-loan obligations, irresponsible overspending on consumption, foolish commitment to get-rich-quick schemes, making unwise high-risk investments inconsistent with required capital stability and entering inappropriate vehicle-leasing contracts ([Beal & Delpachitra, 2003](#_ENREF_3)).

The current study focuses on students most of whom earn their first income in form of education allowances at tertiary institutions. The Botswana Government under the Department of Tertiary Education and Financing in the Ministry of Education and Skills Development sponsors tertiary students for both tuition and maintenance costs as determined by the Government from time to time. The sponsorship is given as a loan and upon successful completion of the programme of study, for some students the loan may be converted to a full or partial grant depending on the programme of study as determined by the national human resource needs (Government of Botswana, 2014). The key question therefore is what financial practices are manifested by the students who receive this sponsorship in the environment which lacks financial education programmes in tertiary institutions but is packed with competing temptations such as social media, entertainment and technological devices and increasing easy access to cash loans.

Financial practices developed at tertiary institutions have been reported to continue to affect the graduates’ after college life (Williams, 2008). This current study attempts to establish the relationship between demographic characteristics of students and their financial behaviours. [Marcolin and Abraham (2006](#_ENREF_15)) conducted a comparative study on Australia, UK and USA and established that individuals with higher education levels and students with business majors as opposed to other majors, generally have higher levels of financial literacy. They further observed that no study had, by then, investigated or made comparisons between the educational details of individuals such as major areas of study and current year of study with their financial literacy, nor has any attempt been made to make comparisons between students from different educational institutions.

Moreover, quite a good number of studies have related financial literacy with planning or practices controlling for demographic characteristics such as education, gender, age, class, experience, and marital status such as [Lusardi and Mitchell (2008](#_ENREF_9)) and [Lusardi and Mitchell (2011a](#_ENREF_10)) to name a few . However, most of these studies have been done in developed nations, with different financial structures, technological advancements and education systems, when compared to developing nations like Botswana. Since Botswana tertiary students are entrusted with stipends which are mostly loans from government, we are concerned about how they spend these funds in the environment in the environment described above.

The motivation of this paper is therefore to assess the link between demographic characteristics and financial practices among Batswana students. The main objective of this research is to assess the relationship between financial practices and demographic characteristics such as gender, age, year of study, work experience, boarding status, parenthood and lastly, marital status of tertiary students in Botswana. The findings of this study will be beneficial to authorities administering students’ bursaries and to training institutions administrators and educators in their endeavours to assist students to better manage the funds at their disposal looking at their demographic status. In addition, this study will also contribute to the limited financial literacy literature in the developing countries. The rest of this paper is arranged as follows: literature review is done in the second section, the third section discusses methodology and the fourth section presents discussions and findings while the conclusions and recommendations are presented in the last section.

**LITERATURE REVIEW**

The study of the relationship between boarding status and financial literacy in Malaysia revealed that college students who lived off-campus were more likely to have greater financial knowledge compared to those living on campus ([Sabri, MacDonald, Hira, & Masud, 2010](#_ENREF_20)). The reason advanced for this behaviour is that off-campus students have more financial responsibilities and liabilities. This outcome is of particular interest to Botswana where majority of tertiary students reside off-campus.

[Chen and Volpe (1998](#_ENREF_4)) established that non-business majors, women and students in the lower class ranks, under age 30, and those with little work experience have lower levels of knowledge. The authors linked this result to financial practice by showing that the less financially knowledgeable students tend to hold wrong opinions and make incorrect decisions. They thus concluded that college students are not knowledgeable about personal finance. A subsequent study by [Chen and Volpe (2002](#_ENREF_5)) suggested that women generally have less knowledge about personal finance topics. Their observation was that women generally have less enthusiasm, lower confidence and less willingness to learn about financial management topics like men. Similarly, ([Lusardi & Mitchell, 2011b](#_ENREF_11)) discovered that women are less financially literate than men. On the contrary, Furtuna (2008) did not find statistically significant difference in means of financial literacy scores grouped by gender and age. The author also found that class rank and work experience were not good predictors of financial literacy. The author’s result however, supported the view that non-business/economic majors reflect the lower level of financial literacy.

Ansong and Gyensare (2012) examined the determinants of working students’ financial literacy at one university in Ghana and found that age, working experience and mother’s education were positively related with financial literacy. However, no significant relationship was established between level of study, work location, father’s education, access to media and the source of education on money and financial literacy. According to earlier study in the USA by Mckenzie (2009) the demographic factors of university students could not be used to predict financial literacy level. The personal factors examined by the author included gender, employment status, ethnicity, family income and college major.

Furthermore, [Mandell and Klein (2007](#_ENREF_13)) found that financial literacy is low among young adults since fewer than one-third of young adults possess basic knowledge of interest rates, inflation and risk diversification. In the same token, ([Lusardi & Mitchell, 2011b](#_ENREF_11)) reported that the young and the old are less financially literate than the middle-aged, and more educated people are more financially knowledgeable.

On the other hand, financial literacy was found to be highest in Australia for persons aged between 50 and 60 years, professionals, business and farm owners, and most importantly to this study, university/college graduates. Similarly, financial literacy was found to be lowest for the unemployed, females, and those from a non-English speaking background with a low level of education([Worthington, 2006](#_ENREF_21)). ([Oseifuah, 2010](#_ENREF_19)) found that financial literacy among youth entrepreneurs in the Vhembe District in South Africa appears to be above average and contributes meaningfully to their entrepreneurship skills. With regard to class rank Avard, Menton, English and Walker (2005) found that financial literacy is low among recent high school graduates and first year students and had asked for inclusion of personal finance courses in curriculum at all levels.

With regard to work experience, [Lusardi and Tufano (2009](#_ENREF_12)) analysed a national sample of Americans with respect to their debt literacy, financial experiences, and their judgments about the extent of their indebtedness. Their results revealed that debt literacy is low among Americans, even after controlling for demographics. Their findings specifically revealed that less knowledgeable people report that their debt loads are excessive or that they are unable to judge their debt position. Meanwhile [Clarke, Heaton, Israelsen, and Eggett (2005](#_ENREF_6)) established that financial literacy was affected by gender and marital status in the areas of credit, insurance, homeownership, and investments. Specifically, males reported performing insurance, homeownership, and investment tasks more frequently, feeling more prepared, and being more proficient at them than female respondents did. Married respondents on the other hand reported performing insurance and homeownership tasks more frequently and thus felt more proficient but nevertheless not prepared in tasks related to credit, insurance, and homeownership ([Clarke et al., 2005](#_ENREF_6)).

