

## The Difference in Parental Financial Socialisation Across Parental Income Level<sup>1</sup>

Adam Ndou†<sub>1</sub>

<sup>1</sup> Department of Finance, Risk Management and Banking, University of South Africa, South Africa  
ORCID: <https://orcid.org/0000-0001-7103-0184>

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### ABSTRACT

#### **Purpose:**

The effect of parental income on parental financial socialisation is increasingly becoming important. The objective of this study was to determine the difference in parental financial socialisation across parental income levels. This study was guided by financial socialisation theory which is not only about learning financial skills, attitudes, standards, norms, and behaviours from childhood through adolescence, but is more concerned about what the socialisation process contributes to the overall financial well-being of individuals.

#### **Design/methodology/approach:**

Quantitative research approach was adopted for this study. Self-administered questionnaire was used to collect data among 500 young adults in South Africa. Descriptive statistics, Levene's test, Welch robust test, Tukey HSD test and ANOVA were used to analysed data. Four hypotheses were tested. Parental financial socialisation was measured through parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication.

#### **Findings:**

The results showed that there was a significant difference in Parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication across Parental income. Therefore, the overall results indicated that there was a significant difference in Parental financial socialisation across Parental income.

#### **Research limitations/implications:**

Due to the low levels of general literacy among the respondents, which negatively affected data collection; some young adults did not understand the questionnaire and withdrew from participating in the study. Furthermore, even though confidentiality and anonymity were guaranteed, respondents were reluctant to participate in the study. They feared exposing their financial position and displayed a lack of trust.

#### **Originality/value:**

The current study contributed to the body of knowledge differently to the previous studies because it focused on parental financial socialisation of young black African adults in rural and low-income area. This study is the first to investigate the difference in parental financial socialisation across parental income levels. This makes this study so important and warrant that it should be carried out to provide the much-needed results that could help to improve parental financial socialisation across all income levels.

#### **Keywords:**

Financial discussions,  
Parental income, financial  
monitoring, financial  
behaviour, financial  
communication.

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<sup>1</sup> This study is based on the PhD's thesis entitled "The influence of parental financial socialisation on financial literacy of young black African adults in rural and low-income area in South Africa" of the corresponding author.

## 1. Introduction

Parental income level has recently gained increasing importance globally, because of its possible effect on parental financial socialisation. Parental income level has an influence on their role in raising children (Salim & Pamungkas, 2022). Studies have also showed that parental income has a significant effect on young adult's financial literacy and personal financial management (Ismail et al., 2022; Radianto et al., 2019; Homan, 2015). Thus, parental income level has consistently been found to be an important factor in parents' and young adult's lives. However, it remained to be seen and proven beyond doubt if parental income level plays a role in parental financial socialisation. The argument is that there seem to be differences in parental financial socialisation across parental income level. Parents have different income levels and thus they might engage in parental financial socialisation differently. It is noted that parents with higher income are more likely to get involved in financial socialisation (Serido et al., 2020). The lack of parental financial socialisation has a tremendous impact on how young adults manage their finances and their overall financial well-being. Thus, it is important that young adults irrespective of their parental income levels get the relevant and appropriate parental financial socialisation. Thus, young adults must be financially prepared during their transition into adulthood. Parental financial socialisation in childhood has a strong relationship with sound financial practices and asset ownership in young adulthood. Therefore, if there is something that can hinder parents to engage in financial socialisation it must be established and known so that the necessary interventions can be made to ensure that parental financial socialisation takes place, because it is important in how young adults engage in financial matters. Studies that have investigated the difference in parental financial socialisation across parental income level are very scant, especially in developing countries like South Africa. The few notable studies were conducted mainly in developed countries in Europe (Ekstrom et al., 1987; Arian, 1991; Furnham, 1999; Jorgensen & Salva, 2010; Serido, Shim et al., 2010; Gudmunson & Danes, 2011; Serido et al., 2020). There is no study which has focused on the difference in parental financial socialisation across parental income levels in South Africa. The current study will investigate this issue to contribute to literature and to fill the identified research gap. It is important that the difference in parental financial socialisation across parental income levels in South Africa be investigated so that the government can come up with programmes to address the gaps in parental financial socialisation. Parental financial socialisation is investigated through parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication. The objective of this study was to determine the difference in parental financial socialisation across parental income levels.

