How Financial Organizations Can Overcome the Global Business Crisis

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Abstract

The global financial crisis, brewing for a while, really started to show its effects in the middle of 2007 and into 2008. Around the world stock markets have fallen, large financial institutions have collapsed or been bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems.

Many people find that those responsible for the financial problems & debts crisis are the ones who have been being bailed out, while on the other hand, a global financial reduce will affect the livelihoods of almost everyone in sharp increasingly connected world. It seemed that problem could have been avoided, if ideologues sustaining the current economics models weren't so verbal, significant and careless of others' viewpoints and concerns.

This research paper is concerned with developing the main issues that lied beneath the occurrence of the problem, the challenges facing the globe & most important of all, a suggestion to some possible solutions to overcome the Global Financial Crisis.

Keywords: Global business crisis, Overcome business crisis, Financial organization

1. Introduction

To begin with, it is noted that over the last year or so, financial institutions in the major economies have reported losses on a large scale. Some of these have become insolvent, or have had to be taken over or rescued by their governments. The 2008 Global Financial Crisis "Credit Crisis" has affected millions of Americans specifically and others around the World in general terms. Associated with all of that has been a massive swing in the appetite of the World financial markets for risk, and in their capacity to accept risk. Thus, the result has been a shift from an easily available credit to tight credit.

This crisis which began in industrialized countries has shifted dramatically spread to emerging market and developing economies. Many wealthy investors or so have pulled their capital from countries, even those with small levels of perceived risk, and hence causing values of stocks and domestic currencies to plunge. Moreover, the crisis has now moved from containing the contagion to coping with the global recession and changing regulations to prevent a reoccurrence of such a problem. Some security and foreign policy effects of the crisis also are beginning to appear.

In addition, policy proposals to change specific regulations as well as the structure of regulation and supervision at both domestically and internationally levels have been coming forth through the legislative process. As one can bear in mind, In June 2009, the Obama's administration announced its plan for regulatory reform of the U.S. financial system.

For example, in Congress, numerous bills have been introduced that deal with issues such as establishing a commission or selecting a committee to investigate causes of the financial crisis, provide oversight and greater accountability of the Federal Reserve and Treasury lending activity, acting towards the problems in the housing and mortgage markets, provide funding for the International Monetary Fund, address problems with consumer credit cards and establish a systemic risk monitor.

Therefore, the transmission of the crisis from the U.S. and Europe to the rest of the world came through a number of channels. The financial institutions in most emerging market economies had not been involved in practices that are seen in the institutions that populate the financial centers in the major industrial countries. To that extent, financial institutions in the emerging economies either shied away from the more exotic instruments, including such things as credit default swaps and collateralized debt obligations, or were prevented by regulation from holding or trading such instruments. Banking had to come of the most “boring”, old fashioned ever!

(The New York Times has reported on last September 2009 about the moves to replace the bust securitized mortgage market with a similar scheme dealing in life insurance policies, products that are as distasteful as they are foolhardy). The question is, can anything be done to ensure more responsible financial practice? If we are suppose to talk about the US economy, we would notice that President Barak Obama marked the anniversary of Lehman collapse with a plea to bankers to not get complacent, telling them to get their house in order, or else face further regulation.

We can indicate that over the past year, the financial male storm has battered the global information and communication technology industry, affecting profits and pushing down the industry in a manner reminiscent of the 2001 – 2002 dotcom busts. It is gradually finding its feet again, but it isn't out of the woods yet. The global financial tumult has forced a number of companies to reanalyze their cost benefit analysis, ensure efficiency and improve productivity. Companies in sectors such as telecom and finance have already realized the need of IT outsourcing as a solution in the changed market dynamics.

Therefore, this research paper provides a review of how the financial crisis has affected many regions of the world, proposals for a regulatory change, indication about the role of Monetary Policy & the level of Political Economics that have been intervening in the Financial Crisis. It also identifies some basic challenges facing the globe & suggests possible solutions for the "Banking Field" to overcome the crisis.

