

How ethnicity and religion can influence financial habits

January 9 2017

New international research from Macquarie University has found that people with a religious or ethnic background are more likely to save money, quelling the long-held belief that income and financial proficiency are the main determinates of an individual's ability to save.

Alongside a team of international researchers, Associate Professor Chris Baumann of Macquarie University's Department of Marketing and Management studied low, middle and high income earners, both with religious and non-religious backgrounds – and also compared the saving/spending habits and customer loyalty of Caucasian consumers with that of Chinese populations in Mainland China, Australia and Canada.

"This research will help people understand how to better position their businesses to tap into these Chinese cultural groups," said Associate Professor Baumann.

The study revealed people of Chinese heritage tended to save more than their Caucasian counterparts, with even low income earners prioritising savings, leading to the conclusion that inherent cultural factors such as Confucianism emphasise frugality, security and familial concerns, and make a point of difference between participants.

"Non-religious groups in the middle to low [income](#) bracket have been found to be more willing to spend money on entertainment and everyday materials compared to their religious counterparts, who tend to be

thrifter," added Associate Professor Baumann.

First and second generation Chinese in Australia and Canada demonstrated a combination of behaviours between the saving/spending patterns of their parents, and their present day social and cultural environment.

The study also found religion plays an important part – with a savings rate of 35% for the religious group within the middle [income bracket](#), compared to 27% for the non-religious group. This is potentially linked to religious groups coveting spiritual targets rather than materialistic possessions, which is observed within non-religious groups.

"Coming into the New Year, businesses are evaluating their business plans to capture more revenue," added Associate Professor Baumann.

"These findings offer important insights for those businesses looking to tap into the world's largest economy and export their products and services to Chinese consumers – for example, by highlighting the future savings that investment in a product can generate."

The Chinese market also has massive potential for Western banks due to their own saturated markets. The study will assist new entrants into the lucrative, but competitive, Chinese market to better understand how the Chinese manage their money.

More information: Hamin Hamin et al. Customers' savings rate and share of wallet: the moderating role of religion and ethnicity/immigrant generation vis-à-vis attitude as mediator, *Journal of Strategic Marketing* (2016). [DOI: 10.1080/0965254X.2016.1258002](https://doi.org/10.1080/0965254X.2016.1258002)

Provided by Macquarie University

Citation: How ethnicity and religion can influence financial habits (2017, January 9) retrieved 2 May 2024 from <https://phys.org/news/2017-01-ethnicity-religion-financial-habits.html>

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