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# **Money Attitudes Among Iranians: A Test of Yamauchi and Templer's Money Attitudes Scale**

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## **Abstract**

The factor structure of Yamauchi and Templer's (1982) attitudes toward money scale was explored in Iran. While some items loaded on the same factors as found in western contexts, some unique factors were also found, reflecting particular cultural and economic impacts on money attitudes in Iran. Both etic and emic factors emerged. Saving was the only factor that emerged with the original scale items found in western cultures. Two of the original Anxiety items loaded onto a single factor, labelled Bargain-Conscious consistent with a small number of previous studies. Some of the Anxiety and Distrust items together loaded on the same factor in this research, as has been found in some existing studies in non-western cultures. Three sub-dimensions of Power were found in this sample, as opposed to one major Power dimension in the original scale, which may reflect specific contextual factors. Further, and contrary to previous findings, no significant correlations were found between any of the scale factors and gender, age, education, job level or salary.

## **Introduction**

Money plays an undeniable role in people's lives, yet it is not the money itself that is important to individuals, but rather, what it stands for. In other words, it is the meaning that individuals ascribe to money and their attitudes toward it that influence many different aspects of daily life including financial planning, work related behaviors and many major life decisions.

Despite the prominent place of money in daily life, and despite the fact that so many aspects of daily life are affected by money attitudes, there are still a number of considerable gaps in the literature regarding different dimensions of money attitudes and the factors that affect them. Extant literature suggests that money attitudes tend to be systematically related to a number of demographic and contextual factors in western contexts. Very little cross-cultural research however has been undertaken with respect to money attitudes, and therefore it is unclear whether these findings would be replicated in different cultural contexts.

### **Demographic Factors**

Demographic variables have been shown to have variable relationships with different money attitude dimensions (Furnham, 1996). For example, Baker and Hagedorn (2008) found that, in a Canadian sample, older individuals tended to think of money as a tool to influence others less than younger people, and had less anxiety related to money. Older individuals also indicated a stronger emphasis on saving than did younger people, likely due to the fact that saving becomes a salient goal for individuals who must prepare for

their retirement, non-income producing years (Dilworth, Chenoweth, & Engelbrecht, 2000). Individuals' income level also seems to have a salient effect on money attitudes as Baker and Hagedorn (2008) found that income was negatively related to anxiety and frugality. They also found that education was negatively related to individuals' money related anxiety, saving, frugality and their tendency to use money as a power tool. In a Mexican sample, however, Roberts and Sepulveda (1999) found a significant positive relationship between education and saving as well as between income and saving.

Gender may also play a role in individuals' money attitudes. In general, women are more careful than men with money and show more concern for future financial security (Bailey & Gustafson, 1991). Evidence also suggests that women tend to think of money as an influence tool less than men do, as well as being less suspicious about situations that involve money (Baker & Hagedorn, 2008).

### **Contextual Factors**

Money related behaviours are highly influenced by various contextual factors. Up-bringing, cultural norms and expectations, religion, and even media, all influence the meaning of money to individuals. For example, research suggests that, in general, individuals in collectivist cultural contexts such as Latinos and Africans perceive money as a tool that facilitates interactions between family members and friends, while those in individualistic cultural contexts favor the power granting benefit of money (Falicov, 2001). Accordingly, it is not wise to generalize the results of money attitudes studies conducted in western cultural contexts to the rest of the world.

Two contextual factors may be particularly important in understanding emic money attitudes: religion and economic situation. For example, research suggests that for many Africans and Latinos, religion and faith are major lenses through which money is viewed and handled (Maxwell, 1998). Additionally, Shariah-compliant banking, or Islamic finance, is currently experiencing exponential growth (Abdelsalam, 2014). Other researchers have found that religiosity has an impact on money attitudes, specifically with respect to the ethical meanings placed on money (Vitell, Singh, & Paolillo, 2006).

Economic conditions also play a major role in shaping and changing people's attitudes toward money. While there seems to be a consumer culture mentality that exists to an extent worldwide (Bonsu, 2014), different degrees of perceived economic risks may cause people to adopt certain attitudes towards money. Engelberg and Sjoberg (2007) found, for example, a relationship between higher perceptions of risk of economic loss and higher importance given to money.

### **The Current Study**

The current study extends previous research to a new demographic and economic context. Iran presents an interesting contrast to many Western nations due to both religious and economic factors. Iran is an Islamic culture, and as such individuals within

the culture are influenced by Muslim teachings about money. While Islamic banking may not be strictly practiced in its pure sense (Seyed-Javadin, Raei, Safari, & Irvani, 2014), religious expectations regarding attitudes toward money are still pervasive. These religious influences create a contrasting cultural emphasis on money compared to the capitalistic influences in samples from many of the previous research examining money attitudes. Further, in the past number of years, Iran has experienced very unstable economic condition as a result of political conflicts and international sanctions that have affected all strata of Iranian society.

