Article Title

Financial Literacy of Hospitality Professionals

Citation


Abstract

Financial literacy is an important asset for individuals. Undeveloped countries not only have issues with a lack of financial literacy among their citizens but countries with much stronger economies also may experience the same problem. Despite an abundance of studies that are focused on this subject, authors are not familiar with studies that concentrate on the financial literacy of hospitality professionals. This study attempts to determine if there are significant differences in the level of financial literacy among hospitality professionals based on gender, age, level of education, years of work experience, and hospitality segment. The results of the study show that knowledge of financial literacy depends on the age and level of education of individuals. Financial literacy self-assessment suggests that a hospitality segment where a person is employed and the level of education have the highest impact on the score, very closely followed by age.

Methods

A financial literacy assessment survey of 25 questions was considered in this study. Although this was the first time these questions were used in this combination, the survey was developed from a pool of 209 questions used in 14 surveys (Appendix A) referenced in academic articles between 1996 and 2013. To reduce the pool to the 20 knowledge questions and five self-assessment questions, 44 experts in financial literacy, economics, accounting, small business, and adult education evaluated the questions. The experts identified financial topics within the four areas of financial literacy (money basics, borrowing, building assets, and protecting assets) the assessment would cover. The dependent variables in this study are the financial literacy knowledge score and the self-assessed financial literacy score. Independent variables, based on the research questions, were gender, age, education level, years in the hospitality industry, and hospitality segment. The survey was a convenience sample taken at the Florida Restaurant and Lodging Association show in Orlando, Florida, U.S.A. in October 2015.
Results

SPSS 22 statistical software was used for statistical analysis. Results of descriptive statistics defining a hospitality profession financial literacy profile, based on a sample group, are listed in Table 1. The group is balanced between males and females. The median age is 38, while the mean age is 41. More than half (57.8%) of the participants have been working in the industry more than ten years. More than half (58.3%) of the participants are from the restaurant and hotel segment of the hospitality industry. The other segments included travel, private clubs, hospitals, event planners, and concession. Fewer than half (37%) did not complete college. The number of correct responses to the knowledge portion of the financial literacy survey in each of the independent variables ranged from a mean 8.8 to 15.4 out of 20, with a total sample mean of 12.9. This translates to a minimum percent correct of 44.0% (in the variable for high school highest level of education) to the highest percentage 77.1% (post-graduate education), while the total mean percentage is 64.4%.

Conclusion

The results of this study indicate the mean knowledge score (64.4%) to be higher than other studies. The Jump$tart survey scores between 1997 and 2008 and NFCS survey scores in 2009 and 2012 were below 60% (Lachance 2014; Shanks, Mandell & Adams 2013). Self-assessment scores for the participants of this study. The hospitality discipline is an applied one and is closely related to business. Perhaps individuals who have knowledge of hospitality business practices feel more confident when it comes to understanding financial matters.