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The Relationships between Financial Education and Consumption Culture of

Young Children

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Abstract

Financial education is a process of acquire knowledge, abilities and life skills that can help making better decision in significant intersections in one's life, and can even help reduce social gaps. This paper examines the impact of financial education on children's consumer culture, and it is divided to three parts: A review of children's consumer culture, a review of researches from the financial education field, and finely, the study conducted in this paper will be presented.

In the first part of the paper, I will answer questions such as what is consumerism, what is consumer culture and how does it manifest among children. Bering in mind that today, the Internet is a new arena in which the possibilities are almost limitless and one must know how to utilize these resources for intelligent consumption. The second part will deal with the term "Financial Education" and its meaning. What are the areas of content of financial education, what are the various uses of the field, what tools can be acquired with it, how financial education programs are built around the world, and what they offer to citizens, especially youth and children. Finally, in the third part, I will present the study that analyzes the relationship between financial education and the consumption culture of children classified as technological or traditional learners.

The purpose of the study is to examine how and to what extent financial education influences the shaping of the consumption culture of children in the lower elementary grades. For the study, a questionnaire of 28 questions was developed in 6 categories that characterize the consumption culture of children. The reliability of the

questionnaire was examined using "trust between judges" by three different experts with expertise in the field of content and questionnaires, the correlation was high 0.9.

The questionnaire was submitted on two different dates, at a time span of approximately 6 months, to 178 students in grades 2 and 6 in three different schools (two in the periphery and one in a central city). In one school (86 students), lessons were given on financial education during the academic year 2013-2014 and at the end of the year an identical questionnaire was distributed. These students served as the experimental group. In the other schools, in which they did not study financial education, the students served as a control group. The questionnaires were analyzed using a multiple linear regression that explains consumption habits using prior financial knowledge defined as traditional or digital students. And ANOVA of consumption habits (post) was explained by learner type, knowledge and decision-making after taking financial education lessens.

The questionnaire on consumer culture consists of 82 questions, which consist of 6 different categories: shopping, knowledge, consumption habits, decision making and general questions. The explanatory variables are the various prototypes of the students in distinguishing between a technological and traditional prototype. The classification of learners into different prototypes is done according to the students' use of technological means in all matters relating to their financial conduct. The second variable is an intermediary variable that examines the degree of exposure to financial education by an integral learning program in financial education, as part of the school curriculum of positive value, enabling us to examine the improvement of the learner's ability, understanding and learning outcomes.

The curriculum was delivered in grades 2-6 in the 'Mofet Hofim' school in Hadera. About 25 sessions were held for 45 minutes per class. At the first session, the questionnaire was given to all classes to test the initial level. At the last session, the same questionnaire was again given to examine the achievements after the program was studied (examining pre and post). The learning process was guided by an instructor and was done by using tools such as presentations, videos, games and books.

The regression findings indicate that digital students have more intelligent consumption habits than traditional students, and financial education intensifies this connection (see table 1: $\beta = 0.221^{**}$) Students who studied financial education improved their consumption habits compared to students who were not exposed to these contents (see table 2: $\beta = 0.294^{**}$) . Implications for the policy derived from this study advocate the deepening of financial education acquired at young ages. This policy may improve the individual's consumption culture and contribute to narrowing social gaps.

Children are exposed to advertising in all the media forms, in the printed press, on billboards and even in the cinema. Increasing exposure to advertising leads to increased consumption of the individual, who has no tools to help him consume wisely. Therefore, research tools are proposed that will help children become intelligent consumers. Research innovation lies in the fact that it is the first in Israel and abroad to examine consumption habits and the importance of financial education among young children (grades 2-6). As personal financial conduct becomes more prevalent, without knowledge and tools, the prospect of individual financial development becomes problematic. This study seeks to show the importance of financial education as part of the curriculum, even at the age of elementary school, in order to give children knowledge and financial tools that will serve them at every stage of their lives.