2. Literature Review

The financial crisis was triggered by the bursting of a credit-fuelled bubble. Regulation and regulators did not cause this fatal bubble, but they did indirectly help it to grow by fostering the illusion of financial security. Many developing country economies are yet growing strongly, though the forecasts have been downgraded in the space of few a few months. What does the turmoil mean for such developing countries? And for how much longer can growth persist? What are the channels through which the crisis could spread to and how are the effects being felt and in what cases? What is the role for development policy and what do policy-makers need to know?

Brooke Masters (2009) claimed: "So far, most countries are avoiding a regulatory race to the bottom – if anything, they are going the other way. The UK, for example, is pressing ahead with its own liquidity rules, while the Netherlands has pushed through curbs on bankers’ bonuses. However, Joshua Aizenman (2009) indicated that "costly regulation can mitigate the probability of the crisis. We identify conditions where the regulation level supported by the majority is positive after the reform, but below the socially optimal level."

A big portion of the financial crisis has had to do with under regulation and regulator duplicity with malefactors. If we look at the banking rules, we shall discover that allowing investment and commercial banks to merge, without a specification of a tighter capital rules, and hence, these new mega banks became overleveraged without examining their loans or the instruments that derived from the bad loans these banks made in the first place.

In his writings about Liberalism Ludwig von Mises (1927) indicated that "government intervention in markets would lead inevitably to unintended consequences that resulted in further government intervention."

It is difficult to correct a problem when the cause of the problem is misunderstood. The presidential and vice-presidential candidates in the United States have all said that “Wall Street greed” has led to the financial mess we are in. On the very face of it, this does not seem likely. Even if greed leads to problems, is it possible that greed has suddenly become much greater than before?

To raise an interest rate at some a time is a mistake and is likely to make a bad situation even worse. In many respects, central banks, including the Federal Reserve, have drawn heavily on important threads of monetary policy research in responding to the financial crisis.

Shiaw-Wen Tien et. al. (2005) had explained "with a binding capital requirement, the effects on bank lending supply depend on the size, the capital level, the balance sheet liquidity of banks and the capital distribution and market structure in the banking sector." In a similar context, Thorbecke (1997) finds that expansive monetary policy tends to increase ex-post stock returns. He reported that small firms tend to be affected more severely by the change in monetary policy stance.

In addition, Paul Krugman (1999) indicated "But when a financial disaster struck Asia, the policies those countries followed in response were almost exactly the reverse of what the United States does in the fact of a slump."

Currently the traditional monetary policy of the Federal Reserve is to focus on targeting the federal funds rate, now that this rate has approached the zero-bound; it has shifted to focus on other ways to lower the cost of credit in the marketplace. Federal Reserve programs have intended to offset disruptions to interbank lending & short-term credit financing. Since the credit crunch is caused by conservative lending policies during periods of financial duress and reduced profitability, one may finds that monetary policy is somehow ineffective in alleviating the credit crunch. Instead loan regulation can erase it.

George Macesich (1992, p. 88) argued that the poor performance of monetary policy can be attributed historically to the ease with which "money" has so often been made a political issue. He stated that "For Monetary Policy to be credible, and thus successful, the hands of the Monetary Policy- makers are better tied than left free." Sun Ruijun and Bao Erwen (2008) have reported "The in-depth development of economic globalization has made economic ties and interdependence between countries even closer, boosting the sustained growth of world economy, and benefiting many countries."

The global financial crisis is more than just an economic event: It puts pressure on the geopolitical system and is driving states to change their behavior. Taking a snap shot on the GCC states, one can clearly define how largely it has been insulated from the global credit crunch because they are the proud owners of some of the world's largest oil deposits. Much of this has been caused by massive infrastructure and development projects such as Qatar's liquefied natural gas facilities, Dubai's fanciful real estate explosion and Bahrain's attempts to convert itself into a financial Mecca. The economic system has an effect on the political outcomes. Well-functioning financial institutions, in turn, can increase the political support for anti-corruption measures.

