Review of Related Work

The first piece of work that holds relevance in comparison to my overarching research is from the Journal of Behavioral and Experimental Finance, titled, “Does self-control predict financial behavior and financial well-being” by Camilla Strömbäck, Thérèse Lind, Kenny Skagerlund, Daniel Västfjäll, and Gustac Tinghög. The purpose of the study was to improve the overall understanding of how people make financial decisions based on specific psychological characteristics believed to have influenced individuals’ positive financial behavior and financial well-being. The biggest differences in the response variables of between this study and mine was the studies’ use of multiple response variables and their complete focus on subjective, psychological and behavioral traits that came from different ages, sexes, income levels, and education levels.

Analyzing the “Impact of Self-Control, Financial Literacy and Financial Behavior on Financial Well-Being,” I came across an inspiring primary source that helped guide my research. This piece of research was easily the most similar to my own and was done with the similar premise that the human psyche could potentially have a greater influence over an individual’s financial world than currently known. The study utilized close-ended questionnaires over self-control, financial behavior and financial literacy to gather data. The results concluded it should be conducted on a grander scale for a more effective understanding, yet it implied that both businesses and consumers can understand that personality and self-control can influence a consumer’s decisions and could potentially help make better decisions if well understood.

Lastly, I came across a study oriented around financial distress in experts of personal finance. “Delphi Study of Experts’ Rankings of Personal Finance Concepts Important in the Development of the InCharge Financial Distress/Financial Well-being Scale” was conducted by E. Thomas Garman and Benoit Sorhaindo with the purpose of this study was to understand financial well-being and the degree of influence it has over economic distress. A big difference in this study against my own is its use of experts as an attempt to step up the effectiveness of subjective evaluations. Moreover, the study allowed for greater variability in the responses from the experts, even allowing them to write in specific responses. The explanatory variables were subjective in their entirety, to contrast with my study even further.

Overall, I believe I have taken an adequately unique route in understanding the explanatory determinants of my studies response variable, financial well-being (determined by the financial well-being score). However, there are a few things for me to consider in regard to my explanatory variables before I continue. I believe that in order to make a more effective study, I should provide more objective demographic and environmental variables to help remove potential lurking variables from equation and balance out the subjective foundation I have created. Variables like age, income, gender, education level will all be considered in the restructuring of my study thanks to the analyses of these past studies that parallel my own.

Work Cited

Garman, E. Thomas, and Benoit Sorhaindo. “Delphi Study of Experts’ Rankings of Personal Finance Concepts Important in the Development of the InCharge Financial Distress/Financial Well-Being Scale1.” Consumer Interest Annual, 2005.

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