Table 1 summarises the key demographic characteristics studied by various researchers both in developing and developed nations on financial literacy and the results obtained.

**Table 1: Brief Summary of Financial Literacy Studies and Their Results**

|  |  |  |  |
| --- | --- | --- | --- |
| Study | Country | Characteristics | Financial literacy level |
| [Chen and Volpe (1998](#_ENREF_3)) | USA | Gender, age, work experience, class rank, major | *Low:* non business majors, women, lower class ranks, under age of 30, little work experience |
| [Chen and Volpe (2002](#_ENREF_4)) | USA | Gender | *Low* among women |
| [Mandell and Klein (2007](#_ENREF_11)) | USA | Age | *Low* among young adults |
| [Worthington (2006](#_ENREF_21)) | Australia | Age, gender, work experience, class rank, native language | *High*: aged between 50 and 60, professionals, university graduates  *Lowest*: unemployed, females, non-English speaking, low level of education |
| [Marcolin and Abraham (2006](#_ENREF_13)) | UK, USA, Australia | Education level/class, Major | *High:* individuals with higher education levels, those with business majors |
| [Avard, Manton, English, and Walker (2005](#_ENREF_2)) | USA | Class rank | *Low:* recent high school graduates |
| [Beal and Delpachitra (2003](#_ENREF_3)) | Australia | Class rank, Major | *Low*: first-year Business students |
| Furtuna (2008) | USA | Field of Study, Finance course, gender, age, class rank, work experience, | *High:* Field of study and prior study of personal finance.  *Low*: the rest of variables. |
| [Lusardi and Tufano (2009](#_ENREF_12)) | USA | Work experience | *Low:* less knowledgeable |
| McKenzie (2009) | USA | Gender, employment status, ethnicity, family income, college major. | *Low*: All the variables |
| [Sabri, MacDonald, Hira, & Masud, ( 2010](#_ENREF_17)) | Malaysia | Boarding status | *High*: off-campus students |
| [Lusardi and Mitchell (2011b](#_ENREF_11)). | USA | Age, Gender, Education | *Low:* women, young and older adults, lower education |
| [Oseifuah (2010](#_ENREF_19)) | South Africa | Age | *Above average*: young entrepreneurs |
| Ansong and Gyensare (2012) | Ghana | Age, gender, work experience, parents’ education, level of study, work location, access to media, education on money | *High:* Age, work experience, mother’s education.  *Low*: the rest of variables |

It appears that most of the available literature on financial literacy and financial behaviour come from developed countries and focus on literacy rather than behaviour. The current study attempts to bridge this literature gap by investigating the relationship between demographic factors and financial behaviour of tertiary students in the developing country, Botswana.

**Hypotheses**

On the basis of the literature reviewed we formulated the following hypotheses:

Ho1: There is no significant difference in financial behaviour between male and female students.

Ho2: There is no significant difference in financial behaviour between students aged below and above 25.

Ho3: There is no significant difference in financial behaviour between students with less than one year and those with more than one year work experience.

Ho4: There is no significant difference in financial behaviour between tertiary junior and senior students.

Ho5: There is no significant difference in financial behaviour between on-campus and off-campus students.

Ho6: There is no significant difference in financial behaviour between students who are single and those who are married.

Ho7: There is no significant difference in financial behaviour between students with children and those without children.

**METHODOLOGY**

The study used a comprehensive questionnaire designed to cover major aspects of students’ attitudes and perceptions towards financial practices. This descriptive research targeted the whole population of tertiary (post-secondary) students in Botswana and used the survey approach to solicit the views of students through a structured questionnaire. The tertiary student population in Botswana is approximately 40 000 students schooling in around 20 public institutions which account for 65% of total enrolment and about 15 private institutions which account for 35% (Central Statistics office, 2012). Purposive sampling was used to select the students to respond to the questionnaire. Sample students to complete the questionnaires were drawn from three institutions located in and around Gaborone: University of Botswana, Ba-Isago University College and Molepolole College of Education. While University of Botswana and Ba-Isago University College are degree offering institutions with the normal duration of four years for their degree programmes, Molepolole College of Education is a diploma offering institution with a normal duration of three years. The choice of sample institutions was meant to obtain a representation from public and private intuitions and degree and diploma offering institutions. This study targeted students at all levels, that is, from first year to last year and in all programmes - business and non-business.

This questionnaire was particularly designed to gather students’ demographic information and views on their financial practices among others with regard to managing money, maintaining financial records, avoiding overspending and writing bad cheques, maintaining adequate insurance coverage and investment schedules, budgeting and bank reconciliation, and understanding loan and lease agreements.

This study concentrated on financial practices and demographic characteristics as opposed to knowledge. This research borrowed some questions from a questionnaire developed by Cude, Lawrence, Lyons, Metzger, LeJeune, Marks, and Machtmes (2006). The authors investigated college students’ financial management behaviour in the U*SA*. The current study questionnaire asked students to show how regularly they engage in 18 specific financial management behaviours using a 6 point Likert scale ranging from 0 = not applicable to 5 = always. To address the dilemma of not applicable (NA), the NA responses were removed in the calculation of mean or average scores as it would incorrectly influence the means and frequencies. We therefore treated the NA exactly like a non-response as it has the same effect as telling a respondent to skip a question if it does not apply (McMurray, 2014).

A total of 825 questionnaires were distributed to students in the three above mentioned institutions. Because questionnaires were administered in class, lecturers were asked to administer them and the exercise took almost 15 minutes. Out of the total 825 questionnaires issued, only 12 were not found useable. The data was analysed using SPSS Version 22 to compute descriptive statistics and to perform t-test to test the equality of means.

**FINDINGS AND DISCUSSION**

**Descriptive Statistics**

Background information of respondents is shown in Table 2. Two thirds of respondents were females and one third was males. In terms of age distribution, majority of students (85%) were below age 25, with only about 15% aged above 25. The above 25 age group comprises most probably Bachelor of Education (Business) students who are in-service student teachers who had come to University of Botswana on study leave to up-grade their teaching qualification to degree level after they have completed their Diploma in Secondary Education from various colleges in Botswana. Close to 78% of students were business majors while the remaining 22% were non-business majors, comprising of science, engineering, education and social sciences disciplines. Around 48% of respondents were in their junior years which comprised of students in the first and second years of degree programme and first year of diploma programme. The remaining 52% of respondents were senior students who were in their third, fourth and fifth years of degree programme and second year of diploma programme. Almost two thirds of students were non-boarders while 35% were boarding students.

