



11th International Conference on New Ideas in MANAGEMENT, ECONOMICS & ACCOUNTING

17-19 February 2023

Barcelona, Spain

Financial Goals, Attitudes and Behaviour of Hungarian Youngsters Studying In Higher Education

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Abstract

The aim of the study is to explore what financial goals young people in higher education set, and whether their knowledge, attitudes and strategies help or endanger the achievement of their long-term financial goals. The research segments and characterizes young people studying in Hungarian higher education (N = 2557) on the basis of their financial attitudes and behaviour. Respondents can be grouped into three clusters: 1. Unwary spenders: The Carpe Diem approach and anxiety are both present in their case. The living for the moment attitude and carelessness (making friends, partying, having fun) are both typical when it comes to their financial goals. They have a low level of financial literacy and confidence. An external control attitude can be observed in achieving their long-term financial goals, while they often expect prosperity from others (e.g. an advantageous marriage, or a wealthy family). 2. Prudent risk-averse: Not only are they attentive and thorough, but avoid risk, prepare for the future and save money. Their financial situation and knowledge, as well as the assessment thereof are equally average. In order to achieve their long-term financial goals, they choose such traditional and internal control strategies as budgeting money and working hard. 3. Consciously confident: They have a high level financial literacy and the subjective assessment thereof is realistic. They are in control of their finances, adventurous and risk-taking. They trust financial service providers, take out loans willingly, and regularly save on their income. To achieve their long-term financial goals set, they choose a strategy that helps them grow their income.

Keywords: higher education students, financial goals and strategy, external-internal control attitude