Kira Boerner & Christa Hainz (2006) argued "When banks possess a perfect screening technology that allows them to deny credit to those debtors who use the money for financing an entry fee, the corrupt officials will still borrow from their relatives. However, compared to the case without financial institutions, the interest of corrupt officials and relatives in corruption decreases: Both parties have the opportunity to save at a bank." In similar terms, Torsten Persson (2000) had explained "Economic policy is the equilibrium outcome of a well defined no cooperative game under preemptive assumptions about economic & political behavior."

At all levels, the present financial crisis requires a co-ordinate response on a global scale. The real risk to the world economy is the temptation to revert to protectionism by each individual country in order to solve their own domestic problems.

3. Research Methodology

In choosing the correct research method to be used in this research paper, the survey research method by "Questionnaires" will be the basic research design. Each respondent will be supplied with a questionnaire titled "How banks can overcome the Global Financial Crisis"? The questionnaire is estimated to take no longer than 6 minutes for each reached individual regardless of the age.

A survey of 68 individuals located in many counties throughout the country will provide the database for this study. The sample was selected on a probability basis from as much "decision maker" playing role individuals as possible in Bahrain.

The questionnaire took place in Bahrain & the response from the respondents took almost one week.

Questionnaires were distributed randomly depending on many aspects such as: age, gender, employment condition & most important of all, the level of knowledge regarding the topic under study. This research paper sampling volume totaled 68, out of which, males represented 38 and the rest 30 were for females. The original sample was 70, in which the researchers found that 2 individuals were students below the age of 18 and were unemployed. That made a quiet confusing decision to remove the two from the total sample, since at that age and being unemployed is " not a truly decision maker" respondent.

4. Challenges

As the world look beyond the economic crisis, what are the most urgent challenges that are needed to be addressed?

Gaining a proper perspective on the crisis itself is a first challenge. In recent decades, it has been demonstrated that a market which operates responsibly offers a more secure life and a best hope to people who seek a better standards of living wherever in the world they may live. This is absolutely fundamental. While it is true that the direct causes of the crisis - the combustible mixture of excess leverage in both consumer and financial markets, the bank failures, the credit collapse - have led to some painful consequences, it would be folly to conclude that the foundations of market economics have been irreparably damaged.

A second challenge facing the Global is how to deal intelligently with the huge fiscal challenges ahead. The response of central banks and governments to the economic crisis may very well have averted a global catastrophe. However, massive fiscal obligations have been assumed by governments and this might take many years to unwind. What is needed is for countries to create and develop smart “exit” strategies. Furthermore, as the private sector returns to some growth, this requires a determined pullback in government expenditure. Not an easy task: as we all know, the politics of unwinding government programs can be daunting. Here political courage and good public policy go hand in hand.

The third challenge needs an urgent attention. It is acknowledged that the global economy is out of balance and that this is one of the reasons for the financial crisis. Massive reliance on external demand carries with it real consequences as does the excessive reliance on foreign investors to finance consumption and deficits for long periods of time. As one could realize, such imbalances can cause serious and long-lasting economic damage.

There is also the challenge, or opportunity, of what to do with a country's immense foreign exchange reserves. A Chinese think tank has come up with an exciting idea: that the reserves could be put to good use through the development of a ‘Marshall Plan’ for Africa, Asia and Latin America. Such a development fund, or loan facility, would increase living standards in the targeted countries.

The fifth challenge is enormously complex challenge that deserves attention. Sometimes we feel that we have loaded so many expectations onto the climate change agenda that it cannot help but fail. You would think that tackling this issue will give us infinite new sources of cleaner energy, and allow for the transfer of substantial amounts of financial and technological support to emerging economies. On the global side, No existing architecture is found to be proficient in preventing global crises from erupting.

