

Investing For Your Future:
Application of the Transtheoretical Model of Change to
Investing Behavior

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(ABSTRACT)

The Transtheoretical Model of Behavior Change was used to assess change in investing behavior among *Investing For Your Future* home-study course participants. The goal of *Investing For Your Future* is to help people improve their personal finance behaviors leading to financial security in later life. On average, after course participation fourteen of the fifteen investing behaviors were identified in the desired stages of established behavior. The study was based on Prochaska's Transtheoretical Model of Change (1979), including five different stages of behavior. This study investigated at what stage of change course participants are in for certain investing behaviors since completing *Investing For Your Future* (O'Neill et al., 2000). The stages of behavior are: *precontemplation, contemplation, preparation, action* and *maintenance*. The desired stage was either the *action* or *maintenance* stage, which indicated that the investing behavior has been established. A person in the *precontemplation stage* is not thinking of future needs, not taking any actions to prepare for investing. Someone in the *contemplation stage* has set investing goals, but is not otherwise preparing to do the investing behavior. Someone in the *preparation stage* has both set goals and actively sought after information about the investing behavior. An individual in the *action stage*

has not only done the preparatory actions, but has also engaged in the investing behavior. Finally, an individual in the *maintenance stage* has met the investing behavior action over an ongoing period of time. The quantitative survey design of this study was adapted from Dillman's *Mail and Internet Surveys* (2002). A survey questionnaire was created online using multiple choice and open-ended questions and was sent to the sample as a link in an email. The population consisted of *Investing For Your Future* (O'Neill et al., 2000) online course participants from April 1, 2001 through April 11, 2005. The initial sample consisted of 1,123, however at least 415 members of the sample never received the survey, reducing the sample to 708 people. Upon sending out the email, many error reports were received stating that the recipient did not receive the email. Response rates for the survey were very low, and can be attributed to multiple problems.

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