The remainder of this article is structured as follows: Section 2 provides literature review. Section 3 explores research and methodology of the study. Section 4 covers analysis and findings the study. Section 5 provides conclusions and recommendations of the study.

## 2. Review of Literature

### 2.1 Theoretical Review

#### 2.1.2 Financial Socialisation Theory

Financial socialisation was derived by Danes (1994) from the definition of consumer socialisation of Ward (1974). The terms *financial socialisation* and *consumer socialisation* are sometimes used interchangeably in literature on the development of children's financial literacy; however, these terms are different. Danes (1994) argued that financial socialisation is the process whereby people obtain and develop financial knowledge, values, and behaviour that affect their financial behaviour and money management. This definition of Danes (1994) provides a comprehensive view of financial socialisation and includes the concepts of financial viability and well-being. Thus, financial socialisation is not only about learning financial skills, attitudes, standards, norms, and behaviours from childhood through adolescence, but is more concerned about what the socialisation process contributes to the overall financial well-being of individuals. Financial socialisation is a life-long process that is influenced by numerous socialisation agents, such as family, teachers, peers, and the media. Factors such as gender, socio-economic conditions of the family and the surrounding community, race, ethnicity, types of financial products that are available, public policies, and macro-economic trends are likely influential in financial socialisation (Gudmunson et al., 2016). The comprehensiveness of financial socialisation is evidenced by the many broad areas of money handling, such as learning about earning, spending, saving, borrowing, sharing, maintaining, and increasing money, insurance, taxes, wills, and investment (Alhabeeb, 1996). According to Fox et al. (2005), saving- and spending behaviours begin to form at an early age. These behaviours start within the family, through both formal and informal methods of teaching. This teaching includes the intergenerational transfer of knowledge, which occurs through observation, modelling, informal discussions, and direct teaching, which can help adolescents and young adults develop behaviours that lead to financial well-being throughout their life (Shim et al., 2010). According to Allen (2008), young adults reported that they learned most of their financial management knowledge and -skills from their parents. Thus, good financial attitudes are significantly related to better financial behaviours such as saving and money management and are negatively correlated to problematic outcomes such as financial distress (Shim et al., 2010). However, the field of financial socialisation still lacked proper direction due to a lack of consensus on a conceptual model and measurements. Despite this, financial socialisation theory remained the most widely used theory in the field of financial socialisation.

#### 2.2 Previous studies

Parental financial socialisation is a development of socialisation process where the parents transfer knowledge and skills on financial matters either intentional or unintentionally that shape, develop skills, knowledge, attitude, and

financial practices of young adults (Bakar & Bakar, 2020). Parents are at the core of these processes through direct and indirect communication, both in their spoken words and in their patterned behaviours as a direction to follow. However, greater understanding is needed about the difference in parental financial socialisation of young black African adults in rural and low-income areas in South Africa. This study measured parental financial socialisation through parental financial behaviour, parental financial monitoring, parental financial discussions, parental financial communications, and parental financial teaching.

Parental financial behaviour as a component of parental financial socialisation manifest itself through observation of good or bad financial behaviours of parents by their children. Thus, children view their parents as role models and do what their parents did when they reach adulthood (LeBaron et al., 2019). Parents financially socialise their children through their modelling of consumer behaviour (Allen, 2008). According to Mohamed (2017), observing parents' financial behaviour and -interactions at an early age is positively related to young adults' acquisition of financial knowledge. Otto (2009) investigated parents' role in the development of their children's saving skills during adolescence. The study found that parents' saving example influenced their children's saving skills. Webley & Nyhus (2006) posit that, as role models, parents influence their children's future saving- and borrowing behaviour. When parents save, their children know that saving is a good thing (Buccioli & Veronesi, 2014). Hibbert et al. (2004) assessed the impact of modelling on financial behaviour and found that students who were raised in a financially prudent household, where parents saved and paid their bills on time, self-reported fewer negative financial behaviours such as misusing credit cards and making unaffordable purchases.

