

Financial Socialization in Indonesian Families: Insights from Millennial Parents

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ABSTRACT

Previous research has examined the importance of financial socialization from parents to children within the family environment. Parents who teach financial principles and practices from an early age are often associated with their children's financial management skills and independence in adulthood. This study aims to explore the financial socialization process between parents and children in Indonesian families, focusing on the specific financial contents taught and the methods used by parents. Using a qualitative approach, this study involved 33 millennial parents (economics teachers and lecturers) in Bojonegoro, Indonesia, who had children aged 7 to 15 years old. Data was collected through semi-structured in-depth interviews, participant observation, and document analysis. The research findings showed two main dimensions of financial socialization: the content of financial education and the strategies used. Parents reported teaching five core financial contents: financial planning and budgeting, earning money, saving, spending, and sharing. In terms of methods, parents used five main strategies: explicit teaching, experiential learning, parental modeling, habituation, practice and simulation. This finding has implications for parents and prospective parents to better understand and implement effective financial socialization from an early age within the family, as an important step in the context of increasing their children's financial capacity and independence. Additionally, family financial education researchers anticipate these findings will contribute to the expansion of future studies on family financial socialization.

Keywords: Family Financial Socialization, Millennial Parents, Cultural Values

INTRODUCTION

In the current complex economic environment, the ability to make financial decisions is crucial for personal well-being and future financial security. However, research shows that many young adults lack the financial literacy necessary to manage their finances efficiently (Babiarz & Robb, 2013; Emmons & Noeth, 2015). This gap remains a serious concern, considering that millennials and subsequent generations are facing increasingly complex financial choices earlier in their lives (Elliott & Nam, 2013). Among various socialization agents, parents serve as the primary influence on children's development of financial knowledge, attitudes, and behaviors, a field of study often referred to as financial socialization within the family (Jorgensen & Savla, 2010).

Financial socialization within the family refers to the process by which financial knowledge, attitudes, and behaviors are transferred from one generation to the next within the family context. As primary agents, parents play a crucial role in shaping their children's financial literacy and long-term financial well-being (Zhao & Zhang, 2020). Referring to consumer socialization theory, this process involves various mechanisms, such as direct financial instruction, learning through observation, behavioral modeling, and shared experiences (Gudmunson &

Danes, 2011; Kim & Chatterjee, 2013). Whether through direct instruction, such as discussions about money, or through imitating financial practices in daily life, both methods contribute to a child's financial learning process.

Empirical research indicates that parental communication about financial matters significantly influences adolescents' financial literacy and outcomes, including saving habits, budgeting, and responsible spending behavior (LeBaron et al., 2020). Open discussions and deliberate guidance from parents are often more influential than formal education or early work experience in building children's financial skills (Clarke et al., 2005). For example, adolescents who engage in conversations about finances with their parents tend to exhibit more responsible financial behavior in adulthood, such as wise credit use and long-term investing (Grinstein-Weiss et al., 2011). Additionally, experiences facilitated by parents, such as managing pocket money or opening a bank account, have been shown to improve financial skills and encourage proactive behavior (Kim et al., 2011; Lachance & Choquette-Bernier, 2004).

A growing body of research underscores the diversity of parental strategies in financial education. Parents actively involve their children in decisions about saving, budgeting, and understanding financial risks, which can foster financial independence (Muafi et al., 2024; Ghafoor & Akhtar, 2024). It's interesting to note that some studies indicate gender-based dynamics, where girls sometimes receive more financial guidance than boys, reflecting social and cultural norms related to household financial management (Van Campenhout, 2015; Yeh et al., 2022). These findings highlight the complexity of parental influence and emphasize that financial guidance is not provided equally among children.

Besides the practices within an individual's family, the social, economic, and cultural context significantly influences financial socialization. Research reveals that while families with high economic status may provide more planned financial education, financial behavior in low-income families is actually more strongly associated with financial well-being outcomes (Azhar Siddiqui, 2023). In the context of a collectivist society, financial socialization can also reflect cultural expectations regarding family and caregiving responsibilities (Alqahtani et al., 2025). Additionally, the challenges faced by immigrants, such as legal and economic barriers, can reduce parents' ability to engage in financial education, which can further weaken the process of financial socialization (Longo & Almond, 2025).

Mediation mechanisms also play a very important role. For example, spending behavior and attitudes toward debt can mediate the relationship between parental influence and financial outcomes among young people Chia et al., 2024). Structured interventions, such as Child Development Accounts (CDAs), can increase parental involvement with children, strengthen their aspirations, and amplify the benefits of financial socialization (Huseynli et al., 2025). This finding confirms that the impact of parental financial socialization is not limited to knowledge transfer but also includes the formation of financial attitudes, values, and aspirations.