Since financial crises occur even in relatively tightly regulated economies, the likelihood that a supranational influence could prevent an international crisis from occurring is questionable. The financial crisis has been characterized as a “wake-up call” for investors who had put their faith & confidence in. For example, credit ratings placed on securities by credit rating agencies operating under what some have referred to as “wicked incentives and conflicts of interest.”

Moving forward to a sixth challenge, the Council on Foreign Relations explained the problem in a report on systemic regulation, as follows:

"One regulatory organization in each country should be responsible for overseeing the health and stability of the overall financial system. The role of the systemic regulator should include gathering, analyzing, and reporting information about significant interactions between and risks among financial institutions; designing and implementing systemically sensitive regulations, including capital requirements; and coordinating with the fiscal authorities and other government agencies in managing systemic crises. We argue that the central bank should be charged with this important new responsibility".

Centers of financial activity such as New York, London, and Tokyo, race with each other and multinational firms can determine where to carry out particular financial transactions.

This is to be addresses as one of the considerations in policy making.

A seventh challenge is that a large financial institution that may be defined as "large to fail" represents the heavy arm that the world economy depends greatly on. If an institution is considered to be “unsuccessful & too big to fail,” its bankruptcy would cause a major risk & collapse to the system as a whole. Yet, if there is an implicit promise of governmental support in case of failure, the government may create a moral hazard, which is the motivation for an entity to be engaged in somewhat "risky behavior", knowing that the government will rescue it if it fails.

A further challenge is that the nature and size of accumulating financial and systemic risks have not been well identified by the existing micro regulation. It even didn't impose appropriate remedial actions. Even though some analysts and institutions were sounding alarms before the crisis erupted, there were hardly any regulatory tools available to handle with the increase of risk in the system as a whole or the risks being forced by other firms either in the same or different sectors. It seemed to be an insufficient response to some of these risks either by the authorities responsible for the mistake of individual financial institutions or specific market segments.

A last fundamental challenge deals with the nature of regulation and supervision. Banking regulation tends to be specific and detailed and places requirements and limits on bank behavior. Federal securities regulation, however, is based primarily on disclosure. Registration with the Securities and Exchange Commission is required, but that registration does not imply that an investment is safe or secured, only that the risks have been fully disclosed!

5. Analysis & Discussion

When the U.S financial System falls down, it may bring major parts of the rest of the world down with it. The global financial crisis has opened the World eye on an important point: that the United States is still a major center of the financial world. Hence, Regional financial crises (such as the Asian financial crisis, Japan's banking crisis or even the current Dubai's Credit Crisis) can occur without seriously infecting the rest of the global financial system as does the United States economy.

The reason behind, is that the United States is the main guarantor of the international financial system, the provider of dollars widely used as currency reserves and as an international intermediate for exchange, besides being a contributor to much of the financial capital that around the world seeking higher yields. The rest of the world may not appreciate it, but a financial crisis in the United States often takes on a global hue.

To analyze the questionnaire, the researchers have used the SPSS program and the regression analysis in order to define some relationships that best help identify the problem under study.

- The descriptive statistical analyses questionnaire will be used, including calculations of sampling error, and statistical adjustments for unequal selection probabilities.
- Cross-classification analyses with demo-graphic, ANOVA, linear regression and T-Test is much more applied in order to explain some judgments.
- Since the researchers think that the gender is one of the independent variables that could test many hypothesis, three hypothesis were applied based on the dependant variable:

➢ First Hypothesis: There is no relationship between gender and understanding what is going on in the current financial news.

➢ Second Hypothesis: There is no relationship between gender and being informed about the "Global Financial Crisis".

➢ Third Hypothesis: There is no relationship between gender and the decision that thinks of governments around the world should take in the financial sector towards their economies.

Table 1 represents the Statistical Data Analysis of the designed questionnaire.

From the Questionnaire, we have selected the relationship among the following questions. However, Gender will always be constant.

<u>Question (1):</u>

Please indicate your gender:

- Male
- Female

Question (8):

In general, how knowledgeable do you consider yourself to be when it comes to understanding what is going on in the current financial news?

