

FACTORS INFLUENCING PERSONAL FINANCIAL RESOURCE MANAGEMENT SKILLS AMONG STUDENTS IN HANOI

Nguyễn Minh Hạnh¹, Đỗ Thị Thục²

¹ Faculty of Economics - Academy of Finance

² Hanoi University of Finance and Banking

ABSTRACT

In the context of a modern market economy characterized by extensive international integration, personal financial management capability plays a decisive role in an individual's stability and prosperity—a point particularly relevant to the younger generation. For university students, mastering these skills serves not only as a foundation for their future careers but also as a prerequisite for effectively adapting to economic fluctuations. However, students' financial management capabilities are influenced by a complex interplay of psychological factors, cognitive perceptions, and their surrounding environment. Given this pressing need, this study aims to identify and measure the impact of various factors on the personal financial management skills of university students in Hanoi. Drawing upon theories of financial behavior and financial literacy, the study employs a quantitative approach based on a survey of 500 students. Ordinary Least Squares (OLS) regression analysis reveals that all five selected factors exert a statistically significant influence. Ranked by the magnitude of their impact—from greatest to least—these factors are financial education, attitudes, level of understanding, financial style, and living environment. Based on these empirical findings, the paper offers policy implications and practical recommendations designed to enhance the personal financial management skills of university students.

Keyword: financial management, university students, younger generation, personal financial management skills, Hanoi.

1. INTRODUCTION

Personal finance involves managing and controlling the cash flow of an individual or household to achieve both short-term financial goals (such as daily living expenses) and long-term objectives (such as purchasing a home or vehicle, or preparing for retirement). Managing personal finance is not merely about money; it is intrinsically linked to life planning and contributes to an improved quality of life. Disparities in living standards among individuals do not depend solely on income or one's starting point in life, but rather on how one organizes and manages their finances. With sound planning, anyone can work toward a stable financial future.

For university students, the undergraduate years are not only a time for acquiring specialized knowledge but also a critical period for developing essential life skills—among which personal financial management plays a vital role. This skill goes beyond simply tracking the balance in one's bank account; it serves as a foundation for building disciplined spending habits, utilizing

resources effectively, and moving toward future financial freedom.

In reality, however, many students—including those in Hanoi—face challenges in managing their personal finances. These include a lack of budgeting skills, the absence of long-term savings plans, impulsive spending, and an inability to effectively leverage available financial support. Such shortcomings can lead to financial shortfalls, increased psychological stress, and a negative impact on academic performance. Furthermore, due to the specific living environment, academic curricula, and varying degrees of financial autonomy, the personal financial management skills of students in Hanoi may differ from those of other young people. Therefore, this study aims to analyze the factors influencing students' personal financial management skills, and subsequently propose solutions to help improve these skills among students.