Changes in technology and social dynamics are increasingly making financial socialization more complex. With the advent of digital payment systems and social media platforms, children and adolescents are exposed to new financial experiences, often before parents have had the opportunity to provide sufficient guidance (Andries et al., 2025; Kou et al., 2024). While digital devices can enhance independence, they also carry risks, emphasizing the importance of parental involvement to mitigate potentially harmful influences. On the other hand, older adults often have difficulty using financial technology, highlighting the need for intergenerational support within family settings (Dai & McGrenere, 2025).

Family vulnerabilities, such as low income, disability, and mental health issues, also impact financial socialization. Low-income households often face communication difficulties, which reduces the effectiveness of financial education (Banovcinova & Levicka, 2015). Caregivers' concerns, particularly in families with children who have physical or mental disabilities, can further limit parents' ability to engage in planned financial education (Preyde et al., 2025; Cheng et al., 2025; Aljuhani et al., 2025). This situation demonstrates how financial pressure within a family can disrupt the process of knowledge transfer between generations.

Although the literature continues to evolve, there are still some shortcomings. Most existing studies use cross-sectional or retrospective designs, which limit the ability to draw causal conclusions and are susceptible to recall bias (Yeh et al., 2022). Additionally, the understanding of how broader family dynamics, such as sibling relationships or intergenerational patterns, influence financial learning is still limited (LeBaron et al., 2020). Furthermore, the majority of research has been conducted in Western contexts, which points to the need to investigate cultural aspects within collectivist societies, where financial norms and family roles may differ significantly.

Therefore, this study investigates how parents transfer financial knowledge to their children, the financial topics emphasized, and the methods used in this transmission process. By adopting a qualitative approach, this study aims to uncover the financial socialization practices that occur daily within families and provide insights that can help formulate more effective financial education strategies, both at the family and institutional levels.

METHODOLOGY

Research Design

This research uses a qualitative approach with a phenomenological type of study. This approach was chosen to explore and deeply understand the subjective experiences of parents in conveying financial knowledge and values to children in the family environment.

Research Subjects

The research subjects were parents (father or mother) who have children aged 7-15 years (which is the age at which children begin to develop a cognitive understanding of money and basic financial management). They were economics lecturers and teachers (aged 29-44 years) who were representatives of the millennial generation.

Informants were selected purposively with the criteria of: living with the child, willing to provide information openly, and coming from diverse socio-economic backgrounds. The number of informants was determined based on the principle of data saturation, which is when the information obtained no longer shows new variations.

The number of informants involved in this study was 33 parents, consisting of lecturers and teachers who teach economics in Bojonegoro Regency. Teachers and lecturers in the field of economics were chosen as research subjects because they have high financial literacy and in-depth theoretical understanding related to financial management, so it is assumed that they are able to provide a more reflective picture of financial socialization practices. In addition, their dual role as educators and parents allows for a unique pedagogical approach in conveying financial values to children. Their professional background also provides a relevant socio-educative context in shaping communication patterns and financial education within the family.

Data Collection Techniques

Data were collected through semi-structured guided in-depth interviews, participatory observation of parent-child interactions, and documentation in the form of financial records, photos of activities, or other evidence related to children's money management.

Data Analysis Techniques

Data were analyzed using thematic analysis techniques from Braun and Clarke (2006) which include six stages; data familiarization, initial coding, searching for themes, reviewing themes, defining and naming themes, and reporting data in the form of descriptive narratives supported by direct quotes from informants.

Data Validity Test

To ensure data validity, this study uses triangulation of techniques and sources. Technical triangulation is used to see the consistency of data between methods, while source triangulation is used to get a broader and deeper perspective.

RESULT OF THE STUDY

Contents of Family Financial Socialization

This study found that the financial contents taught by parents to children at home are very diverse, reflecting the values, practices, and experiences of each family in introducing financial concepts early on. The analysis of data revealed five main themes related to financial socialization contents: (1) financial planning and budgeting, (2) earning money, (3) saving, (4) spending, and (5) sharing.

Table 1. Main theme and sub-themes of financial socialization topics.

Main theme	Sub-themes (a specific topic that parents teach)
Financial planning and budgeting	<ul style="list-style-type: none"> ○ Develop a monthly budget ○ Distinguish between needs and wants ○ Manage children's pocket money ○ Prioritize spending ○ Involve children in simple financial planning
Earning money	<ul style="list-style-type: none"> ○ The importance of working to earn money ○ Productive work or business ○ Early entrepreneurship

	<ul style="list-style-type: none"> ○ The value of hard work and work ethics
Saving	<ul style="list-style-type: none"> ○ Purpose and benefits of saving ○ Set aside money from pocket or gifts to save ○ Set children's savings target ○ Introduce saving media
Spending	<ul style="list-style-type: none"> ○ Comparing prices of goods ○ Making a shopping list ○ The importance of shopping according to needs ○ Inviting children to participate in shopping as a means of learning
Sharing	<ul style="list-style-type: none"> ○ Setting aside money for donation or charity ○ Empathy for others ○ Linking sharing to religious or cultural values ○ Showing concrete examples of sharing in the family

Theme 1: Financial Planning and Budgeting

This theme reveals how parents actively introduce and involve their children in activities related to planning and managing daily family finances. Topics that emerged in this theme include budgeting habits, managing pocket money, distinguishing between needs and wants, prioritizing spending, and involving children in family financial discussions.