1. I know enough to be able to explain what's happening in the financial industry to other people.
2. I understand enough to make sense of the detail behind the financial news stories.
3. I just follow the headlines but my understanding of financial news is fairly vague.
4. I don't really understand what's going on in the financial news.

Question_8 on the One-Sample Test is showed that the Significance is = 0.00 which is less than 0.05, so we reject any initial premise that the average Question_8 is not equal to 0. Since the answer to this question fell where the value of t = 17.868, positive, meaning that people have a significant understanding and knowledge about the current financial news. About 35.3 % of the answers to question 8 went in to that both, males & females find themselves having enough understanding to make sense of the detail behind the financial news stories. On lower confidence levels, 29.4% find themselves confident enough to answer bitterly regarding the financial crisis.

Question (9):

How informed are you about the "Global Financial Crisis" that is said to be impacting the U.S. economy & the rest of the Globe?

1. Very informed—I have actively sought additional information on this story.
2. Somewhat informed—I know a bit about it, but wouldn't be able to hold my own in a conversation about it.
3. Informed—I've read/seen stories about it when I've come across them in the news.
4. Not informed at all—I don't know anything about this story.

In question_9, the mean for this particular sample is 2.68, which is statistically significantly different from the test value of Zero. 34 out of 68 sample volume representing almost 50% who have been really informed to have read/seen stories about the global financial crisis when coming across it in the news.

The researchers find that the relationship between gender and being informed about the "Global Financial Crisis" is positive with (.493) and based on the t-value of (2.043) and p-value of (0.045), this relationship is statistically significant. Hence, there is a statistically significant positive linear relationship between people' gender being informed and know ledged enough about the crisis.

Question (13):

What role, if any, do you think that governments around the world should take in the financial sector towards their economies?

1. Hands on—the government should intervene whenever the financial sector is at risk.
2. Intermediary—the government should act as an intermediary between concerned parties.
3. Laissez Faire—the government should not interfere with economic affairs beyond the minimum.
4. Completely hands off—the government should let Wall Street solve its problems on its own.
5. Case by case—the government should take a case-by-case approach.

The relationship between gender and the choice to think of the role that governments around the world should take in the financial sector towards their economies is positive (.937). Based on the t-value (2.671) and p-value (0.010), it is to be clarified that this relationship is statistically significant. Hence, there is a statistically significant positive linear relationship.

Most of the questionnaires' answer to question 13 went to choose that the role of government can be best suggested as to: Hands on—the government should intervene whenever the financial sector is at risk.

To provide a better understanding of a cross classification, figure 1 indicates that, most of people holding a college degree, agreed with the choice that governments should intervene whenever the financial sector is at risk and in need for its support.

Therefore, we see that the Global Financial Crisis can be broken down into major phases. Although each phase has a policy focus, it seemed that until the crisis has passed, no phase is directly having a clear ending point. The following three phases represent the most important phases related to our previous Literature Review:

5.1 Financial Markets & Regulation

As a coordination term of reforms in national regulatory systems, meetings have been made by many world leaders, to decide what changes may be needed in the financial system & to address some issues by the United States and other nations center on "fixing the system" as a way of preventing future crises from occurring. Much of this involves the technicalities of regulation and oversight of financial markets, derivatives, and hedging activity, as well as standards for capital adequacy.

5.2 Staying with Macroeconomic Effects

Since the financial crisis has been spread to real sectors to negatively affect whole economies; many countries, particularly those with emerging and developing markets, have been pulled down by the ever widening flight of capital from their economies and by falling exports and commodity prices. In such cases of recessionary economic conditions, rising unemployment, governments have turned to traditional monetary and fiscal policies.

5.3 Security, Political & Social Effects

On February 12, 2009, the U.S. Director of National Intelligence, Dennis Blair, said: "instability in countries around the world caused by the global economic crisis and its geopolitical implications, rather than terrorism, is the primary near-term security threat to the United States". These effects can be found in terms of political leadership inside the countries, protectionism, state capitalism & effects of poverty & flows of aid resources.

