



## **Factors influencing the financial satisfaction of CSE investors in Jaffna district**

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### **Abstract**

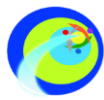
Financial satisfaction results from a form of one's behavior that relates to how these individuals manage their income to meet their financial needs. Financial demand is said to be successful if it can meet individual consumption's short-term and long-term needs without any shortcomings. This study aims to find out the relationship between Financial Behavior, Financial Knowledge, Financial Attitude, with Financial Satisfaction. Colombo Stock Exchange investors living in Jaffna district have been considered for this study, and convenient sampling was used to select the participants of this study. Primary data were collected using a questionnaire and which were collected from 55 individual investors. Cronbach's Alpha was used to measure the reliability of the variables. Correlation and regression analysis were used for the data analysis. The study's outcome revealed that there was a significant positive relationship of financial behavior, financial knowledge, and financial attitude with financial satisfaction. Future researchers are expected to consider more variables that may affect the financial satisfaction and accommodate more respondents to generalize the findings.

*Keywords: financial attitude on financial satisfaction, financial behavior and financial knowledge*

### **Introduction**

Satisfaction is one form of happiness obtained from the result of an effort that has been carried out by someone. The happiness of life is the crowning achievement of any result. One form of happiness is through the achievement of financial satisfaction. Financial satisfaction derived from a form of someone's behavior associated with how these people manage their revenues to meet their financial needs. Financial needs are said to be successful if the individual can meet short-term needs for consumption and long-term needs without the slightest deficiency.

Financial satisfaction as a subjective perception that sufficient for financial resources. Individuals worldwide and living in different economic, financial and social environments have to take more responsibility for their future



financial satisfaction and protection. In most countries, the ongoing challenging economic situations and unstable job market mean that individuals and their families must plan for their immediate and long-term future, and particularly for unexpected life events. To increase life expectancy and life quality in developed and developing economies, it leads employees to take more responsibility day by day. It has been aggregated financial satisfaction in the years. The objective of this study is to determine factors influencing CSE investors' financial satisfaction in Jaffna district.

### **Literature Review**

The intention is influenced by one's attitude based on how important the behavior of the individual. Normative properties influence behavior intention of someone. Hira and Mugenda (1998) stated that financial satisfaction is an evaluation of individual satisfaction towards the personal financial condition. Hira and Mugenda (1998) suggest that life satisfaction can be pursued through the way in managing money. The accuracy in managing money will trigger financial satisfaction which is one of the triggers of life satisfaction. Financial behavior is suspected to affect financial satisfaction. Individuals who can manage their finances well, such as paying bills on time condition compared to people who cannot manage their finances well (Xiao, 2006).

The belief that generate satisfaction can strengthen by attitude on behavior. Attitude will strengthen against one's way of thinking about something. Attitude associated with the way of thinking about one's finances termed as financial attitude. Halim and Astuti (2015) defines financial attitude as a state of mind, opinions and judgments about financial. If the individual's thoughts on finances are good, then he will have the desire to save, invest and plan finances for a better future. If a person's thought treats money as valuable and must be accounted for, then the attitude will make the individual has a healthy financial to improve the quality of life and will Improve financial satisfaction. Financial satisfaction may also result from the good financial decision process for good financial knowledge. Xiao (2008) stated that financial behavior can be defined as human behavior associated with financial management, which is associated with a person's behavior regarding managing finance. Worthy. (2010) stated that if positive financial behavior development since the school term, it lets people obtain a better quality of life later on. Hilgert and Hogart (2003) declared that good financial behavior can be demonstrated by good planning, management and financial control activities. To develop financial behavior, one must have financial knowledge. Bowen (2002) stated that financial knowledge is key to financial understanding and the necessary ideas useful for society. Financial knowledge in question is the banking and



savings, insurance, use of credit, tax, and investment. Every individual has financial knowledge, depending on how in-depth knowledge has been owned.

Financial attitudes have an essential role in determining the success or failure of a person's financial behavior. Financial attitudes by Eagly and Chaiken (1993) defined as a psychological tendency, the easiest to be disclosed by showing the preferred or not preferred attitude. Financial attitudes show the level of intelligence in the term of agree or disagree that assist individual in managing their finance.

### Methodology

The population of the present study is the individual investors who receive services from the CSE. A convenience sampling method was adopted to select respondents. There were 55 individuals considered for the survey to collect data to examine the relationship of Financial Behaviour, Financial Knowledge, Financial Attitude with Financial Satisfaction. Primary data were collected using questionnaire. Questionnaires were distributed by the researcher individually. Each completed questionnaire was checked immediately, and was entered for data analysis.

### Hypotheses of the study

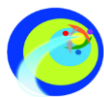
- H<sub>1</sub>: There is a significant relationship among the Financial Behaviour, Financial Knowledge, Financial Attitude, and Financial Satisfaction.
- H<sub>2</sub>: There is a significant impact of Financial Behaviour, Financial Knowledge Financial Attitude on Financial Satisfaction.

