

Public Abstract

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Title:A COMPARISON OF HOUSEHOLD SAVING MOTIVES BETWEEN CHINESE AND AMERICANS

The main purpose of this study is to compare the household saving motives between Chinese and Americans. Chinese and Americans engage in differing saving behaviors, which is reflected by differences in household saving rates between China and the United States. The importance of savings and the heterogeneity of saving behaviors have attracted the attention of researchers. Saving behaviors can be affected by saving motives. Based on theory of planned behavior (Ajzen, 1991), Warneryd (1999) presented a model of saving behavior, indicating that saving motives affect saving behaviors. Given the importance of saving motives on investigating saving behaviors, few researches were conducted to study household saving motives.

The two datasets used in this study are from the 2008 Survey of Chinese Consumer Finance and Investor Education and the 2007 Survey of Consumer Finances in the United States. Based on theory of human motivation, the conceptual framework in this study indicates that the likelihood of reporting a particular saving motive is determined by household financial resources, satisfaction of financial needs, country of origin and demographic characteristics. The likelihood of reporting precautionary saving motive, education saving motive, and retirement saving motive was tested by logistic regression analysis.

This study concluded that there were differences in reporting household saving motives. Chinese were more likely to report the precautionary and education saving motives, when compared with Americans. In terms of the retirement saving motive, only Chinese households placed in the first and second household income groups were more likely to perceive the retirement saving motive than their counterpart Americans. There was no difference in perceiving the retirement motive between Chinese and Americans for all the other household groups. These findings have implications for researchers, public policy makers, and financial planners. The stronger motivation to save for Chinese than for Americans serves as a good explanation for the higher saving rates in China than in the United States. When investigating the differences in saving rates between countries, psychological variables, such as saving motives, as well as socio-economic variables and other characteristics should be considered and analyzed together. Policy makers and financial planners can use the findings to target particular population who are less motivated to save, and to help them realize the importance of saving and conduct necessary saving behaviors.