We have always believed that we should have lofty aspirations and continually challenge ourselves to do better. But in the politically charged and confusing debate around climate change, it is easy to forget fundamental realities. For example, that climate change affects every human on earth and therefore we must find new ways for all nations to contribute, according to their pointed strengths and capabilities.

5.4 Possible Policy Responses

Much better understanding of appropriate policy responses is required by the current macro economic and social challenges:

- There must be a better understanding of what can provide financial stability, how cross-border cooperation can help to provide the public good of international financial rules and systems, and what the most appropriate rules are with respect to development.
- Rationalize thinking of whether and how developing countries can minimize financial contagion.
- The implications of the current economic slowdown are in need to be managed by developing countries after a period of strong and continued growth.

6. Suggested Solutions to overcome the Credit Crisis

So what should we do? By simple means, Americans in particular are going to have to save more of their income and consume less, and Asian economies will have to encourage for a greater domestic demand. In both cases, this is far easier said than done in reality. There is no magic set of policy prescriptions to prompt individuals to change their routine lifestyle so as to considerably enhance savings and consumption.

First, for the globe (banking sector) with recovery, there must be a credible exit strategy put in place by the federal government. This is made in order to achieve balanced budgets over an economic cycle. However, this goal will be unattainable unless some of healthcare costs are controlled, consumption taxes are raised to a certain level, public security reforms are implemented, and the role of “pay as you go” spending is embraced. In the case of the Asian economies, and especially China, the shift towards stretched consumption should spotlight on strengthened pension schemes and increased government spending on healthcare, education & accommodations.

Second, the whole nations generally & the banking field specifically will have to come to terms with the issue of exchange rate flexibility. With the global recovery, China’s exports for example are growing once again and more capital is flowing back into the country, raising expectations for currency appreciation. The alternative is future price inflation in certain asset classes. Chinese central bank Vice Governor Ma Delun recently highlighted the risk that asset bubbles could begin to build within China as the economy roars back to life. There needs to be an outlet and that outlet should be to allow the currency to appreciate.

For the role of business going forward, as a third suggested solution, is that we must encourage our political leaders to work harder to create an international environmental change plan that is fair, effective, reasonable and sustainable. In each of our countries we can do more to advance policy that integrates economic expansion, energy and the environment. We must push our governments to adopt and accept policies that incent new technologies rather than encouraging them to hide behind false hope of weakened intellectual property rights or bubbling protectionism.

A forth issue to overcome the crisis is that businesses themselves, throughout the world, have to step up to the plate. Even in challenging times, we need to greatly enhance our investment in research and development and commercialization of lower carbon energy, products and services. Direct business-to-business engagement is needed to be built as well as foreign investment and technology partnerships. For example, what's happening in China currently is that such partnerships create innovative capacity in both the developers and the adopters of new technologies.

Though it might seem a little bit strange, a fifth solution is that we are to build a flourishing and peaceful world.

Success will require a degree of cooperation among countries and peoples extraordinary in our lifetimes. The global economic crisis has been defined as a powerful mechanism and, in one respect at least, it has been beneficial. In shaking our confidence and our institutions, it has forced us all to think about how we can create a better world. This definitely is a crisis that must not be wasted!

In recent public debate, some have argued that the task of building such a harmony should fall primarily on China and the United States "the so-called G2". This would be viewed as dealing with a host of political, economic and security issues. In terms of interest, the welfare of China, the United States and the Globe as a whole would be better served in a multi polar world guided by efficient multilateral institutions.

To some extent, we may hear the views of diverse business influential from around the world on what it takes to aspire to the front ranks of municipal "urban" accomplishment and superiority. In our view, "value & quality of living" should be the final determinant of rank.