Thus the purpose of this study was to explore the factor structure of Yamauchi and Templer's Money Attitudes Scale in an Iranian sample in an attempt to test the generalizability of this scale to a population in very unique economic conditions and with a different cultural background.

## **Method**

Participants were 179 employees (85% males, age range = 20-55, mean age = 37) from a large and influential steel making company in Iran located in the city of Esfahan, working in different organizational sections and in different job levels including managers, supervisors, mid-level employees, technicians and operators.

## **Measures**

Different scales to measure money attitudes have been created (Tang, 1992; Furnham, 1984; Yamauchi & Templer, 1982), but the 29 item Money Attitudes Scale developed by Yamauchi and Templer is the most widely studied, and has shown to be the most reliable one compared to other similar measures (Furnham, 1984; Furnham, Kirkcaldy, Lynn, 1996). Yamauchi and Templer (1982) asserted that the psychological meaning of money may be related to three main motivations, namely, security, retention and power-prestige. Initially sixty-two items were generated to tap into these three areas, and were administered to 300 participants in an American population. Their factor analysis revealed five factors. 32 items from the initial item pool were retained after using a 0.4 cut-off for factor loadings. The first emerged factor was labeled Power-Prestige. The 9 items loaded on this factor suggested that people could see money as a symbol of success, and could use it as a tool to influence others and exert control over their environment. The second factor included 7 items and was named Retention-Time (Saving). Items loading on this factor related to financial planning and budgeting. The Retention-Time money attitude suggests hoarding and obsessive personality traits. People with a Retention-Time money attitude place a high value on the process of managing money pragmatically, and future financial security is their primary goal (Yamauchi & Templer, 1982). The third factor was labeled Distrust (Frugality) and contained 7 items. According to Yamauchi and Templer (1982), individuals high on this factor are hesitant, suspicious and doubtful regarding situations involving money. The fourth factor was called Quality and included 5 items which related to the desire to purchase quality

products and the belief that the more one pays the better product one will get. Yamauchi and Templer dropped this dimension, however, as its items originally were from the Power-Prestige dimension and conceptually they were more related to that factor. The fifth factor was labeled Anxiety and consisted of 6 items. This dimension related to seeing money as a source of anxiety as well as a tool for protection from anxiety. Yamauchi and Templer (1982) reported a good internal reliability for the scale with a Cronbach's Alpha for the entire Money Attitude Scale (MAS) of 0.77 and a range of .69 to .80 for its sub-dimensions.

## Results

An exploratory principal axis factor analysis with a varimax rotation was conducted. According to various criteria for determining the number of factors (Tabachnick & Fidell, 2007) including Kaiser's rule, scree plot and most importantly, the interpretability of factors, a 6 factor solution was found to be the most appropriate one, explaining 52% of the total variance. Although the original Money Attitudes Scale developed by Yamauchi and Templer (1982) was comprised of four factors, finding a different number of factors in this sample was not surprising, as other studies conducted on different populations occasionally have shown extra dimensions for this scale (*e.g.*, Roberts & Spulveda, 1999).

The first emerging factor included all the original Saving items in the Yamauchi and Templer's scale. The Cronbach's alpha for this factor was .87 (see Table 1 for items and factor loadings). The second factor was comprised of four of the original scale's Distrust items and two of the Power items ( $\alpha = .83$ ; Table 2). The third factor included five of the original scale's power items ( $\alpha = .84$ ; Table 3). Three of the original scale's Anxiety items and three of the Distrust items loaded on the fourth factor ( $\alpha = .81$ ; Table 4). Two of the original scale's Anxiety items loaded on the fifth factor ( $\alpha = .75$ ; Table 5). The sixth and final factor included one Anxiety and two original Power items ( $\alpha = .58$ ; Table 6). Although this factor showed a relatively low internal reliability, it was retained as a separate factor since even when other factor solutions with different number of factors were forced, interestingly, these three items still clustered as a unique and separate factor.