With regard to work experience, overwhelming majority of students (82%) had less than 1 year work experience, while only 18% had more than 1 year of work experience. These are mostly the in-service teachers. Unmarried students accounted for 93%, while the remaining 7% were married, divorced or widowed. Meanwhile the proportion of students with children was 18% as compared to almost 82% without children. Therefore majority of respondents were single, inexperienced and without children.

**Table 2: Background Information**

|  |  |  |
| --- | --- | --- |
|  | Number | % |
| *Gender* |  |  |
| Male | 274 | 33.7 |
| Female | 539 | 66.3 |
| *Age group* |  |  |
| Below 25 | 693 | 85.2 |
| Above 25 | 120 | 14.8 |
| *Institution* |  |  |
| UB | 647 | 79.6 |
| BAISAGO | 91 | 11.2 |
| MCE | 75 | 9.2 |
| *Field of Study* |  |  |
| Business | 636 | 78.2 |
| Non-business | 177 | 21.8 |
| *Year of study* |  |  |
| Junior | 387 | 47.6 |
| Senior | 426 | 52.4 |
| *Accommodation Status* |  |  |
| Boarding | 285 | 35.1 |
| Non-boarder | 528 | 64.9 |
| *Years of work experience* |  |  |
| None to less than 1 year | 671 | 82.5 |
| Year and above | 142 | 17.5 |
| *Marital status* |  |  |
| Married/Divorced/Widowed | 54 | 6.6 |
| Single | 759 | 93.4 |
| *Parenthood* |  |  |
| No children | 665 | 81.8 |
| With children | 148 | 18.2 |

**Analysis of Results by Subgroups of the Sample**

In this section the relationship between personal financial practices and students’ gender, age, year of study, work experience, marital status, boarding status and parenthood are examined. Previous research suggests that levels of financial literacy vary among sub-groups of students (Volpe, Chen, & Pavlicko, 1996).

The means for each group are presented variable-wise together with standard deviation and the t-static and the level of significance (Sig.) for a two-tailed independent samples test. The independent sample t-test allows us to test whether two sample means are significantly different from each other. If the group standard deviations are the same, we use standard t-test and if they are not then we use the modified t-test. Therefore both the standard t-test and modified t-test labelled “equal variances assumed” and “equal variances not assumed” respectively were used to determine which t-test results to use from significance level (Sig) of Lavenes Test for Equality of Variances. We will not reject the null hypothesis of no difference in means between the two groups if the significance value for the t-test is above 0.05 or 5%.

**Financial Practices and Gender**

The overall results for students’ financial practices and gender are presented in Table 3. The results show that the means of males and females are not significantly different from each other at 5% level with overall significance of 29.7 %. However, the mean differences for the financial practices were significant for only 6 out of the 18 financial practice variables. These variables included comparing prices when shopping (*P=0.003*), watching financial literacy programmes on television (*P=0.011*), managing money with easy (*P=0.013*), planning and implementing investment schedule (*P=0.019*), paying monthly bills on time (*P=0.029*) and avoiding over spending (*P=0.043*). Female students registered higher means which leaned towards “occasionally” in four out of six variables with significant different means while male students registered lower means which leaned towards “rarely” in two variables namely, watching financial literacy programmes on television and planning and implementing investment schedule.With regard to planning and implementing investment schedule, both gender showed low means leaning towards “very rarely” indicating that both do not plan investment schedules regularly, although men were slightly better than women.

Overall, the results show that financial practices do not differ significantly among males and females. Consequently, we fail to reject the hypothesis that there is no significant difference in financial behaviours between male and female students (*P = 0.297*). If we take the position that poor financial behaviour is the result of financial illiteracy, these findings support findings of Furtuna (2008) who could not find a significant difference in financial literacy mean scores grouped by gender. These results are however, contrary to the findings of Chen and Volpe (1998) which suggest that women have low financial knowledge than men.

**Table 3: Males vs. Females Students’ Opinion about Financial Practice**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Males** | | **Females** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev.** | **Mean** | **Std dev.** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.29 | 1.183 | 3.24 | 1.251 | .537 | .591 |
| 1. I spend less than my income | 3.19 | 1.292 | 3.24 | 1.352 | -.492 | .623 |
| 1. I maintain adequate insurance coverage | 2.56 | 1.445 | 2.38 | 1.469 | 1.312 | .190 |
| 1. I plan and implement a regular investment programme | 2.75 | 1.325 | 2.46 | 1.458 | 2.350 | .019 |
| 1. I avoid writing bad cheques or ones with insufficient funds. | 3.36 | 1.567 | 3.58 | 1.587 | -1.263 | .207 |
| 1. I honor my loan obligations on time to avoid extra interest charges. | 3.76 | 1.419 | 3.96 | 1.390 | -1.340 | .181 |
| 1. I pay my rent and other living expenses (i.e., phone and utilities) on time each month. | 4.08 | 1.249 | 4.32 | 1.113 | -2.192 | .029 |
| 1. I avoid spending more money than I have. | 3.87 | 1.233 | 4.05 | 1.158 | -2.030 | .043 |
| 1. I have little or no difficulty managing my money. | 3.50 | 1.253 | 3.73 | 1.156 | -2.485 | .013 |
| 1. I keep track of transactions in my bank account each month. | 3.37 | 1.376 | 3.47 | 1.428 | -.928 | .354 |
| 1. I have a weekly (or monthly) budget that I follow. | 3.17 | 1.442 | 3.27 | 1.465 | -.881 | .379 |
| 1. I set aside money each month for savings. | 3.01 | 1.499 | 3.10 | 1.483 | -.817 | .414 |
| 1. I tend to use my book and stationery allowances for something else | 2.73 | 1.537 | 2.70 | 1.511 | .250 | .803 |
| 1. I compare prices when shopping. | 3.89 | 1.283 | 4.17 | 1.188 | -2.996 | .003 |
| 1. I attend financial literacy programmes | 2.45 | 1.380 | 2.31 | 1.389 | 1.323 | .186 |
| 1. I watch financial literacy programmes on television | 2.89 | 1.328 | 2.62 | 1.409 | 2.553 | .011 |
| 1. I read over and understand loan agreements before I sign them. | 3.49 | 1.514 | 3.58 | 1.494 | -.660 | .510 |
| 1. I read over and understand apartment lease agreements before I sign them. | 3.61 | 1.484 | 3.57 | 1.575 | .258 | .797 |
| **Average** | **3.28** | **1.378** | **3.32** | **1.382** | **-0.417** | **0.297** |

**Financial Practices and Age**

The overall results for financial practices and age are presented in Table 4. The current study has found that, on the overall, there is no significant difference in economic behaviour between students below 25 years of age and those above that age. However, students of above 25 years of age registered slightly higher average mean (Mean = 3.39) than those below 25 years (mean = 3.28). These findings are in agreement with findings of ([Chen & Volpe, 1998](#_ENREF_4)) who reported that financial literacy is usually low among young adults, especially those below age 30 but contrary to the findings of Furtuna (2008) who reported no significant difference in the financial literacy scores between the ages below and above 21 years. Moreover, 3 variables out of the possible 18 depicted a significant mean difference at 5% significance. These variables relate to maintaining adequate insurance (*P=0.00*), deciding on an investment schedule (*P=0.04*), and honouring obligations on time (*P=0.012*).