2. LITERATURE REVIEW

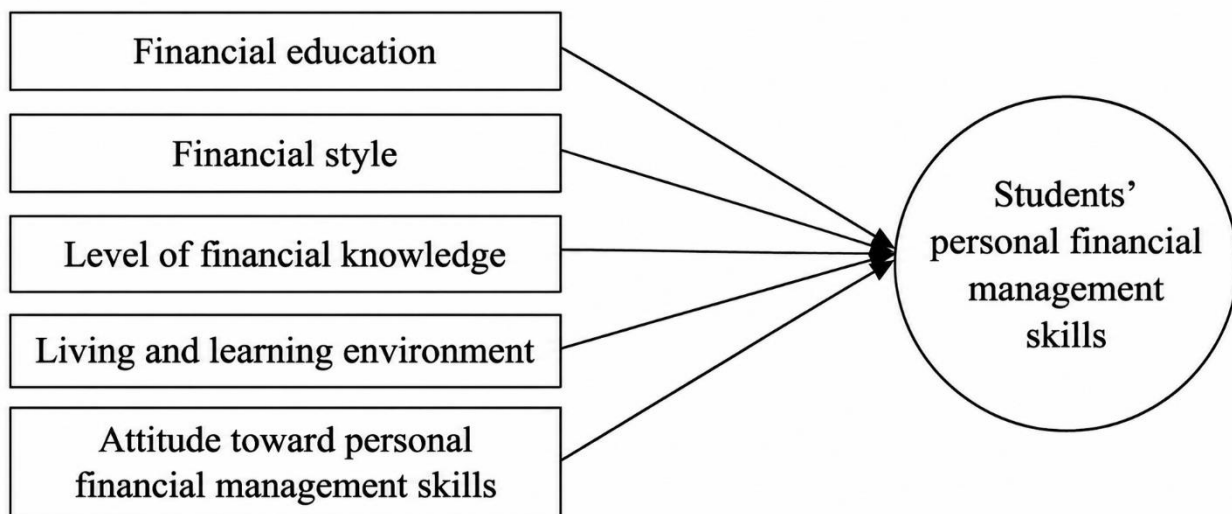
Behavioral Finance Theory: Behavioral finance is a branch of finance that examines the impact of psychology and cognition on human financial decision-making. Unlike traditional finance, which assumes that individuals are always rational and make optimal decisions, behavioral finance posits that financial decisions are often influenced by emotions and cognitive biases, leading to irrational behavior. According to Thaler and Sunstein (2008), an individual's financial decisions depend not only on their financial knowledge but also on psychological factors, habits, and behavioral biases, such as overconfidence or the herd effect.

Financial Literacy Theory: Financial literacy theory concerns an individual's level of understanding and their ability to apply financial knowledge to personal decision-making. According to Lusardi and Mitchell (2011), financial literacy is the capacity to understand, evaluate, and utilize financial information to make

appropriate decisions, ultimately fostering long-term financial stability. This theory emphasizes the role of financial education in personal financial management; individuals with a strong grasp of financial concepts are generally better equipped to engage in long-term planning, avoid excessive debt, and make sound investment decisions [5].

2.1. Research Model and Hypotheses

In an economic environment characterized by significant volatility and rising inflation, personal financial management has become an essential skill—one that directly influences an individual's quality of life, as well as their capacity for long-term wealth accumulation and growth. Nevertheless, identifying the specific factors that influence personal financial capability remains an area that requires further research. Based on relevant theories and building upon the research of Lusardi and Mitchell (2014) and Bui Thi Ngoc Anh et al. (2020), the research team proposes the following model:



Financial education: Financial education is the process of helping individuals enhance the knowledge and skills necessary to understand and effectively apply fundamental financial concepts, thereby enabling them to make sound financial decisions to achieve personal financial security and sustainability (OECD, 2017). Financial education equips individuals with the knowledge and skills required for making rational financial decisions. According to the OECD (2017), individuals who receive financial education early in life tend to be more effective at budgeting, saving, and investing.

Financial style: Financial style refers to the approaches, tendencies, and habits that an individual or household adopts when managing personal finances—encompassing behaviors related to consumption, saving, investment, borrowing, and general financial decision-making (Cole et al., 2008). This is an individual-specific factor that reflects a person's beliefs, experiences, level of understanding, emotions, and financial goals. Financial style is manifested in how an individual approaches and handles financial decisions.

Level of financial literacy: The level of financial literacy represents an individual's capacity to

identify, analyze, and apply financial concepts in real-world situations. According to research by Mandell (2008), students with a high level of financial literacy are more likely to avoid excessive consumption and are better at developing long-term financial plans. Furthermore, Chen and Volpe (2002) assert that the level of financial literacy has a significant impact on the personal financial status of students.

Living and learning environment: This encompasses influences from family, peers, the educational setting, and society. Leskinen and Raijas (2006) argue that this factor directly affects students' financial skills by shaping their access to information, the formation of financial habits, and the acquisition of experience from their surrounding environment. Research by Murphy (2005) and Lusardi et al. (2010) also highlights that students from families with a strong financial background tend to possess better financial management skills.