**H1: There is a significant difference in parental financial behaviour across parental income levels.**

Parental financial monitoring is a direct way of financially socialising children and includes making rules about children's financial behaviours (Allen, 2008; Jorgensen, 2007; Kim & Chatterjee, 2013). The importance of parental monitoring is visible in the development of sensible financial attitudes. Norvilitis & MacLean (2010) found that parental monitoring of children's financial skills is associated with improved financial skills in dealing with debt, which ultimately leads to lower levels of debt. Parents have the ability to influence their children by monitoring their spending patterns and pushing their behaviour in certain directions to prevent unwanted habits from being formed (Webley & Nyhus, 2006). One method of financial monitoring is giving children an allowance which makes them responsible for managing their own money. This teaches them to make their own decisions, which leads to experience in making financial decisions. Parents only get involved by checking and asking how they are using the money (Webley & Nyhus, 2013).

**H2: There is a significant difference in parental financial monitoring across parental income levels.**

Parental financial discussions are sometimes referred to as *parental financial communication* in financial socialisation literature; however, the two concepts are not the same. Parental financial discussion is a process whereby parents openly discuss financial matters with their children and allow input from their children (Kim & Torquati, 2019). This is not a one-way process; children are not only considered receivers of financial information, but they can also advise their parents, and the parents involve the children in major financial decisions. Webley & Nyhus (2006) assert that explicit financial discussions with children have a direct impact on the children's future financial behaviour. Financial discussions can shape children's spending behaviours and attitudes by providing parents with an opportunity to engage in direct discussions about purchasing decisions, money, credit, and related topics (Allen, 2008; Agnew, 2018). Fulk & White (2018) indicate that parental discussions about money have the biggest overall influence on college students' money-management behaviour. These students were found to be more likely to pay their credit card bill on time and in full each month.

**H3: There is a significant difference in parental financial discussions across parental income levels.**

Parental financial communication is a tool for educating children about financial issues such as saving, budgeting, investing, consumer skills, avoiding financial problems, and building a strong foundation for financial well-being (Allen, 2008; Kim & Torquati, 2019). Parental financial communication involves speaking to children about finances without necessarily requiring their inputs. Children are therefore not involved in family financial matters — they are only informed. An example is parents explaining the family's spending plan to their children so that they are not surprised if certain items are not considered in the household spending plan or not purchased at all. Parental financial communication is linked with positive financial outcomes in adulthood (Isomidinova & Singh, 2017). A study of children aged eight to 18 years reported that parental communication about charitable donations is positively associated with children's saving for their future education and the tendency to donate to charities (Kim et al., 2011).

**H4: There is a significant difference in parental financial communication across parental income levels.**

### **2.3 Parental income level**

Arikan (1991) posited that parents with a high income may be inclined towards luxury consumption motivated by showing off to secure a higher status in the community. Such parents spend their surplus income instead of saving it. This behaviour is then observed by their children and may manifest in the same behaviours by the children (Arikan, 1991). However, Furnham (1999) found that saving rates are higher amongst children with parents with a higher income. Sherraden (2013) adds that parents with a low income are also less likely to socialise their children financially. Thus, children from low-income homes have less experience with money and could be less aware of the range of consumer goods. However, Ward (1974) argued that children from low-income homes are more likely to be skilled consumers, because they have had to learn disciplined use of scarce resources. Gudmunson & Danes (2011) assert that

income underpins parents' ability to foster desirable financial practices in their children, which could lead to better financial outcomes in adulthood. Serido et al., (2010) argue that parental income plays an important role in parent-child financial interactions, which then impact their development of financial coping behaviours. Parents with financial wealth can provide more human, social, and financial resources for the development of the child, and are thus better able to foster positive financial practices. These parents are also in a better position to enhance young adult children's asset acquisition through parental access to financial institutions (Kim & Chatterjee, 2013).