A point to note is that students above 25 years scored a significantly higher mean in the three variables compared to those below 25 years. Those above 25 years registered “rarely” outcome compared to “very rarely”for those below 25 years with regard to risk management practices of maintaining insurance coverage, preparing investment schedules, and honouring obligations on time. Therefore, we can conclude that financial practice differs significantly among those aged above 25 and those aged below 25 only when it comes to issues of risk management. The point worth noting is that the above-25 years of age group comprised mostly in-service teachers who by virtue of their prior work experience were probably already aware and involved in risk management practices.

These results show that we fail to reject the null hypothesis that there is no difference in financial behaviour between aged below and above 25 years (*P =0.30*). Therefore, we can safely conclude that generally financial practices of Botswana college students are the same irrespective of their age.

**Students’ Financial Practices and Class Rank**

The results for financial practices among junior and senior students in Botswana are presented in Table 5. The overall mean for seniors (mean=3.43) is slightly higher than that of juniors (mean=3.22) though not significantly different at a 5% significance level, with a p-value of 23%. As a result, we fail to reject the null hypothesis of no significant difference in means among junior and senior students. However, these findings may be said to be in line with those of [Beal and Delpachitra (2003](#_ENREF_3)) who showed that financial literacy is lower among those at lower class ranks such as first year students.

**Table 4: Age Groups’ Opinion about Financial Practices**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Below 25** | | **Above 25** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev.** | **Mean** | **Std dev.** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.24 | 1.232 | 3.31 | 1.212 | -.540 | .589 |
| 1. I spend less than my income | 3.23 | 1.246 | 3.16 | 1.245 | .538 | .590 |
| 1. I maintain adequate insurance coverage | 2.29 | 1.410 | 3.09 | 1.501 | -4.802 | .000 |
| 1. I plan and implement a regular investment programme | 2.48 | 1.429 | 2.92 | 1.322 | -2.918 | .004 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.40 | 1.568 | 3.79 | 1.592 | -1.874 | .062 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 3.79 | 1.436 | 4.20 | 1.242 | -2.529 | .012 |
| 1. I pay my rent and other living expenses (phone and utilities) on time each month | 4.23 | 1.167 | 4.23 | 1.177 | -.010 | .992 |
| 1. I avoid spending more money than I have | 4.02 | 1.167 | 3.82 | 1.285 | 1.547 | .124 |
| 1. I have little or no difficulty managing my money | 3.67 | 1.186 | 3.55 | 1.235 | 1.005 | .315 |
| 1. I keep track of transactions in my bank account each month | 3.43 | 1.423 | 3.53 | 1.339 | -.696 | .487 |
| 1. I have a weekly (or monthly) budget that I follow | 3.27 | 1.450 | 3.04 | 1.491 | 1.552 | .121 |
| 1. I set aside money each month for savings | 3.10 | 1.476 | 2.90 | 1.556 | 1.301 | .194 |
| 1. I tend to use my book and stationery allowances for something else | 2.68 | 1.518 | 2.89 | 1.521 | -1.346 | .179 |
| 1. I compare prices when shopping | 4.11 | 1.217 | 3.91 | 1.270 | 1.559 | .119 |
| 1. I attend financial literacy programmes | 2.33 | 1.373 | 2.50 | 1.468 | -1.101 | .271 |
| 1. I watch financial literacy programmes on television | 2.68 | 1.389 | 2.89 | 1.368 | -1.423 | .155 |
| 1. I read over and understand loan agreements before I sign them | 3.53 | 1.505 | 3.61 | 1.490 | -.470 | .639 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.56 | 1.554 | 3.68 | 1.483 | -.620 | .535 |
| **AVERAGE** | 3.28 | 1.375 | 3.39 | 1.378 | -0.6015 | 0.299 |

Nevertheless, the mean difference between the two classes was significant in 7 out of 18 variables. Seniors students were significantly better than their junior counterparts at maintaining records (mean=3.36 vs. 3.14, *P = 0.013*), at planning and implementing a regular investment schedule (mean= 2.69 vs. 2.43, *P = 0.033*), and at keeping track of transactions in the bank account (mean=3.62 vs. 3.24, *P = 0.000*). In addition, seniors claimed to get involved significantly better than juniors in attending financial literacy programme (mean=2.45 vs. 2.25, *P = 0.000*) and watching financial literacy programmes on television (*mean=2.84 vs. 2.57, P = 0.008*). Interestingly, senior students also scored high in practicing bad behaviour of using book allowances for something else (mean=2.84 vs. 2.56, *P = 0.014*). All these habits were rarely engaged in except paying monthly rent and other expenses on time with mean= 4.33 for seniors versus 4.12 for juniors.

**Financial Practices and Work Experience**

The overall results for work experience and financial practices are shown in Table 6. Students with work experience of one year and above had a mean average of 3.41 as compared to 3.27 for those of none or less than year. To some extent, these results agree with previous results on work experience notably those of Chen and Volpe (1998) and Ansong and Gyensare (2012) who associated low financial knowledge with little work experience. For example, those with a year and above work experience scored significantly higher mean than those with a year or less respectively with regard to maintaining insurance coverage (mean= 3.13 vs. 2.27, *P = 0.000*), preparing investment schedules (mean=2.75 vs. 2.51, *P = 0.000*) and honouring loan obligations (mean=4.19 vs. 3.78, *P = 0.020*). The issue of insurance is a rare practice to those with a year or more work experience while for those with less than one year it is a very rare practice. This makes sense in that those who have worked before may be safely assumed to be the ones with commitments that probably need insurance cover for personal property, liability and life cover. But it is not an everyday thing because in developing countries insurance is still an unsought asset, especially life insurance. The same can be observed with preparing investment schedules, since is a very rare practice for the two groups, even though those with more experience scored a higher mean. Meanwhile, those with more work experience showed an occasional financial behaviour versus a rare practice with respect to honouring obligations as shown above.