**Table 1**  
*Factor 1 - Saving*

<b>Original Factor</b>	<b>Item</b>	<b>Factor Loading</b>
Saving	I do financial planning for the future	.78
Saving	I save now to prepare for the old age	.77
Saving	I follow a careful financial budget	.76
Saving	I put money aside on a regular basis for the future	.75
Saving	I have money available in the event of an economic depression	.69
Saving	I am very prudent with money	.67
Saving	I keep track of money	.61

**Table 2**  
*Factor 2 - Power-Active*

<b>Original Factor</b>	<b>Item</b>	<b>Factor Loading</b>
Distrust	I argue or complain about the cost of things	.69
Distrust	When buying something I complain about the price paid	.65
Power	I must admit sometimes I boast about how much money make	.58
Power	I use money to influence people to do things for me	.56
Distrust	I hesitate to spend money even on necessities	.48
Distrust	I automatically say "I can't afford it!" whether I can or not	.47

**Table 3**  
*Factor 3 - Power-Passive*

<b>Original Factor</b>	<b>Item</b>	<b>Factor Loading</b>
Power	I show more respect to people with more money than I have	.78
Power	I behave as if money is the ultimate symbol of success	.72
Power	People say I place too much emphasis on the money a person has as a sign of success	.61
Power	Although I should judge the success of people by their deeds I am more influenced by the money they have	.54
Power	I try to find out if other people make more money than I do	.47

**Table 4**  
**Factor 4 - Distrust**

Original Factor	Item	Factor Loading
Distrust	When I make a purchase I have the suspicion that I have been taken advantage of	.72
Distrust	After buying something I wonder if I could have gotten it for less elsewhere	.68
Anxiety	I worry that I will not be financially secure	.65
Distrust	It bothers me when I discover I could have gotten something for less elsewhere	.54
Anxiety	I show signs of nervousness when I don't have enough money	.48
Anxiety	I show worrisome behavior when it comes to money	.43

**Table 5**  
**Factor 5 - Bargain-Conscious/ Compulsive**

Original Factor	Item	Factor Loading
Anxiety	It's hard for me to pass up a bargain	.83
Anxiety	I am bothered when I have to pass up a sale	.63

**Table 6**  
**Factor 6 - Power-Pleasure**

Original Factor	Item	Factor Loading
Power	Honestly, I own nice things in order to impress others	.60
Power	must admit I buy things because I know they will impress others	.51
Anxiety	I spend money to make myself feel better	.46

## Discussion

Saving emerged as the first and most important factor in this sample. Since all the items that loaded on this factor were the original Saving items in the Yamauchi and Templer's (1982) scale, the label Saving was kept for this factor. Emergence of Saving as the first factor is contrary to previous studies in western contexts where Power-Prestige has always emerged as the first factor. The current unstable and poor economic conditions in Iran may account for these differences. Perhaps in Iran, due to the current international sanctions and the resulting instability of economic conditions, there is uncertainty about future financial conditions and people are more concerned with saving rather than spending their income, in order to feel more secure about their future.

The second emerging factor was a combination of some of the original Power and Distrust items. At first glance, it might seem surprising that Distrust and Power items loaded on the same factor. However, by taking a closer look at the Distrust items that loaded on this factor, it may be seen that those items contain such behaviors as arguing and complaining. Interestingly, it should be noted that in the Iranian context, arguing and complaining about the price of items may not necessarily mean that people do not like those prices or that they cannot afford it. Rather, regardless of the price, some people may argue about prices and bargain, in order not to feel completely passive in their interaction with the seller. Getting an item with a lower price, or even just arguing about the price, is linked to being efficacious and powerful, as such behaviors are associated with not giving in easily. This in fact is arguably a cultural characteristic itself, perhaps, because historically Iranians have had to fight for their rights, often due to limited or improper management of resources, lack of clear rules or their proper enforcement (Javidan & Dastmalchi, 2003). This may be seen currently in the realm of international relations, as Iran has long been involved in heated negotiations and disputes with other national entities. With this history, not arguing, not taking an active role, and giving in easily – regardless of the situation – may mean lack of responsibility and therefore is viewed as a weakness. Since this factor is related to actively engaging in power related behaviors concerning money, it was labeled Power-Active.

Some of the other original Power items loaded on the third factor that emerged. While the items on the previous factor (Power-Active) were related to actively engaging in behaviors to feel powerful and to show that one has control over his or her environment, items on this factor were more related to positive *beliefs* related to money: beliefs that money is a sign of success and that people with money are respectable. This factor, however, lacked the component of using money as a tool to feel powerful. In other words, while money may be perceived as valuable, this perceived worthiness of money may not translate into a desire to use it as a tool to feel powerful. The religious aspect of Iranian culture is important for understanding this finding. Islam, the dominant religion in Iran, suggests that money is more an evil than a symbol of success as it admonishes people to abstain from greed, materialism and hoarding possessions (*e.g.*, Qur'an 9:55 & 102:1-6, Oxford World's Classics edition). People who boast about their money or use it in any way to influence or control others are considered conceited or arrogant, both of which are deemed to be very negative attributes. Due to this cultural value, while some people may admit the merit and importance of money, they may not use it as a means of power since that would be incongruent with their religious and cultural identity. This factor was therefore named Power-Passive as it relates to positive but passive beliefs about money.

