Theme 11: Discussion

Evaluating the Discussion section

**STUDENT A**

Read the discussion section from a journal article about how parents influence university students’ financial attitudes and behaviours in the United States.

**Discussion**

The current study expanded the range of financial communication behaviors under investigation by examining parents’ intentional financial communication, parental avoidance of financial communication, and parental disclosure of financial information. We examined the associations between domain-general socialization process (i.e., family communication pattern), domain-specific socialization process (i.e., parents’ avoidance of financial socialization and parents’ disclosure of financial information on financial attitudes and behavior) and financial socialization. This study suggests that it is important to consider domain-general parental practices because practices such as family communication style and quality of parent–child relationships can affect domain-specific outcomes.

Helping young adult children to build healthy financial attitudes is important because financial attitudes have a significant effect on financial behavior (Jorgensen and Salva [2010](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR15); Shim et al. [2010](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR33)). As expected, college students’ financial attitudes mediated the association between their perceptions of their parents’ financial behaviors and their own financial behaviors, controlling for parental income. In addition, this study examined the influences of domain-general and domain-specific financial socialization on young adult children’s financial attitudes and financial behaviors. Family communication is one of the processes that is important to children’s domain-general socialization because communication is the primary process through which values or culture can be conveyed (Fitzpatrick and Vangelisti [1995](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR8)). Therefore, family communication patterns were examined as domain-general socialization processes in this study. We also examined parental avoidance of financial conversation and parental disclosure of financial information as domain-specific parental practices related to financial values (Grusec and Goodnow [1994](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR11)).

Parental Financial Communication Practices and Young Adult Financial Outcomes

Parents’ avoidance of financial communication was inversely associated with college students’ responsible financial attitudes, and parents’ disclosure of financial information was positively associated with college students’ responsible financial attitudes. However, parents’ avoidance and disclosure of financial information moderated the association between parents’ financial behaviors and college students’ financial attitudes. These results are similar to the results of Edwards et al. ([2007](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR6)) who reported a positive association between college students’ financial attitudes and college students’ openness about their own finances. However, the present study focused on parents’ disclosure of their financial information, whereas Edwards et al. ([2007](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR6)) focused on college students’ openness about their own financial situation.

This is the first quantitative study of financial socialization to examine parents’ disclosure of financial information, while one qualitative study examined why parents chose to reveal or conceal their financial information with their children (Romo [2011](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR28)). Results of this study indicate that parents’ disclosure of their income or debt may help their young adult children to have healthy financial attitudes, consistent with Romo’s ([2011](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR28)) qualitative findings.

Family Communication Environment and Young Adult Financial Outcomes

Family communication pattern was examined as a moderator of the association between perceptions of parents’ financial behaviors and college students’ financial attitudes, and conversation-oriented family communication pattern significantly amplified the association for parents’ financial behaviors only. Similarly, conformity-oriented family communication pattern attenuated the association between perceptions of parents’ financial behaviors and college students’ financial attitudes. This is consistent with research demonstrating positive association between family communication pattern and college students’ openness about their credit card usage (Thorson and Horstman [2014](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR34)). The models were tested using mother’s financial behaviors for the variable “parents’ financial behavior” in the current study because mostly parents spend more time with children from the early age, and have more opportunities to be modeled from them about economic concepts. However, it will be meaningful for future research to examine the differential influences of mothers’ and fathers’ financial behavior, determining whether these results are replicated and examining potential processes such as the specific financial behaviors children observe (i.e., paying bills, balancing a checkbook, or buying groceries).

Results of this study indicate that parents’ communication with their children is important to support development of college students’ responsible financial attitudes and behaviors. Specifically, we found that parents’ explicit financial socialization may compensate for the effects of potentially negative implicit socialization about financial matters. Parent educators and money management consultants could use these findings to guide parents’ explicit financial socialization of their children.

Limitations and Future Directions

Despite the unique contributions of this study, limitations point to future research directions. First, the data in this study were collected from one university in the Midwestern United States. Because the sample was recruited through the several classes from this university, the portion of demographic status of students depended who enrolled the classes. So, the distribution of some demographic information such as gender was not distributed as the entire population with high portion of females. Therefore, future research should consider this issue.

Another limitation is related to the methods of collecting the data. Some questions that participants answered about their parents such as perceived avoidance of financial conversation and disclosure of financial information were not collected for both mothers and father separately as two parents’ communication styles were assumed to be similar. Mothers and fathers may have different communication patterns or different quality of relationship with their young adult children. Therefore, future research should examine financial communication styles of mother and father mothers separately to obtain more specific information about effects of mothers’ and fathers’ financial socialization on young adult children’s financial attitudes and behaviors.

Lastly, questions about parents’ behaviors (i.e., perceived financial behaviors, parents’ avoidance of financial conversation, and parents’ disclosure of financial information) were measured by college students’ perspective, not by parents’ self-report. The college students’ perceptions could be inaccurate. In this study, parents’ behaviors perceived by their children were measured because children can be influenced by their perceptions of their parents’ behaviors, as well as their parents’ actual behaviors. However, according to the model of adolescent value socialization (Grusec and Goodnow [1994](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR11)), to internalize the parents’ values, adolescents should accurately perceive the values that their parents want their children to internalize and then adolescents must accept their parents’ values as their own values. If parent reports of their own behaviors would enrich understanding of dynamics between parental socialization and college students’ perceptions, attitudes, and behaviors, it would provide information about the socialization process in more detail such as when young adult children are more accepting of parents’ values or which kinds of variables affect the gap.

Contributions and Implications

Results of this study indicate that college students whose parents disclosed information about their finances were more financially responsible. Conversely, parental avoidance of discussions with their children about finances did not help children develop positive financial attitudes or learn responsible financial skills. This evidence is important because it indicates that parental communication about family finances can help children develop knowledge and skills related to positive financial attitudes and behaviors. Acquiring positive financial attitudes and responsible financial behaviors is an important developmental task of early adulthood, and these attitudes and behaviors tend to be stable throughout adulthood (Jorgensen and Savla [2010](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR15); Shim et al. [2010](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR33)). Therefore, the results of this study suggest that it is important for parents to clearly communicate with their children regarding financial matters.

In addition, this study examined both implicit and explicit communication, which is important because children observe their parents’ behavior even when parents are not intentionally modeling behaviors they want their children to learn. Both implicit (modeling) and explicit communication about financial matters significantly predicted college students’ financial attitudes, and implicit communication significantly predicted college students’ financial behaviors. Therefore, it is important for parents to be aware of financial behaviors they are modeling, as well as to communicate explicitly about positive financial behaviors.

This study also examined family communication pattern (Fitzpatrick and Ritchie [1994](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR7); Ritchie [1991](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR26)) as a domain-general parenting process and found that conformity-oriented family communication attenuated the effect of parental modeling on college students’ financial attitudes, while conversation-oriented family communication amplified the effect of parental modeling on college students’ financial attitudes. These results are important because children (and college students) are more likely to accept parental socialization messages when they feel accepted and validated (e.g., Grusec and Goodnow [1994](https://link.springer.com/article/10.1007/s10834-018-9590-7#CR11)). Conversation-oriented family communication respects each person’s unique point of view, so that even if parents and children disagree, each person’s right to their own opinion is respected. When parents are open to a child’s point of view, the child is more open to the parents’ perspectives as well.

(1,353 words)

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