Furthermore, those with higher level of experience scored significantly higher mean with regard to paying rent and other expenses on time (mean=4.24 vs. 4.23) and keeping track of transactions in the bank account on time (mean=3.55 vs. 3.42). Those with more work experience scored higher means in all the 5 variables where the mean difference was significant. Those with work experience of more than one year are probably the older and more experienced in-service teachers who have been working and therefore are already aware of these risk management practices.

**Table 5: Financial Practice among Junior and Senior Students**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Junior** | | **Senior** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev** | **Mean** | **Std dev** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.14 | 1.240 | 3.36 | 1.209 | -2.480 | .013 |
| 1. I spend less than my income | 3.25 | 1.326 | 3.20 | 1.338 | .532 | .595 |
| 1. I maintain adequate insurance coverage | 2.36 | 1.420 | 3.53 | 1.497 | -1.210 | .227 |
| 1. I plan and implement a regular investment programme | 2.43 | 1.409 | 2.69 | 1.418 | -2.136 | .033 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.38 | 1.626 | 3.59 | 1.531 | -1.190 | .235 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 3.79 | 1.442 | 3.97 | 1.363 | -1.229 | .220 |
| 1. I pay my rent and other living expenses ( phone and utilities) on time each month | 4.12 | 1.190 | 4.33 | 1.143 | -1.990 | .047 |
| 1. I avoid spending more money than I have | 3.99 | 1.206 | 3.98 | 1.169 | .136 | .892 |
| 1. I have little or no difficulty managing my money | 3.57 | 1.229 | 3.72 | 1.157 | -1.805 | .071 |
| 1. I keep track of transactions in my bank account each month | 3.24 | 1.433 | 3.62 | 1.367 | -3.780 | .000 |
| 1. I have a weekly (or monthly) budget that I follow | 3.23 | 1.490 | 3.25 | 1.429 | -.227 | .820 |
| 1. I set aside money each month for savings | 2.97 | 1.494 | 3.16 | 1.478 | -1.830 | .068 |
| 1. I tend to use my book and stationery allowances for something else | 2.56 | 1.522 | 2.84 | 1.506 | -2.451 | .014 |
| 1. I compare prices when shopping | 4.14 | 1.222 | 4.02 | 1.229 | 1.433 | .152 |
| 1. I attend financial literacy programmes | 2.25 | 1.311 | 2.45 | 1.447 | -1.963 | .050 |
| 1. I watch financial literacy programmes on television | 2.57 | 1.369 | 2.84 | 1.394 | -2.640 | .008 |
| 1. I read over and understand loan agreements before I sign them | 3.47 | 1.537 | 3.62 | 1.467 | -1.131 | .259 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.53 | 1.564 | 3.63 | 1.519 | -.686 | .493 |
| **Average** | **3.22** | **1.391** | **3.43** | **1.370** | **-1.369** | **0.233** |

As thus, we can as well conclude that financial practices vary with work experience only when it comes to issues of risk management. The overall results show than the mean difference between those with one year and those with less than one year work experience is not significant at 5% level (sig=0.236). We therefore, accept the hypothesis that there is no significant difference in financial behaviour between students with none or less than one year work experience and those with more than one year.

**Financial Practices and Boarding Status**

Table 7 depicts the results for financial practices among boarding and non-boarding tertiary students and shows that non-borders scored higher average mean of 3.39 as compared to 3.12 of boarders, even though the mean difference is not statistically significant ((*P = 0.147*) . Interestingly, the results show that the mean differences between the two groups are statistically significant in 11 out of 18 of the financial practice variables. Notably, financial practices are statistically significantly different and higher for non-boarders when it comes to planning regular investment schedules, honouring obligations such as loans and rent on time, and all budgeting and money handling issues. For example, non-boarders scored higher mean of 4.09 (occassionaly) as compared to 3.80 (rarely) for boarders in terms of avoidance of overspending. Non-boarders are also better-off with their ability to keep track of transactions in the bank and making weekley budgets, hence they have no or less difficulty in managing money when compared to their counterparts.

Furthermore, non-boarders scored a mean of 3.76 as compared to 3.23 for boarders with regard to reading and understanding lease agreements before signing them. This is not surprising since non-boarders are already involved in renting apartments and signing lease agreements. This affirms the literature that non-boarding status increases financial responsibility (Sabri et.al, 2010 ). The same observation can be made about understanding loan agreements before signing them and the importance of watching financial literacy programs on television as those more experienced recorded higher means respectively.

Although the overall results show that the mean difference among the two groups is not statistically significant (*P = 0.147*), we can conclude that financial practice is better among non-boarding students concerning risk mangement, budgeting and understanding lease agreements.

**Table 6: Years of Work Experience and Students’ Opinion about Financial Practice**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **None to less than 1 year** | | **A year and above** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev** | **Mean** | **Std dev** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.22 | 1.242 | 3.40 | 1.153 | -1.558 | .120 |
| 1. I spend less than my income | 3.21 | 1.347 | 3.27 | 1.259 | -.469 | .639 |
| 1. I maintain adequate insurance coverage | 2.27 | 1.392 | 3.13 | 1.522 | -5.405 | .000 |
| 1. I plan and implement a regular investment programme | 2.51 | 1.442 | 2.75 | 1.319 | -5.130 | .000 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.37 | 1.575 | 3.86 | 1.548 | -1.647 | .101 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 3.78 | 1.439 | 4.19 | 1.242 | -2.339 | .020 |
| 1. I pay my rent and other living expenses (e.g. utilities) on time each month | 4.23 | 1.171 | 4.24 | 1.162 | -2.528 | .012 |
| 1. I avoid spending more money than I have | 4.02 | 1.179 | 3.86 | 1.213 | -.056 | .955 |
| 1. I have little or no difficulty managing my money | 3.69 | 1.183 | 3.47 | 1.231 | 1.452 | .147 |
| 1. I keep track of transactions in my bank account each month | 3.42 | 1.428 | 3.55 | 1.332 | 1.970 | .049 |
| 1. I have a weekly (or monthly) budget that I follow | 3.26 | 1.458 | 3.14 | 1.457 | -1.011 | .312 |
| 1. I set aside money each month for savings | 3.10 | 1.494 | 2.95 | 1.460 | .833 | .405 |
| 1. I tend to use my book and stationery allowances for something else | 2.69 | 1.535 | 2.79 | 1.437 | 1.116 | .265 |
| 1. I compare prices when shopping | 4.10 | 1.218 | 3.96 | 1.264 | -.718 | .474 |
| 1. I attend financial literacy programmes | 2.32 | 1.378 | 2.52 | 1.422 | 1.200 | .230 |
| 1. I watch financial literacy programmes on television | 2.67 | 1.383 | 2.90 | 1.397 | -1.444 | .149 |
| 1. I read over and understand loan agreements before I sign them | 3.51 | 1.516 | 3.69 | 1.445 | -1.742 | .082 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.56 | 1.566 | 3.70 | 1.435 | -1.071 | .285 |
| **Average** | **3.27** | **1.386** | **3.41** | **1.350** | **-1.030** | **0.236** |