### 3. Methodology

This research used a quantitative research approach, as it allows for stable and predictable world which gives the research more control over external factors in testing the relationship between variables and expressing or explaining a phenomenon in amount or quantity (Adams et al., 2014). This approach is associated with methodological principles of positivism, especially when used with predetermined and highly structured data collection techniques (Saunders et al., 2016). This study used self-administered questionnaire which were distributed to respondents' homes to collect data. Questionnaire were design in line with the objective of the study and used existing Likert type scales adopted from literature and also self-constructed scales. The Likert scale consisted of 5-point scales that ranged from strongly disagree (1) to strongly agree (5). Likert scales and closed-ended questions were used since this approach is easily standardized, simple to administer, quick, and relatively inexpensive (Bhandarkar & Wilkinson, 2010). To ensure face and content validity, questionnaires were designed based on the study's objective to provide comprehensive and relevant data. They were also submitted to academics and experts in financial socialisation to evaluate whether the measures cover the facets that make up the concept. Their inputs were reviewed, and where appropriate, the questionnaire was revised.

Study area for this study is rural and low-income areas in South Africa. Limpopo's Featkgomo Tubatse municipality and Eastern Cape's, Ntsika Yethu were declared as the most rural and low-income municipalities in South Africa (StatsSA, 2022). This study's target population was young black African adults in Fetakgomo Tubatse and Intsika Yethu municipalities.

This study used purposive sampling, cluster sampling, random sampling, proportionate stratified sampling, and systematic sampling because they afforded all young black African adults in Fetakgomo Tubatse and Intsika Yethu municipalities an equal chance to be included in the sample (Babbie, 2013). Purposive sampling was used to sample Fetakgomo Tubatse and Ntsika Yethu municipalities because they are the most rural and low-income areas in South Africa. Thereafter, cluster sampling was used to divide and group each municipality into wards, villages, and households where young black African adults were visited. Random sampling was used to sample wards from each municipality, where a ward number of each ward was written on a piece of paper, folded, placed in a box, and picked one by one until the number of desired wards was reached. In order to ensure enough representation in this study, at least 50% of the wards were selected. The municipality of Fetakgomo Tubatse comprises 39 wards, with 342 villages and 189,269 households. Therefore, 19 wards ( $39 \times 0.50$ ) are selected. Since Intsika Yethu Municipality is made up of 21 wards, with 214 villages and 40,448 households, 10 wards ( $21 \times 0.5$ ) are selected. Proportionate stratified sampling was used to apportion the sample size to each municipality and each selected ward based on the population proportion percentage. Simple random sampling was applied again to select villages and households in each ward as young black African adults were visited at their homes to collect data.

The first village from each ward, together with the first household, was randomly selected, but if there were no respondents that met the inclusion criteria in the first household, the next household was visited. Afterward, a systematic sampling method was used, where households were selected per interval. As the first household was selected randomly, a systematically procedure was followed as per the determined interval (Godwill, 2015). The interval was calculated by dividing the sample size by sampling wards (Salkind, 2017). For instance, in Fetakgomo Tubatse municipality, the researcher counted households from 1 to 15 from both sides of the street, then the 16th ( $306/19$ ) household was selected. For Intsika Yethu municipality, the interval was 7 ( $78/10$ ); thus, the researcher counted from 1 to 6 from both sides of the street, then the 7th household was selected. If no young adults, the next household was visited. This procedure was repeated until a household with young adults was found then the counting started again. The same procedure was followed in the next village until the sample size was reached. After that, the next ward was visited, applying the same procedure until the data collection was completed by reaching the required sample size. A sample size of 500 was set, calculated through Yamane (1967) formula, Krejcie & Morgan's (1970) table and considering the recommended sample size for conducting Exploratory Factor Analysis (EFA). A total of 423 young black African adults completed the questionnaires, giving a response rate of 94% which was good and acceptable.

