

An Information Search Perspective of Financial Help-Seeking Behavior

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Previous studies have argued that the services provided by financial professionals are significant for the client's financial well-being (Grable & Joo, 2003; Loibl & Hira, 2007; Robb, Babiarz & Woodyard, 2012). However, the factors driving households to seek financial information and help when dealing with day-to-day financial issues have thus far been overlooked in the extant literature. The purpose of this study is to investigate the relationships between consumer information search sources, financial help-seeking behavior, and consumer financial management behavior by establishing a conceptual framework of financial help-seeking behavior and further assess the relationships by age groups.

Based on the information search sources framework (Beales, Craswell, & Salop, 1981) and financial help-seeking behavior literature (Joo & Grable, 2001), this study developed a financial information search model where financial planners and counselors serve as external information sources. This study used the 2012 National Financial Capability Study (NFCS), a national representative survey of adults 18 years of age or older that includes detailed information on people's financial attitudes and behaviors. Structural equation modeling (SEM) is the main statistical analysis. The results showed that seeking help from financial professionals was positively associated with desired financial behaviors and negatively associated with risky financial behaviors. This effect varied by age groups. The financial help-seeking behavior, as an external information source, mediated the relationships between internal information sources and financial behaviors.

The findings from this study contribute to the literature of financial help-seeking behavior and analyses of general consumer financial practices. Financial planners can use the findings in this study to recognize the different characteristics of consumers, such as fundamental knowledge and financial confidence, and the consumers' preference and method for finding new information and services. This study also sheds light on the value of financial advice and the financial service areas for which consumers seek help. It can be an opportunity for policymakers and financial educators to emphasize the importance of financial literacy and education in shaping positive financial attitudes and to create programs to help consumers reduce financial stress.

References

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