Attitude toward personal financial management skills: A student's attitude toward financial management influences whether they proactively learn and apply financial skills. According to research by Kharchenko and Olga (2011), as well as Al-Tamimi and Hussain (2009), students with a positive attitude toward personal finance are more likely to actively seek information and practice effective financial management skills.

The regression equation is as follows:

$$KN = \beta_0 + \beta_1 \cdot GDTC + \beta_2 \cdot PCTC + \beta_3 \cdot M\delta HB + \beta_4 \cdot MTS + \beta_5 \cdot TD + \epsilon$$

Where:

KN: Personal financial management skills of students in Hanoi

β_i : Regression coefficients

GDTC: Financial education

PCTC: Financial style

M δ HB: Level of understanding regarding personal financial management

MTS: Living and learning environment

TD: Attitude toward personal financial management skills

3. METHODOLOGY

The target population for this study consists of university students in Hanoi.

As of April 30, 2026, there are over 1,000,000 university students in Hanoi. With an allowable margin of error of 5%, the minimum sample size required to ensure representativeness is $1,000,000 / (1 + 1,000,000 * 0.0025) = 400$.

Furthermore, according to Hair et al. (2010), a sample is considered representative if it provides at least 5 observations per parameter estimate. The research model includes 5 independent factors with 18 observed variables; therefore, a minimum sample size of $18 \times 5 = 90$ is required. With a sample size of $n = 500$, the study ensures both representativeness and adherence to minimum requirements, while remaining feasible given the available research resources.

Data collection method: Data were collected directly through the distribution of questionnaires to 500 university students in Hanoi. A non-probability convenience sampling method was employed between May 5, 2026, and May 10, 2026.

All 500 questionnaires were collected, resulting in a response rate of 99%. Therefore, the number of samples included in the analysis is 495.

Building upon the scale developed by Bui Thi Ngoc Anh et al. (2020) and incorporating additional criteria commonly used in research, the authors established a scale for the factors influencing the personal financial management skills of students at the Academy of Finance, as follows:

Research Factors and Measurement Items

Factor	Code	Item
Financial education	GDTC1	I have always received financial management education from my family.

	GDTC2	I have always been taught financial management skills at school.
	GDTC3	My friends often share experiences and lessons about financial management with me.
Financial style	PCTC1	I often make impulse purchases whenever I like something.
	PCTC2	I tend to be attracted to discounted items.
	PCTC3	I want to prove that “keeping up with the Joneses” is not my lifestyle.
	PCTC4	I often buy things to show off, even when they are beyond my means.
	PCTC5	I always remember exactly how much money I have in my pocket.
Level of personal financial knowledge	MDHB1	I have basic knowledge of personal financial management.
	MDHB2	I know how to apply financial knowledge in practice.
	MDHB3	I clearly understand the importance of personal financial management.
Living and learning environment	MTS1	I am influenced by the lifestyles of my friends around me.
	MTS2	My living environment (e.g., family and friends) is appropriate to my personal financial situation.
	MTS3	My learning environment offers many extracurricular activities related to financial management skills.
Attitude toward personal financial management skills	TD1	I always feel frustrated and distressed when I run out of money.
	TD2	I always think about how I can manage my personal finances more effectively.
	TD3	I always pay attention to daily financial planning.
	TD4	I always care about my current financial situation.
Personal financial management skills	KN1	Financial planning skills
	KN2	Saving and spending management skills
	KN3	Debt management skills
	KN4	Financial risk management skills
	KN5	Financial evaluation and decision-making skills

For the factors influencing the personal financial management skills of students, the independent variables are measured using a 5-point Likert scale: (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly agree.

The dependent variable, personal financial management skills, is measured using a 5-point Likert scale: (1) Poor, (2) Average, (3) Good, (4) Very good, (5) Excellent.