Completed questionnaires were checked for missing data, and incomplete questionnaires were not considered for data analysis. Microsoft Excel was used to capture data, which were later transferred to SPSS version 25 for further analysis. This study assessed validity and reliability before data could be subjected to extensive statistical analysis. Validity was measured through EFA by conducting a KMO and Bartlett's test of sphericity. The acceptable value of KMO, which is considered suitable and adequate for EFA, is 0.50 and above. While Bartlett's test of sphericity was significant and suitable for EFA with a significance value of 5% percent, factors loadings of  $\pm 0.30$  to  $\pm 0.40$  are minimally acceptable since values greater than  $\pm 0.50$  are generally considered necessary for practical significance (Williams et al., 2010; Hair et al., 2014). This study retained a minimum factor loading of 0.35 for the interpretation. Reliability was measured through Cronbach's alpha, as it is the most widely used reliability measure of internal consistency (Vanderstoep & Johnson, 2009). Cronbach's alpha with a score of 0.60 and more is usually acceptable and

considered reliable (Cohen et al., 2018). Descriptive statistics were used to test the formulated hypothesis for this study.

#### 4. Results

This section presents the empirical findings and interpretations of the research.

To assess the suitability of data to conduct EFA, KMO and Bartlett's test of sphericity was used in this study. Table 1 shows the results of the KMO and Bartlett's test of sphericity.

**Table 1: KMO and Bartlett's Test**

Factors	Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	Bartlett's Test of Sphericity		
		Chi-Square	df	Sig.
Parental financial behaviour	0.755	833.565	8	0.000
Parental financial monitoring	0.866	3412.603	43	0.000
Parental financial discussion	0.633	329.856	12	0.000
Parental financial communication	0.969	2126.656	14	0.000

Source: Author's construct

Table 1 showed that the KMO for all factors ranged from 0.633 to 0.969, above 0.60. The p-value of the Bartlett's test for all factors ( $p=0.000$ ) is smaller than 0.05, is significant. This result is an indication that the correlation structure of construct is adequate to conduct a factor analysis on the items and that all factors are regarded as valid and reliable. Therefore, EFA can be conducted.

Table 2 shows the results of the EFA, reliability by depicting the Cronbach's alphas, and descriptive statistics for the constructs and factors of the study.

**Table 2: Validity, reliability, and descriptive statistics results**

Factors Variables	EFA factor loadings			CA	Descriptive statistics	
	Items	Highest	Lowest	$\alpha$	$\mu$	SD
Parental financial behaviour	5	0.945	0.631	0.946	3.31	1.24
Parental financial monitoring	4	0.938	0.419	0.860	3.23	1.17
Parental financial discussion	5	0.879	0.555	0.923	3.12	1.26
Parental financial communication	4	0.927	0.665	0.945	2.90	1.38

Source: Author's construct

Table 2 indicated that five factors were extracted by the EFA, with all items loaded onto the factors as expected, with loadings of above 0.30. The overall factor loadings range from 0.419 to 0.945. The Cronbach's alpha coefficients were above 0.6 and were acceptable and considered reliable. The descriptive statistics provided the means and standard deviation. Regarding the means, majority of respondents agreed with the statements measuring parental financial behaviour (3.31), parental financial monitoring (3.23), and parental financial discussion (3.12) and disagreed with statements measuring parental financial communication (2.90). The standard deviations of all factors are high showing that the respondents' responses varied. However, parental financial communication had the highest standard deviation of 1.38 indicating that the responses varied mostly about this factor's statements. Therefore, data was prepared and ready for further analysis. Thus, the hypothesis for this study can be tested.

Table 3 shows the results of Levene's test of homogeneity of variance between *Parental income* and the components of *Parental financial socialisation*, namely *Parental financial behaviour*, *Parental financial monitoring*, *Parental financial discussions*, and *Parental financial communication*.

**Table 3: Tests of homogeneity of variances for Parental income and Parental financial socialisation**

	Levene statistic	df1	df2	Sig.
Parental financial behaviour	34.868	4	467	0.000
Parental financial monitoring	14.773	4	467	0.000
Parental financial discussions	16.019	4	467	0.000
Parental financial communication	13.360	4	467	0.000

Source: Author's construct

Levene's test for equality of variance revealed that all components of *Parental financial socialisation* showed different variances across the groups. All had a  $p$ -value  $< 0.05$ . To determine the difference in the mean scores, the Welch robust test of equality of means was conducted. Table 4 reports the results.