7. Conclusion

In the face of sliding world demand, efforts to raise domestic productivity and Competitiveness become critical factors for protecting export market shares. Not everyone is convinced of the qualities of globalization, especially if it was in difficult economic times. Looking around the world, the benefits of rapid globalization are not equitably shared.

In the World's largest economies output has stopped shrinking & financial markets are beginning to soften and confidence is re-emerging. It is inspiring; however, we cannot ignore that in most parts of the world unemployment is still on the rise, business continues to face hard-hitting conditions, a large amount of global manufacturing capacity remain creep, governments are saddle & many financial institutions are still unstable.

The scope for increasing the competitiveness of the South Asian economies is large and includes policies to improve the availability of infrastructure, lower the transaction cost of private investment through better governance, and reduce restrictions on trade and investment. Finally, in an environment of constrained resources, greater attention to improving Implementation capacity and corruption prevention in public spending becomes even more important.

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Table 1. SPSS Statistics for all questionnaire questions

						One-Sample Test								
Test Value = 0						Test Value = 0						N	Question No.
95% Confidence Interval of the Difference		Mean Difference	Sig. (2-tailed)	df	t	95% Confidence Interval of the Difference		Mean Difference	Sig. (2-tailed)	df	t		
Upper	Lower					Upper	Lower						
1.56	1.32	1.441	0	67	23.758	1.56	1.32	1.441	0	67	23.758	68	Question_1
4.68	3.73	4.206	0	67	17.636	4.68	3.73	4.206	0	67	17.636	68	Question_2
1.86	1.55	1.706	0	67	21.715	1.86	1.55	1.706	0	67	21.715	68	Question_3
4.21	3.52	3.868	0	67	22.401	4.21	3.52	3.868	0	67	22.401	68	Question_4
2.38	1.77	2.074	0	67	13.683	2.38	1.77	2.074	0	67	13.683	68	Question_5
2.5	1.56	2.029	0	67	8.596	2.5	1.56	2.029	0	67	8.596	68	Question_6
4.16	2.84	3.5	0	67	10.618	4.16	2.84	3.5	0	67	10.618	68	Question_7
2.44	1.95	2.191	0	67	17.868	2.44	1.95	2.191	0	67	17.868	68	Question_8
2.9	2.45	2.676	0	67	23.953	2.9	2.45	2.676	0	67	23.953	68	Question_9
5.71	4.41	5.059	0	67	15.557	5.71	4.41	5.059	0	67	15.557	68	Question_10
4.01	3.05	3.529	0	67	14.691	4.01	3.05	3.529	0	67	14.691	68	Question_11_1
5.33	4.28	4.809	0	67	18.302	5.33	4.28	4.809	0	67	18.302	68	Question_11_2
5.51	4.55	5.029	0	67	21.056	5.51	4.55	5.029	0	67	21.056	68	Question_11_3
4.92	3.93	4.426	0	67	17.835	4.92	3.93	4.426	0	67	17.835	68	Question_11_4
5.36	4.43	4.897	0	67	20.978	5.36	4.43	4.897	0	67	20.978	68	Question_11_5
3.07	2.4	2.735	0	67	16.241	3.07	2.4	2.735	0	67	16.241	68	Question_12
3.04	2.31	2.676	0	67	14.707	3.04	2.31	2.676	0	67	14.707	68	Question_13
2.97	2.56	2.765	0	67	26.329	2.97	2.56	2.765	0	67	26.329	68	Question_14

Table 2. Anova statistics & coefficients' relationship - Q1 & Q8 – Hypothesis

ANOVA[b]

Sig.	F	Mean Square	df	Sum of Squares	Model	
.045[a]	4.173	4.074	1	4.074	Regression	1
		.976	66	64.440	Residual	
			67	68.515	Total	

a. Predictors: (Constant), Question_1
b. Dependent Variable: Question_8

Coefficients[a]