4. RESEARCH RESULTS

A total of 500 questionnaires were distributed, with 495 valid responses collected for analysis (a 99% response rate). As the questionnaires were distributed randomly, the sample is not evenly distributed across different institutions or fields of study. The statistics for the research sample are presented below:

Table 2. Research sample statistics

Field of Study	Quantity	Percentage
Economics	139	28
Foreign Languages	99	20
Agriculture	20	4
Social Sciences	84	17
Natural Sciences	74	15
Industrial Engineering	59	12
Education	20	4
Total	495	100
Income	Quantity	Percentage
Under 5 million	321	64.85
5–10 million	131	26.46
Over 10 million	43	8.69

Reliability analysis was conducted for each scale. All factors yielded Cronbach's Alpha coefficients between 0.7 and 0.9, and all items demonstrated corrected item-total correlations greater than 0.3. These results satisfy the requirements for proceeding with further analysis.

Test	Statistic	Value
Kaiser–Meyer–Olkin (KMO) Measure of Sampling Adequacy		0.801
Bartlett's Test of Sphericity	Approx. Chi-Square	2.821.437
	df	153
	Sig.	0.0001

The KMO and Bartlett's test results indicate that the dataset is highly suitable for analysis, with a KMO value of 0.801 (falling within the 0.5–1.0 range) and a statistical significance level of 99% (Sig. = 0.000 < 0.005). This indicates that factor analysis is entirely appropriate for this study, as the sample size used is both suitable and sufficiently large.

The results of the EFA show that the five factors influencing personal financial management skills are consistent with the proposed model. All five factors are relevant and significant, as their eigenvalues (the lowest being 1.345) exceed the threshold of 1.0, and the total variance explained is 78.198%—well above the 50% benchmark. Consequently, these five factors account for 78.198% of the variance in the data.

The significance level (Sig.) is very low (Sig. = 0.000), and the adjusted R-squared (R^2) value is 54.2%. This means the regression model explains 54.2% of the variation in personal financial management skills through the influence of the five identified factors. The remaining 45.8% is attributable to other factors (such as variables not included in the model, random elements, or measurement errors). A value of 54.2% is considered reasonably high for social science research, particularly in the realm of individual behavior, such as financial management.

The Durbin-Watson statistic is 2.028 (> 1), indicating the absence of autocorrelation among the variables.

An examination of the distribution of data points around the expected regression line reveals that the residuals follow a normal distribution, with no data points deviating excessively from the expected line. The mean value is -1.54E-15 (approximately 0), and the standard deviation is 0.9873 (approximately 1), suggesting that the distribution of the residuals is approximately

normal. In the Normal P-P Plot, if the quantile points of the residuals cluster along a diagonal line—as shown in the figure below—it indicates that the residuals follow a normal distribution. Thus, the assumption of normality for the residuals is not violated; it can be concluded that the residuals are normally distributed.

Furthermore, a one-sample test on the residuals yields a significance (sig.) value of 1, indicating that the mean of the residuals is 0. Additionally, the Pearson correlation analysis between the residuals and the independent variables shows a sig. value of 1 in all cases, which rejects the hypothesis of autocorrelation; therefore, there is no correlation between the residuals and the independent variables. The assumption of homoscedasticity (constant variance) is also satisfied.

Table 4. Results of the multiple regression analysis

Model / Factor	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics (VIF)
B	Std. Error	Beta			
1	(Constant)	307	226		1.358
PCTC	162	58	170	2.781	6
TD	215	55	230	3.885	0
GDT C	268	48	339	5.628	0
MĐHB	188	52	227	3.613	0
MTS	1	44	2	30	0

The linear regression equation is as follows:

$$Y = 0.170PCTC + 0.230TD + 0.339GDT C + 0.227MĐHB + 0.002MTS$$

All independent variables have a sig. value of less than 0.05, indicating statistical significance at the chosen confidence level. Consequently, all these independent variables influence the dependent variable—students' personal financial management skills. In summary, there are five factors that affect the personal financial management skills of students in Hanoi.

3.2. Discussion of Research Results and Proposed Solutions

3.2.1. Discussion of Research Results

The regression results indicate that Financial Education (FE) has the highest standardized regression coefficient ($\beta = 0.339$), confirming it as the most influential factor affecting the personal financial management skills of students in Hanoi. Financial education not only provides fundamental knowledge—such as budgeting, saving, and investing—but also fosters a financial mindset, enabling students to make financial decisions more proactively and effectively.