These results agree with prior findings that financial practice is better among off-campus students because they have more responsibilities than their on-campuscounterparts **(**[Sabri et.al., 2010](#_ENREF_17)). However, these findings do not lead us to reject the hypothesis that there is no significant difference in fanancial behaviour between on-campus and off-campus students *(P=0.147).*

**Financial Practices and Parenthood**

The results for parenthood and financial practice are presented in Table 8. The overall results show the average mean score of 3.33 for students with children and 3.29 for those without children, although the difference in overall means in not statistically significant (*P = 0.367*). Again, these results lead to the conclusion that students with more responsibilities are more likely to exhibit better financial behaviour than those who have fewer responsibilities. On the individual variables basis, only 3 out of 18 financial practice variables yielded mean scores which were statistically and significantly different. Notably, those without children scored a higher mean of 3.27 compared to 2.98 with regard to spending less than ones income (P = 0.018) and avoiding spending more money than one has (mean = 4.05 vs. 3.72, *P = 0.005*) . As mentioned above, this could be attributed to reduced responsibility on part of students without children. However, students with children registered higher means scores than their childless counterparts (2.85 vs 2.34, P = 0.001) on maintaining adequate insurance coverage.

We can therefore conclude that respondents with children are more likely to engage themselves in financial practices tested than those without children. However, the hypothesis that there is no significant difference in financial behaviour between students with children and those without children could not be accepted (*P = 0.367*). Once again we conjecture that these results might have been greatly influenced by in-service respondents as were the results related to age and work experience variables.

**Table 7: Accommodation status and students’ opinion about financial practice**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Boarding** | | **Non-boarder** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev.** | **Mean** | **Std dev.** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.19 | 1.298 | 3.29 | 1.189 | -1.066 | .287 |
| 1. I spend less than my income | 3.11 | 1.382 | 3.28 | 1.301 | -1.701 | .089 |
| 1. I maintain adequate insurance coverage | 2.38 | 1.379 | 2.48 | 1.504 | -.754 | .451 |
| 1. I plan and implement a regular investment programme | 2.34 | 1.337 | 2.68 | 1.447 | -2.665 | .008 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.39 | 1.581 | 3.55 | 1.580 | -.890 | .374 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 3.45 | 1.511 | 4.09 | 1.298 | -4.055 | .000 |
| 1. I pay my rent and other living expenses (e.g. utilities) on time each month | 3.91 | 1.319 | 4.36 | 1.079 | -3.762 | .000 |
| 1. I avoid spending more money than I have | 3.80 | 1.320 | 4.09 | 1.095 | -3.161 | .002 |
| 1. I have little or no difficulty managing my money | 3.52 | 1.260 | 3.72 | 1.151 | -2.150 | .032 |
| 1. I keep track of transactions in my bank account each month | 3.21 | 1.413 | 3.56 | 1.396 | -3.316 | .001 |
| 1. I have a weekly (or monthly) budget that I follow | 3.03 | 1.466 | 3.35 | 1.443 | -2.814 | .005 |
| 1. I set aside money each month for savings | 2.79 | 1.491 | 3.23 | 1.465 | -3.916 | .000 |
| 1. I tend to use my book and stationery allowances for something else | 2.72 | 1.504 | 2.70 | 1.529 | .201 | .841 |
| 1. I compare prices when shopping | 3.97 | 1.294 | 4.13 | 1.187 | -1.680 | .093 |
| 1. I attend financial literacy programmes | 2.30 | 1.363 | 2.39 | 1.400 | -.809 | .419 |
| 1. I watch financial literacy programmes on television | 2.45 | 1.352 | 2.85 | 1.387 | -3.769 | .000 |
| 1. I read over and understand loan agreements before I sign them | 3.36 | 1.513 | 3.65 | 1.487 | -2.038 | .042 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.23 | 1.568 | 3.76 | 1.498 | -3.443 | .001 |
| **Average** | 3.12 | 1.408 | 3.39 | 1.358 | -2.322 | 0.147 |

**Table 8: Parenthood Status and Students’ Opinion bout Financial Practice**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **No children** | | **With children** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev.** | **Mean** | **Std dev.** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.24 | 1.222 | 3.30 | 1.256 | -.495 | .621 |
| 1. I spend less than my income | 3.27 | 1.336 | 2.98 | 1.288 | 2.368 | .018 |
| 1. I maintain adequate insurance coverage | 2.34 | 1.430 | 2.85 | 1.505 | -3.206 | .001 |
| 1. I plan and implement a regular investment programme | 2.52 | 1.422 | 2.74 | 1.400 | -1.517 | .130 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.44 | 1.572 | 3.64 | 1.603 | -.998 | .319 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 3.84 | 1.410 | 3.99 | 1.386 | -.861 | .390 |
| 1. I pay my rent and other living expenses (i.e. utilities) on time each month | 4.23 | 1.174 | 4.26 | 1.150 | -.287 | .774 |
| 1. I avoid spending more money than I have | 4.05 | 1.149 | 3.72 | 1.311 | 2.819 | .005 |
| 1. I have little or no difficulty managing my money | 3.67 | 1.191 | 3.55 | 1.203 | 1.151 | .250 |
| 1. I keep track of transactions in my bank account each month | 3.44 | 1.414 | 3.47 | 1.403 | -.236 | .814 |
| 1. I have a weekly (or monthly) budget that I follow | 3.25 | 1.459 | 3.17 | 1.453 | .599 | .550 |
| 1. I set aside money each month for savings | 3.10 | 1.477 | 2.94 | 1.541 | 1.109 | .268 |
| 1. I tend to use my book and stationery allowances for something else | 2.66 | 1.528 | 2.89 | 1.469 | -1.567 | .117 |
| 1. I compare prices when shopping | 4.09 | 1.211 | 4.00 | 1.296 | .839 | .402 |
| 1. I attend financial literacy programmes | 2.37 | 1.394 | 2.31 | 1.360 | .426 | .670 |
| 1. I watch financial literacy programmes on television | 2.67 | 1.394 | 2.87 | 1.351 | -1.535 | .125 |
| 1. I read over and understand loan agreements before I sign them | 3.53 | 1.503 | 3.63 | 1.495 | -.614 | .540 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.57 | 1.557 | 3.65 | 1.486 | -.499 | .618 |
| **Average** | **3.29** | **1.380** | **3.33** | **1.386** | **-0.139** | **0.367** |

