

# Study credits students for money management skills

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Swinburne research finds students are not wasting money on luxuries like smashed avocado. Credit: Swinburne University of Technology

From buying smashed avocado for breakfast to splashing out on \$4 cups of coffee, millennials have been getting a bad rap for their perceived lack of money management.

But new research from Swinburne reveals the criticism might be unfounded, especially when it comes to struggling students.

The study, led by Swinburne academic Dr Jill Bamforth, found that when [money](#) is tight students are actually adept at managing their remaining funds.

Dr Bamforth says students are not given enough credit for their money managing ability.

"A [student](#)'s lot is not an easy one," she says.

"Because of university commitments, they face sporadic employment in sectors where there is high competition for jobs like retail and hospitality.

"However, instead of being careless with money, students are in fact very concerned about how to manage their money effectively."

The study of 40 Swinburne students aged 18 to 24, looked at what factors contributed to their spending habits, including the financial, psychological and [social pressures](#) they have to deal with.

"We felt it was time to provide a more balanced representation and understanding of students' money management behaviour," Dr Bamforth says.

Dr Bamforth says she sympathises with the pressures that come with being a student and admits to being surprised by the results of the study.

"They are experiencing a period of significant change and growth as they transition to independence, and they face internal and external pressure to do well at university.

"The findings were a surprise as they showed students to be significantly resourceful."

Among the respondents, risky money management was the exception rather than the rule, with only four out of 40 respondents admitting to indulging in retail therapy.

"I always order the cheapest thing on the menu and bypass the coffee, drinking water instead," says 'Sarah', one of the student respondents from the research.

Dr Bamforth says these exceptions are often due to psychological stress, and not imprudent money management.

"Our research suggests that when students struggle with balancing economic, social and psychological pressures, this has an impact on their money managing abilities," she says.

"Respondents were mainly influenced by their stress level. However, they learnt from their mistakes, thereby effectively responding to these influences."

For the full findings of Dr Bamforth's, Charles Jabarajakirty's and Gus Maarten Guernsen's research, see: 'Undergraduates' responses to factors affecting their money [management](#)'.

**More information:** Jill Bamforth et al. Undergraduates' responses to factors affecting their money management behaviour: some new insights from a qualitative study, *Young Consumers* (2017). [DOI: 10.1108/YC-11-2016-00645](#)

Provided by Swinburne University of Technology

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