Attitude toward personal financial management (AT) also exerts a significant influence ($\beta = 0.230$). A positive attitude encourages students to plan their spending, save, and manage their finances effectively, which helps reduce debt and optimize resources; conversely, a negative attitude can easily lead to uncontrolled spending and a lack of long-term direction. This attitude is shaped by financial education, one's living environment, and personal experience.

The level of understanding regarding personal financial management (LU) has a coefficient of $\beta = 0.227$, highlighting the critical role of financial knowledge and skills in fostering rational spending behavior. Students with a high level of understanding are generally better at budgeting, controlling expenditures, and making sound financial decisions, thereby ensuring both current and long-term financial stability.

Personal financial style (PFS) has a moderate impact ($\beta = 0.170$), reflecting variations in students' mindsets, spending habits, and financial priorities. Students who adopt a disciplined and planned approach to their finances tend to manage their money more effectively and work toward sustainable financial goals.

Meanwhile, the living and learning environment has a very minimal impact on personal financial

management skills ($\beta = 0.002$). Although a positive environment can foster good financial habits through various activities, relationships, and living conditions, its role did not emerge as significant in this study.

3.2.2. Proposed Solutions

To enhance the financial literacy and competence of students in Hanoi, a comprehensive set of solutions should be implemented—combining theoretical education, practical application, and ongoing support—to help students develop sustainable financial management habits.

First, strengthen personal financial education. Educational institutions should increase the number of workshops and seminars on budgeting, saving, investing, and expense control, featuring experts and business professionals, while also integrating personal finance topics into the curriculum. Furthermore, providing a variety of learning resources—such as handbooks, e-books, and instructional videos—will empower students to proactively improve their financial knowledge.

Second, promote the practice and application of financial skills. Students should be encouraged to create personal spending plans and track their monthly income and expenses. Institutions can guide students in using financial management applications—such as Money Lover, Misa, or Google Sheets—to help them record, analyze, and control their finances more effectively.

Third, enhance financial support and counseling. The university should expand scholarship programs and create opportunities for students to take on part-time work on campus, allowing them to earn an income while developing financial management skills. At the same time, the institution should implement recognition initiatives for students who demonstrate effective financial management, and strengthen connections with alumni who have succeeded in the finance sector, enabling them to share their experiences and provide practical guidance to current students.

5. CONCLUSION

Personal financial management skills play a crucial role in ensuring financial stability and sustainable development for students throughout their academic journey and in their preparation for the future. Research has identified five factors

that influence the personal financial management skills of students in Hanoi: financial education, attitudes toward financial management, the level of understanding regarding financial management, sound financial habits, and the living and learning environment. By implementing targeted solutions, educational institutions can not only help students improve their personal financial management skills but also provide them with a solid foundation for their future careers and lives after graduation. A supportive financial environment encourages students to take a proactive approach to financial planning, thereby enhancing their quality of life and alleviating economic pressure during their studies.

REFERENCES

- [1]. Chen, H., R. P. Volpe (2002), *Gender differences in personal financial literacy among college students*, Financial Services Reviews, 11(3):289-307.
- [2]. Leskinen, Raijas (2006), *Consumer financial capability - a life cycle approach*, In Eueopean Credit Research Institute (Ed.), Consumer Financial Capability: Empowering European Consumer: Brussels: The European Credit Research Institute (ECRI), 8-23.
- [3]. Lusardi, Mitchell (2011), *Financial Literacy and Planning: Implications for Retirement Wellbeing*, Nber Working Papers 17078, National Bureau of Economic Research.
- [4]. Shaari, N. A., Hasan, N. A., Mohamed, R. K., Sabri, M. A. (2013), *Financial literacy: A study among the university students*, Interdisciplinary journal of Contemporary research in business, 5(2):279-299.
- [5]. Tennyson, S., Nguyen, C. (2001), *State curriculum mandates and student knowledge of personal finance*, The journal of consumer affairs, 35(2):241-262.