

# Putting Research to Work for Families



Focus:  
Civilian

## Practice Makes Perfect: Experiential Learning as a Method for Financial Socialization.

LeBaron, A.B., Runyan, S.D., Jorgensen, B.L., Marks, L.D., Li, X., & Hill, E.J. (2019). Practice makes perfect: Experiential learning as a method for financial socialization. *Journal of Family Issues*, 40(4), 435-463. doi:10.1177/0192513X18812917

**SUMMARY:** Experiential learning is potentially an important method for understanding parental financial socialization. In this study, 90 families were interviewed about their experiences with learning about finances and money. Results found three core themes related to why parents used experiential learning as a method of financial socialization, and three core themes related to what youth learned about finances through experiential learning.

### KEY FINDINGS:

- The three themes related to why parents used experiential learning as a financial socialization method were learning financial skills, developing financial values, and gaining independence.
- Three themes were found related to what youth reported learning through experiential learning: work hard, manage money, and spend wisely.
- Youth most frequently reported gaining independence as the reason for what they learned through financial socialization.

### IMPLICATIONS FOR YOUTH DEVELOPMENT PROFESSIONALS:

- Help develop modules or activities to help youth learn about key financial concepts and money management skills
- Model positive financial behaviors for youth through experiential opportunities

### IMPLICATIONS FOR PROGRAM LEADERS:

- Provide appropriate experiential opportunities for youth to practice financial decision making and application of financial knowledge to real-world scenarios
- Offer education for families about financial socialization to improve parents' skills in teaching financial behaviors and concepts

### IMPLICATIONS FOR POLICY MAKERS:

- Continue to support research that focuses on the impact of financial socialization in diverse families
- Encourage the development and continuation of financial education programs and interventions for youth

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## METHODS

- Participants were recruited from three universities across different regions (intermountain west, midwest, and southwest) in the United States.
- Semi-structured interviews were conducted in person and over the phone, and interview questions used a retrospective approach to examine participant experiences with financial learning.
- Interviews were first recorded and transcribed then coded and analyzed by teams of researchers to determine relevant themes.

## PARTICIPANTS

- Participants were from 90 families with at least one emerging adult between the ages of 18 to 20 years old enrolled in a college family finance course as an undergraduate student.
- The total sample consisted of 115 individuals (66% female and 34% male), which included students, parents, grandparents.
- The racial/ethnic composition of the sample was White (62%) and racial/ethnic minority (38%) which included Black, Latino/Latina, Asian, and Pacific Islander participants.

## LIMITATIONS

- All emerging adult participants were enrolled in a finance course at a university, so it may not be appropriate to generalize results to emerging adults that are not attending a university.
- Qualitative data may not accurately reflect the reality of participant experiences as data collection relied on participant recall of their past experiences.
- The sample was composed of predominantly White participants and therefore the results may not accurately represent the experiences of racial/ethnic minority groups.

## AVENUES FOR FUTURE RESEARCH

- Recruit emerging adult participants with diverse socioeconomic and racial/ethnic backgrounds that are not attending university
- Investigate new measures and development of interventions for financial socialization through observation of participants in natural settings
- Replicate the current study with a larger sample of parents and grandparents for additional data on multigenerational patterns

## ASSESSING RESEARCH THAT WORKS

**Design**  
★ ★ ★  
**Excellent**  
Research Plan  
and Sample

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**Methods**  
★ ★ ★  
**Excellent**  
Measurement  
and Analysis

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**Limitations**  
★ ★ ★  
**Minor**

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