**Table 9: Marital Status and Students’ Opinion about Financial Practice**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Married/Divorced** | | **Single** | | **t-test for equality of means** | |
| **Variable** | **Mean** | **Std dev.** | **Mean** | **Std dev.** | **t** | **Sig.** |
| 1. I maintain adequate financial records | 3.37 | 1.205 | 3.25 | 1.230 | .680 | .497 |
| 1. I spend less than my income | 3.04 | 1.385 | 3.23 | 1.328 | -1.003 | .316 |
| 1. I maintain adequate insurance coverage | 3.05 | 1.628 | 2.39 | 1.431 | 2.870 | .004 |
| 1. I plan and implement a regular investment programme | 3.14 | 1.357 | 2.51 | 1.414 | 2.813 | .005 |
| 1. I avoid writing bad cheques or ones with insufficient funds | 3.94 | 1.519 | 3.43 | 1.581 | 1.747 | .082 |
| 1. I honor my loan obligations on time to avoid extra interest charges | 4.29 | 1.255 | 3.83 | 1.415 | 2.007 | .045 |
| 1. I pay my rent and other living expenses (i.e. utilities) on time each month | 4.37 | 1.062 | 4.22 | 1.178 | .829 | .407 |
| 1. I avoid spending more money than I have | 3.83 | 1.297 | 4.00 | 1.178 | -1.007 | .314 |
| 1. I have little or no difficulty managing my money | 3.62 | 1.013 | 3.65 | 1.206 | -.212 | .832 |
| 1. I keep track of transactions in my bank account each month | 3.69 | 1.229 | 3.42 | 1.423 | 1.512 | .136 |
| 1. I have a weekly (or monthly) budget that I follow | 2.94 | 1.478 | 3.26 | 1.455 | -1.490 | .137 |
| 1. I set aside money each month for savings | 3.00 | 1.541 | 3.08 | 1.485 | -.342 | .732 |
| 1. I tend to use my book and stationery allowances for something else | 2.83 | 1.539 | 2.70 | 1.518 | .550 | .582 |
| 1. I compare prices when shopping | 4.15 | 1.109 | 4.07 | 1.235 | .464 | .643 |
| 1. I attend financial literacy programmes | 2.47 | 1.759 | 2.35 | 1.382 | .585 | .558 |
| 1. I watch financial literacy programmes on television | 3.10 | 1.404 | 2.68 | 1.383 | 2.089 | .037 |
| 1. I read over and understand loan agreements before I sign them | 3.44 | 1.589 | 3.56 | 1.493 | -.487 | .627 |
| 1. I read over and understand apartment lease agreements before I sign them | 3.57 | 1.595 | 3.59 | 1.535 | -.073 | .942 |
| **Average** | **3.44** | **1.387** | **3.29** | **1.382** | **0.641** | **0.383** |

**Financial Practices and Marital Status**

The results for financial practices as related to marital status are likewise shown in Table 9 which reflects the average mean scores of 3.44 and 3.29 for married and single respondents respectively. These average mean scores are not statistically significant different at 5% significance level (*P= 0.383*). These results therefore, lead us to accept the hypothesis that there is no significant difference in financial behaviour between students who are single and those who have been married. However, only 4 of the 18 financial practice variables yielded mean differences between married and single respondents which were statistically significant. Those who are married registered statistically significant higher mean in all the 4 variables namely, maintaining adequate insurance, planning and implementing investment programme, honouring loan obligations on time and watching financial literacy programs on television. Honouring loan obligations on time was an occasional practice (mean=4.29) for those who are married/divorced and rare (mean=3.87) for those who are single. Those who are single were more inclined towards a “very rarely”outcome for the other three variables above.

**SUMMARY AND CONCLUSION**

The study surveys 823 students from three tertiary institutions in Botswana in order to examine their financial practices in relation to seven demographic characteristics of gender, age, class rank, work experience, boarding status, parenthood and marital status. The overall results suggest that there were no statistically significant mean differences regarding how often students of different gender, age, class rank, work experience, boarding status, parenthood and marital status engage themselves in certain financial behaviours. As a result we failed to reject all the seven null hypotheses of no mean difference. These results appear to concur with findings of McKensie (2009) which suggested that demographic factors were not good indicators of financial literacy level. However, the analysis of the individual variables out of the 18 practices examined, reveal that the mean differences of groups are statistically significant with regard to some financial practices or variables. For example, females engage themselves slightly more than males in paying monthly expenses in time, spending within ones means, managing money with easy and comparing prices when shopping. Meanwhile males involve themselves marginally better than females in planning and implementing investment schedule and watching financial literacy programmes on television. It appears from these findings that females are more responsible in spending money. This overall result of no significant mean difference in gender is contrary to literature which shows that financial literacy is usually low among women ([Chen and Volpe, 1998](#_ENREF_3): 2002).

From this study, age and parenthood did not seem to have much influence on financial behaviours of students. This could be due to the fact that most students (85%) were below 25 years of age and 82% of them did not have children. However, the older students admitted to engage themselves more in keeping adequate insurance cover, planning and implementing regular investment programmes and honouring obligations on time than younger students. Furthermore, students with children seemed to struggle to spend within their means. It can be conjectured from these findings that maturity improves the sense of reponsibility.

Moreover, we find senior students admitting to involve themselves more in all seven financial behaviours in which statistically significant mean differences were recorded than junior students. Those practices include maintaining records, planning and implementing a regular investment schedule, paying monthly expenses on time, keeping track of transactions in the bank account, and attending and watching financial literacy programmes on television. However, all these practices registered below “occasional” occurrence except paying rent and other expenses on time. These findings, somehow, agree with [Beal and Delpachitra (2003](#_ENREF_3)) and [Avard et al. (2005](#_ENREF_2)) who found that financial literacy is low among recent high school graduates and first year students. It can therefore be argued that senior students who are assumed to have more responsibilities would be more likely to exhibit more involvement in certain financial behaviour than junior students.