### Results and Discussions

The data analysis strategy in this study consists of descriptive statistical analysis and inferential statistical analysis and test of reliability of the measurement scales. The Statistical Packages for Social Science (SPSS) version 21 was used for data analysis. Firstly, all variables were assigned with names and coded for computer entry. Secondly, all the responses were coded to facilitate computer data input.

Table 1. Personal Information

Personal Information	Frequency	Percent
Gender	Male	47
	Female	8
Age	20 - 30	28
	31 - 40	19
	41 - 50	8
Marital Status	Single	24
	Married	31



Education	Graduate	37	67.3
	Professional	15	27.3
	Any others	3	5.5
Income	Below 50,000	27	49.1
	50,001 - 99,999	28	50.9
Employment	Government	13	23.6
	Private	39	70.9
	Others	3	5.5
Investment	Below 25,000	3	5.5
	25,001 - 49,999	8	14.5
	50,000 - 74,999	5	9.1
	75,000 - 99,999	3	5.5
	100,000 - 149,999	11	20.0
	150,000 - 199,999	3	5.5
	200,000 - 299,999	6	10.9
	300,000 - 399,999	3	5.5
	Above 400,000	13	23.6

Table 2. Reliability Statistics

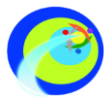
Cronbach's Alpha	Number of Items
0.727	39

Cronbach alpha is the most widely used method for checking the reliability of scale. It may be mentioned that its value varies from 0 to 1, but, satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2002). The present study satisfies the reliability measures requirement (0.727) in this study.

Table 3. Correlations

		Financial Behavior	Financial Knowledge	Financial Attitude	Financial Satisfaction
Financial Behavior	Pearson Correlation	1	.422**	.080	.433**
	Sig. (2-tailed)		.001	.559	.001
Financial Knowledge	Pearson Correlation			-.027	.388**
	Sig. (2-tailed)			.844	.003
Financial Attitude	Pearson Correlation				.316*
	Sig. (2-tailed)				.019

\*\* . Correlation is significant at the 0.01 level (2-tailed).\* . Correlation is significant at the 0.05 level (2-tailed).



Correlation analysis was carried out to find out association among the variable based on the value of correlation. The table indicates that Financial Behavior, Financial Knowledge, Financial Attitude and Financial Satisfaction are significantly correlated at the 0.05 significance level.  $H_1$  is accepted.

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.572 <sup>a</sup>	.327	.288	.41044

a. Predictors: (Constant), Financial Behaviour, Financial Knowledge, Financial Attitude

Table 5. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.184	3	1.395	8.278	.000 <sup>b</sup>
Residual	8.592	51	.168		
Total	12.775	54			

a. Dependent Variable: Financial Satisfaction

b. Predictors: (Constant), Financial Behaviour, Financial Knowledge, Financial Attitude

Table 6. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.240	.975		-1.272	.209
Financial Behaviour	.353	.153	.294	2.309	.025
Financial Knowledge	.182	.085	.272	2.144	.037
Financial Attitude	.697	.269	.299	2.593	.012

a. Dependent Variable: Financial Satisfaction

Regression analysis was carried out to test the impact of Financial Behaviour, Financial Knowledge, Financial Attitude on Financial Satisfaction. Here Financial Behaviour, Financial Knowledge and Financial Attitude are the independent variables and Financial Satisfaction is the dependent variable. The model summary table indicates, we can observe that Financial Satisfaction influences financial Behaviour, Financial Knowledge and Financial Attitude by 32.7%, which is significant at 0.01 levels. Further, we can explain that there is a significant positive impact of financial behaviour ( $B = 0.353$ ,  $P < 0.05$ ), Financial Knowledge ( $B = 0.182$ ,  $P < 0.037$ ), and Financial Attitude ( $B = 0.697$ ,  $P < 0.05$ ) on Financial Satisfaction.  $H_2$  is accepted.



## Conclusions and Recommendations

This is so important to maintain financial confidence and financial satisfaction under complex and unstable financial conditions. 55 individuals were considered for the survey to collect data to examine the relationship of Financial Behaviour, Financial Knowledge, Financial Attitude with Financial Satisfaction. The data analysis strategy in this study consists of descriptive statistical analysis and inferential statistical analysis and test of reliability of the measurement scales. Financial Behaviour, Financial Knowledge, Financial Attitude and Financial Satisfaction are significantly correlated at 0.05 significance level. A moderate level positive relationship is between Financial Behaviour and Financial Satisfaction in this study. These professionals are in the best position to strengthen financial knowledge and corresponding desirable financial behaviors of individuals. Targeted and proactive educational efforts may lead to an advancement of individuals' interests that fundamentally increase in financial satisfaction.

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