**Table 4: Robust tests of equality of means of *Parental income* and *Parental financial socialisation***

		Statistic	df1	df2	Sig.
Parental financial behaviour	Welch	101.160	4	135.538	0.000
Parental financial monitoring	Welch	68.510	4	157.282	0.000
Parental financial discussions	Welch	105.669	4	143.228	0.000
Parental financial communication	Welch	80.901	4	132.830	0.000

Source: Author's construct

The test for equality of means revealed differences in mean scores across *Parental income* for *Parental financial behaviour*, *Parental financial monitoring*, *Parental financial discussions*, and *Parental financial communication*. All the *p*-values were less than 0.05. The Tukey HSD was used to conduct post hoc tests to show homogenous groups and where the differences lay. Table 5 reports the results of the Tukey HSD test of homogenous subsets.

**Table 5: Tukey HSD test of homogenous subsets of the relationship between *Parental income level* and *Parental financial socialisation***

<i>Parental financial behaviour</i>				
Tukey B <sub>a,b</sub>				
Income	N	Subset for $\alpha = 0.05$		
		1	2	3
R5001–R10 000	131	2.3924		
less than R5 000	152		2.8697	
R20 001+	26			3.9231
R10 001 – R15 000	85			4.1059
R15001 – R20 000	78			4.3359

  

<i>Parental financial monitoring</i>				
Tukey B <sub>a,b</sub>				
Income	N	Subset for $\alpha = 0.05$		
		1	2	3
R5001 – R10 000	131	2.6240		
less than R5 000	152	2.8980		
R10 001 – R15 000	85		3.7382	
R15 001 – R20 000	78		3.9391	
R20001+	26			4.3558

Source: Author's construct

<i>Parental financial communication</i>				
Tukey B <sub>a,b</sub>				
Income	N	Subset for $\alpha = 0.05$		
		1	2	
R5001-R10 000	131	2.1584		
less than R5 000	152	2.4474		
R10001-R15 000	85			3.7471
R20 001+	26			3.7788
R15 001-R20 000	78			4.1603

  

<i>Parental financial discussions</i>				
Tukey B <sub>a,b</sub>				
Income	N	Subset for $\alpha = 0.05$		
		1	2	3
R5 001 – R10 000	131	2.1664		
less than R5 000	152		2.7408	
R10 001 – R15 000	85			3.9176
R15 001 – R20 000	78			4.0692
R20 001+	26			4.2000

The following hypotheses were tested:

**H1: There is a significant difference in parental financial behaviour across parental income levels.**

The results showed that there were three homogeneous groups with regard to *Parental financial behaviour*. This means that there was a difference in *Parental financial behaviour* across *Parental income*. Group 1 had the highest mean score for *R5 001 – R10 000* ( $M = 2.392$ ), and Group 2 had the highest means score for *Less than R5 000* ( $M = 2.869$ ). These means scores were slightly lower than those of Group 3 for *R20 000+* ( $M = 3.923$ ), *R10 001 – R15 000* ( $M = 4.105$ ), and *R15 001 – R20 000* ( $M = 4.335$ ). Therefore, parents with a high-income level are more likely to display high parental financial behaviour. ANOVA established a strong statistically significant relationship between *Parental income* and *Parental financial behaviour*, with  $F = 69.246$  and  $p = 0.000$ . Thus, there was a significant difference in *Parental financial behaviour* across *Parental income*, and the hypothesis was accepted.

**H2: There is a significant difference in parental financial monitoring across parental income levels.**

The results indicated that there were three homogeneous groups for *Parental financial monitoring*. Therefore, there were a statistically significant differences in *Parental financial monitoring* across *Parental income*. Group 1's mean scores for *R5 001 – R10 000* ( $M = 2.624$ ) and *Less than R5 000* ( $M = 2.898$ ) were lower than the mean scores for Group 2, which were  $M = 3.738$  for *R10 001 – R15 000* and  $M = 3.939$  for *R15 001 – R20 000*. Group 3's parents earned a high

income, evident in the highest mean score for *R20 000+* ( $M = 4.355$ ). This suggests that parents with a higher income are more likely to monitor their children's finances. ANOVA showed a strong statistically significant relationship between *Parental income* and *Parental financial monitoring*, with  $F = 39.584$  and  $p = 0.000$ . Therefore, the hypothesis was accepted.