Furthermore, work experience did not seem to be a major factor explaining differences in financial behaviours among tertiary students in Botswana. As we alluded before, only 18% of students had worked for more than one year and the results show that this group participated in maintaining insurance cover, implementing investment programmes, honouring obligations and paying expenses timeously, and keeping track of bank transactions significantly and more frequently than their counter part with lower work experience.

Interestingly, the boarding status yielded eleven financial practices in which the non-boarder students registered higher means which were statistically and significantly different from boarding students. This can be interpreted to mean that staying outside campus while schooling has an advantage of exposing students to real life issues which makes them to mature sooner than on-campus students. For example, boarding students showed better financial practices with regard to risk management, budgeting and understanding of lease agreements where they notably scored significantly higher mean than non-boarders.

Lastly, this study did produce remarkable differences in mean scores of financial practices based on marital status. However, married respondents seemed to engage themselves more in taking up insurance and investments and discharging their obligations timeously than respondents who were single.

On the overall it would appear that demographic characteristics which attach more social responsibility on a person, like marriage, having children, staying outside the college campus while schooling and having worked before have a slightly higher influence on students’ financial behaviours. This also indicates further that financial practices are acquired through experience rather than being taught in class.

In conclusion, our results show that financial practices are not significantly different among the seven demographic characteristics. The average means of all seven groups were between 3.12 and 3.44 signifying students’ general rare involvement in financial practices studied. It raises a concern to learn that financial practice is low in tertiary students in Botswana across all demographics. This outcome is more important as it shows that perhaps school curriculum at all levels of training and education is not sufficient when it comes to teaching financial literacy to students, irrespective of demography. This hindsight therefore, should be a cause of concern to all stakeholders who, in one way or another, are in a position to influence financial practices of tertiary students and should cause them to act. Various stakeholders individually or in collaboration should design programmes focusing at cultivating and developing good financial behaviours of students and the nation at large. For example, learning institutions may redesign their curricula to incorporate financial behaviours stimulation modules. Financial institution may intensify their financial literacy programmes through career fairs, radio and television shows. Ministry of Education and Skills Development who have the first contact with tertiary students when they go through sponsorship formalities may also organise financial literacy talks for students to prepare them to use their stipends responsibly. Communities, especially household where the students come from should start teaching money skills at young age.

We recommend that further studies should be carried out, especially with regard to testing financial practices separately among high school, lower levels of tertiary students and graduating tertiary students to identify the root cause. This could be expanded to include more proportional views from different universities to check if there is any institutional influence on financial literacy. Furthermore, extra attention should be directed towards the young, single, on campus and less experienced students especially with regard to budgeting and lease agreements, risk management issues, implementing investment schedules and managing loan portfolios.

Notwithstanding the contribution this study has made to scanty literature on financial literacy and behaviours in Botswana, it has some limitations which may prohibit the generalisation of its results. The study did not obtain enough representations from other tertiary institutions as most of its respondents come from one large institution and colleges outside Gaborone were not included in the sample. {OECD, 2012 #217@@hidden;NEFE, 2014 #217}

**REFERENCES**

Ansong, A., & Gyensare, M. A. (2012). Determinants of University Working-Students’ Financial Literacy at the University of Cape Coast, Ghana. *International Journal of Business and Management, 7*(9).

Avard, S., Manton, E., English, D., & Walker, J. (2005). The financial knowledge of college freshmen. *College Student Journal, 39*(2), 321.

Beal, D. J., & Delpachitra, S. B. (2003). Financial literacy among Australian university students. *Economic Papers: A journal of applied economics and policy, 22*(1), 65-78.

Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. *Financial services review, 7*(2), 107-128.

Chen, H., & Volpe, R. P. (2002). Gender differences in personal financial literacy among college students. *Financial services review, 11*(3), 289-307.

Clarke, M. C., Heaton, M. B., Israelsen, C. L., & Eggett, D. L. (2005). The acquisition of family financial roles and responsibilities. *Family and Consumer Sciences Research Journal, 33*(4), 321-340.

CSO. (2012). Education Statistics Report 2012. Retrieved 13 APRIL, 2015, from <http://www.cso.gov.bw/index.php/summary-statistics/173-education-statistics-report-2012>

Furtuna, F. (2008). College Students’ Personal Financial Literacy: Economic Impact and Public Policy

Implications. *Undergraduate Economic Review, Vol. 4*(1,1).

Lusardi, A., & Mitchell, O. S. (2008). Planning and financial literacy: How do women fare? : National Bureau of Economic Research.

Lusardi, A., & Mitchell, O. S. (2011a). Financial literacy and planning: Implications for retirement wellbeing: National Bureau of Economic Research.

Lusardi, A., & Mitchell, O. S. (2011b). Financial literacy around the world: an overview. *Journal of Pension Economics and Finance, 10*(04), 497-508.

Lusardi, A., & Tufano, P. (2009). Debt literacy, financial experiences, and overindebtedness: National Bureau of Economic Research.

Mandell, L., & Klein, L. S. (2007). Motivation and financial literacy. *Financial services review, 16*(2).

Mandell, L., & Klein, L. S. (2009). The Impact of Financial Literacy Education on Subsequent Financial Behavior. *Journal of Financial Counseling & Planning, 20*(1).

Marcolin, S., & Abraham, A. (2006). Financial literacy research: Current literature and future opportunities.

Mckenzie, V. M. (2009). *The Financial Literacy of University Students:*

*a Comparison of Graduating Seniors‟ Financial Literacy and Debt Level.* (Doctor of Education), University of South Florida. Retrieved from <http://scholarcommons.usf.edu/cgi/viewcontent.cgi?article=3093&context=etd>

NEFE. (2014). Examining Financial Education: How Literacy and Interventions Affect Financial Behaviors Retrieved 13 APRIL, 2014, from <http://www.nefe.org/Portals/0/WhatWeProvide/PrimaryResearch/PDF/Meta%20Analysis%20Singles%20March%2011.pdf>

OECD. (2012). PISA 2012 Financial Literacy Framework Retrieved 13 APRIL, 2015, from <http://www.oecd.org/finance/financial-education/PISA2012FrameworkLiteracy.pdf>

Oseifuah, E. K. (2010). Financial literacy and youth entrepreneurship in South Africa. *African journal of Economic and management studies, 1*(2), 164-182.

Sabri, M. F., MacDonald, M., Hira, T. K., & Masud, J. (2010). Childhood consumer experience and the financial literacy of college students in Malaysia. *Family and Consumer Sciences Research Journal, 38*(4), 455-467.

Worthington, A. C. (2006). Predicting financial literacy in Australia.