

Putting Research to Work for Families



Focus:
Civilian

Financial Socialization of College Students: Domain-General and Domain-Specific Perspectives

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SUMMARY: The financial attitude and behavior of young adults is influenced by parents' financial socialization (e.g., the communication pattern around finances in the family). This study examined the associations among parents' financial behavior, parent-child communication patterns with regard to finances, and young adults' financial attitudes and behavior. The findings indicate that parent financial behavior and family communication patterns have positive and negative implications on young adults' financial attitudes and behavior.

KEY FINDINGS:

- Participants' responsible financial attitude was positively associated with parents' disclosure of financial information.
- Participants' responsible financial attitude was negatively associated with parents' avoidance of financial communication.
- In families where diversity of attitudes, values, and beliefs is encouraged, parent-child communication pattern was associated with participants' more responsible financial attitudes.
- In families where similarity of attitudes, values and beliefs is encouraged, parent-child communication patterns were associated with participants' less responsible financial attitudes.

IMPLICATIONS FOR YOUTH DEVELOPMENT PROFESSIONALS:

- Facilitate support groups for families that are struggling with managing their finances
- Collaborate with other professionals (e.g., financial counseling services) in the field to guide parents on how to have clear communication with youth about financial matters

IMPLICATIONS FOR PROGRAM LEADERS:

- Provide education to families to enhance positive communication skills around money (e.g., appropriate ways to disclose family finances to children)
- Provide workshops to help parents learn more about available community resources for improving their financial behavior (e.g., effective money management)

IMPLICATIONS FOR POLICY MAKERS:

- Encourage the development and continuation of programs that can promote effective communication in children, youth, and families
- Recommend integrating parenting education into existing delivery systems (e.g., after-school programs)

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METHODS

- The procedure of participant recruitment was not reported. Data were collected through an online survey instrument.
- Participants' self-report measures assessed their own financial attitudes and behaviors, their parents' financial behavior, family communication patterns, parents' disclosure of financial issues, and parents' avoidance of financial communication.
- Data were analyzed to examine relationships among perceived parents' financial behaviors, family communication pattern, parental income, college students' financial attitude and behavior.

PARTICIPANTS

- The sample consisted of 585 undergraduate students at a public university in the Midwestern United States.
- About 27% of the participants were male. Participants' ages ranged from 19-32 years.
- Most of participants (84.6%) were White, 5.9 % were Asian-American, 3.4% were Black, 2.8% were Latino, and 2% were Native American.

LIMITATIONS

- The sample consisted of undergraduate students from one university in the U.S., which limits the generalizability of the results.
- The data were dependent on participants' self-reporting of their own as well as their parents' financial behavior; using only college students' report for both variables could introduce unintended bias among the results.
- The measure for parents' disclosure of financial issues was limited in scope, so results should be interpreted with caution.

AVENUES FOR FUTURE RESEARCH

- Collect data from college students across more time points to assess potential changes in family communication and financial behavior as they transition through college
- Assess financial behaviors of mothers and fathers separately to explore specific pathways of financial socialization between parents and young adults
- Include parents' self-report of their financial behavior to obtain more accurate patterns of financial socialization

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