Some of the original Anxiety and Distrust items together loaded on the fourth factor. Loading of Anxiety and Distrust items on the same factor is consistent with some previous studies (*e.g.*, Bonsu, 2008) suggesting that these items may not always reflect two

separate underlying dimensions. It could be asserted that in the Iranian context of this research, the Distrust items loaded on this factor are clearly associated with high levels of anxiety and could not therefore be separated from the original Anxiety items. The label Distrust was consequently retained for this factor.

The fifth factor contained two of the original Anxiety items. Loading of these two items on a separate item is consistent with some previous studies (*e.g.*, Roberts & Spulveda, 1999), and warrants considering them as a separate factor. In line with Robert and Spulveda's (1999) terminology, this factor was labeled Bargain-Conscious/Compulsive as it relates to being highly concerned with, and overly conscious about bargaining opportunities.

The sixth factor that emerged contained two of the original Power items (related to impressing others by buying or owning nice things) and one Anxiety item (using money to feel good about oneself). This likely reflects the fact that impressing others could also be seen as a way of feeling good about oneself. Whereas the items that loaded on previous Power dimensions were either associated with actively influencing others or the passive belief that money is a symbol of success, the Power items that loaded on this factor are only related to a feeling of contentment and pleasure as a result of being approved and acclaimed by others. This is probably a stronger case in Iran as it is a relatively collectivistic culture (Hofstede, 2001). More specifically, impressing others is strongly tied with positive feelings about oneself since other people's opinion is very important, and even a decisive factor, in individual's estimation of themselves. When perceived resources are limited, as might be the case currently in Iran due to the poor economy, owning nice things does truly impress others, as not everybody else has the ability to do the same thing, and that in turn can cause individuals to feel powerful and to feel good about themselves. This factor accordingly was labeled Power-Pleasure as it relates to feeling powerful through feeling good and pleased about oneself.

Finally, it is worth mentioning that contrary to findings of other studies (*cf.* Roberts & Spulveda, 1999; Baker & Hagedorn, 2008), no significant correlations were found in this study between any of the six factors that emerged and the demographic variables of gender, age, education, job level or salary. It may be that the combined effect of religious influence and economic conditions on people's lives and money related attitudes were so strong and salient that they trumped any other influences of demographic variables on individuals' money attitudes.

### **Limitations and Future Research**

While this research extends the investigation of money attitudes to a new cultural context, one of the limitations specific to this study is that the sample consisted of employees working in a very economically influential company in Iran. This company is one of the biggest steel making companies in Iran and the Middle East. It is therefore

possible that the employees in this sample were very aware of and sensitive to the current economic conditions – more than the average person in Iran, and this may have influenced their responses. Furthermore, the data were gathered solely from one city and therefore results may not be generalizable to the whole country, especially since the city where the company was located in is well-known in the country for its strong economic and money-conscious sub-culture.

Due to the low proportion of females in this sample, results regarding the role of gender in money attitudes should be interpreted with caution. The reason for lower number of females could be attributed to the fact that respondents for this study were obtained from an industrial environment located in the suburb of the city of Esfahan that fewer females might be attracted to. That is because although in Iran, contrary to other Islamic countries, women have better opportunities and more freedom in terms of choosing their careers and jobs (Javidan & Dastmalchi, 2003), traditional gender role expectations might still guide some people in their workplace choices.

Future research in Iran, therefore should include a more generalizable sample including both enough males and females, from other cities and different industries. Additionally, as this study adds to other literature suggesting that specific contextual factors (culture, religion, and economic situation) have an effect on money attitudes, further research in more diverse contexts is indicated.

## Conclusion

The results of this research highlight the fact that, as with many attitudes, contextual factors are critical in understanding attitudes toward money. As with several other previous research projects (Bonsu, 1984; Roberts & Spulveda, 1999), examining the Yamachi and Templer's (1982) scale in Iran resulted in the emergence of different factors compared to studies conducted in western contexts. The reasons for this different factor structure are likely found in historical impacts and socio-religious influences of Islam on the Iranian culture. The current economic situation in Iran as a result of international sanctions has also had consequences on money attitudes as people feel more uncertain and insecure about their financial situation. Taken together, the findings from this research highlight yet again the importance of careful examination of contextual, or emic, factors in research.

## Author note

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