Sig.	t	Standardized Coefficients	Unstandardized Coefficients		Model	
		Beta	Std. Error	B		
.000	4.025		.368	1.481	(Constant)	1
.045	2.043	.244	.241	.493	Question_1	

a. Dependent Variable: Question_8

Table 3. Anova statistics & coefficients' relationship Q1 & Q13 – Hypothesis

ANOVA[b]

Sig.	F	Mean Square	df	Sum of Squares	Model	
.010[a]	7.132	14.714	1	14.714	Regression	1
		2.063	66	136.168	Residual	
			67	150.882	Total	

a. Predictors: (Constant), Question_1
b. Dependent Variable: Question_13

Coefficients[a]

Sig.	t	Standardized Coefficients	Unstandardized Coefficients		Model	
		Beta	Std. Error	B		
.016	2.480		.535	1.326	(Constant)	
.010	2.671	.312	.351	.937	Question_1	1

a. Dependent Variable: Question_13

Table 4. Cross Checking Analysis between Q4 & Q13

Which of the following best describes the highest level of education you have attained?						Question (4)		
Post graduate degree	Some post graduate studies	College graduate	Some college	High school graduate	Some high school			
8	1	7	1	3	-	Hands on—The government should intervene whenever the financial sector is at risk.	1	**Question (13): What role, if any, do you think that governments around the world should take in the financial sector towards their economies?**
2	1	3	7	2	-	Intermediary—The government should act as an intermediary between concerned parties.	2	
1	-	4	7	3	-	Laissez Faire—The government should not interfere with economic affairs beyond the minimum.	3	
-	-	2	-	1	-	Completely hands off—The government should let Wall Street solve its problems on its own.	4	
5	-	4	3	2	1	Case by case—The government should take a case-by-case approach.	5	

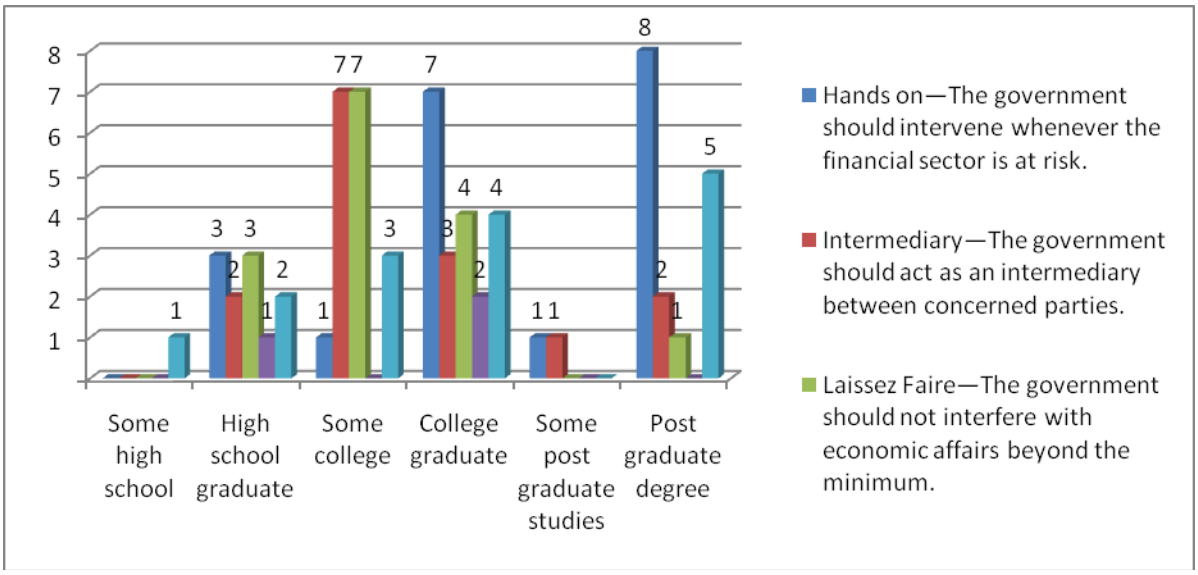

Figure 1. College degree and government intervene