

Topic: Is Religion Impacting Firm's Cash Holding in the US?

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Abstract

Background: Religion and finance are the most popular interfaces that have gained attention from scholars in recent years as there is increasing realisation as to how religious beliefs shape economic behaviours and firms' activities.

Aim of the research: This study focused on the impact of religion on cash-holding practices for firms in the context of the United States. It was hypothesised that there would be a significant influence concerning religious affiliations or beliefs, such as the existence of religious communities, on corporate cash management strategies.

Methodology: A quantitative approach was adopted in this study, following a sample of the U. S. firms. In the research study, variables like the size of the firm, type of industry, and financial performance were used as factors that needed to be controlled.

Results: The results showed that firms in more religious regions possess more conservative cash reserves. These conclusions enrich the corporate finance literature by adapting non-financial factors such as religion for use in the models guiding the financial decision-making processes.

Recommendations: Religious considerations and firm size should, therefore, be brought into cash management to get better ways of improving upon the financial management solutions that most firms present and to make better decisions that are culturally appropriate as determined by religious beliefs.

Key Words: *Cash-Holding, United States, Firms*