**H3: There is a significant difference in parental financial discussions across parental income levels.**

The results showed that there were three homogeneous groups. This meant that there were differences in *Parental financial discussions* across *Parental income*. Group 1's mean score for *R5 001 – R10 000* ( $M = 2.166$ ) and Group 2's mean score for *Less than R5 000* ( $M = 2.740$ ) were lower than the mean scores for Group 3 for *R10 001 – R15 000* ( $M = 3.917$ ), *R15 001 – R20 000* ( $M = 4.069$ ), and *R20 000+* ( $M = 4.200$ ). Thus, the higher the parental income is, the more likely it is that the parents will discuss family financial matters with their children. ANOVA indicated a strong statistically significant relationship between *Parental income* and *Parental financial discussions*, with  $F = 79.124$  and  $p = 0.000$ . Therefore, the hypothesis was accepted.

**H4: There is a significant difference in parental financial communication across parental income levels.**

In terms of *Parental financial communication*, the results revealed that there were two homogenous groups. Group 1's mean scores for *R5 001 – R10 000* ( $M = 2.158$ ) and *Less than R5 000* ( $M = 2.447$ ) were lower than the mean scores of Group 2 for *R10 001 – R15 000* ( $M = 3.747$ ), *R20 000+* ( $M = 3.778$ ), and *R15 001 – R20 000* ( $M = 4.160$ ). This means that parents with a high income are likely to communicate financial matters with their children. ANOVA established a strong statistically significant relationship between *Parental income* and *Parental financial communication*, with  $F = 65.831$  and  $p = 0.000$ . Thus, this hypothesis was accepted.

Based on the results of all hypotheses, Table 6 indicates the hypotheses decisions.

**Table 6: Hypotheses decision**

<b>Hypotheses</b>	<b>Decision</b>
H1: There is a significant difference in parental financial behaviour across parental income levels.	<b>Accept</b>
H2: There is a significant difference in parental financial monitoring across parental income levels.	<b>Accept</b>
H3: There is a significant difference in parental financial discussions across parental income levels.	<b>Accept</b>
H4: There is a significant difference in parental financial communication across parental income levels.	<b>Accept</b>

Table 6 indicated the decisions of hypothesis. All the hypotheses H1, H2, H3, and H4 were accepted, as there is a significant difference in parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication across *Parental income* levels. As all hypotheses were accepted, it indicates that there is a significant difference in parental financial socialisation across parental income levels. The results of this study are the first to indicate that there is a significant difference in parental financial socialisation across parental income levels. The results of this study will serve as a base for future studies to be conducted in this area.

**5. Conclusion and Recommendations**

The objective of this study was to determine differences in parental financial socialisation across parental income levels. Parental financial socialisation was measured through parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication. Descriptive statistics, Levene's test, Welch robust test, Tukey HSD test and ANOVA were used to analysed data. Four hypotheses were tested. The results showed that there was a significant difference in Parental financial behaviour, parental financial monitoring, parental financial discussions, and parental financial communication across parental income levels. Therefore, the overall results indicated that there was a significant difference in parental financial socialisation across Parental income. Thus, parents with high income tend to financial socialise their children more than those with low income. Thus, parental income is important in parental financial socialisation. This study is amongst the first to investigate the difference in parental financial socialisation across parental income levels. Therefore, there is still need for more studies that must be conducted. The results of this study can be used as a base for other future studies to be conducted in this area. This study recommends that researchers must explore further the differences in parental financial socialisation across parental income in other regions. Furthermore, it is recommended that the government of South Africa must come up with initiatives to address and improve parental income as it has been shown that parents with higher income are more likely to engage in parental financial socialisation which will in turn have an impact on financial literacy and financial well-being of young adults. Financial services providers and professionals in the field of finance must design financial programmes targeting parents across different income levels.

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