Developing a Monthly Family Budget

Some informants explicitly stated that they make it a habit for their children to see and understand the process of preparing a Family financial budget. This is done to foster an understanding that household finances need to be managed in a planned manner. As stated by the following informant (*abbreviated as I*):

"We have a habit of making a monthly budget. My child sometimes watches, and I explain our monthly expenses" (I-04).

"I teach my child to make a simple budget from his pocket money, such as a list of small daily expenses" (I-21).

Making a List of Needs and Wants

Parents also teach children to be able to distinguish between needs and wants as a basis for planning expenses.

Informant I-10 said:

"I often tell my children that if they buy things, they should first look at what they really need, not just want."

Managing Children's Pocket Money

Parents guide children in dividing, saving, and recording the use of their pocket money so that it can last for a certain period.

"I always limit my child's pocket money and teach them how to divide it so that it is enough until the end of the week" (I-12). "I teach my child to record his pocket money, so he learns to manage his own spending" (I-29).

Teaching Prioritization in Spending

The concept of prioritization in spending is also actively introduced by parents to help children understand that not all desires must be fulfilled simultaneously. Children are directed to make rational considerations of the expenditures to be made.

"If the child wants to buy something, I first ask whether it is important or not, then he has to choose which one is more necessary" (I-18). "I like to make games with my children, for example, playing 'shopping' with toy money. But we still discuss spending priorities" (I-25).

Involving Children in Simple Financial Planning Discussions

Some informants indicated that they intentionally involve their children in household financial discussions, such as when planning a vacation or major purchase. This activity is done so that children understand that all financial decisions must be carefully considered.

"We involve our children when we plan a vacation, so they know that everything needs to be planned, including the costs" (I-19).

"I invite my child to chat when I plan to buy furniture, so that he understands about financial planning" (I-30).

Theme 2: Earning Money

This theme illustrates how parents convey to children that money does not come instantly but through a process of effort, hard work, and creativity. Children are introduced to the basic concept that money is earned as a result of working, whether through formal employment, household chores, or small business activities that they can do on their own or with their parents. This strategy is an important part of building children's awareness of the value of money and the process of earning it.

The Importance of Working to Earn Money

Some parents introduce the concept that money is the result of effort and hard work. I-01 said:

"I often tell my child about my work. I explain that money comes from hard work."

Giving Examples of Jobs or Businesses that Make Money

Some parents directly involve their children in the family's economic activities, such as helping in the shop, participating in selling events, or simply watching the parents' selling process. This activity allows children to experience the process of making money firsthand.

"My son likes to help in our small shop. From there, he began to understand how to sell and earn money" (I-08). "I once took my child to a food-selling event. He learned how to serve people and count the proceeds" (I-27).

Encouraging Small Entrepreneurship

Some parents encourage their children to try to make simple products and sell them independently or with the help of the parents. This is aimed at developing children's independence and creativity, as well as fostering an entrepreneurial spirit from an early age.

"I invite my child to make cakes and sell them to neighbors. Let him know that business can make money" (I-09). "I gave my son the idea to sell the stickers he made to his friends. I also helped in the beginning" (I-33).

In addition to the technical aspects of earning money, parents also instill the values of hard work, responsibility, and work ethic. Children are taught that money should not be earned instantly or for free but through real contribution and effort.

"I explain that money is not just given, but must be worked for. For example, if he helps wash the motorcycle, I give him a wage" (I-15). "We have an agreement that if children help with extra housework, they get extra money. But we also explain the reason" (I-20).

Theme 3: Saving

The topic of saving is one of the important aspects of financial socialization that parents teach their children. The interview results show that parents use various approaches, both verbal and practical, to form the habit of saving money from an early age.

Explaining the Purpose and Benefits of Saving

Some parents start the financial socialization process by providing a basic understanding of why saving is important. The goal is for children to not just follow directions but to understand the meaning of the activity.

"I explain to my child why we need to save, so that he understands that money doesn't always have to be spent" (I-05). "I often say, if you save from now on, you can buy your dream item without asking your parents again" (I-31).

Teaching How to Save from Pocket Money or Gifts

Most informants explained that their children were taught to set aside a portion of their daily pocket money or gift money (such as when receiving angpao) to save. This practice is the beginning of the habit of setting aside some money for the future.

"If my child gets more pocket money or angpao, I direct him to save some of it in a piggy bank" (I-07). "I made a special piggy bank for him, and we invite him to fill it regularly every week from the rest of his pocket money" (I-28).

Motivating Kids to Set Savings Goals

Some parents strengthen their children's savings motivation by setting specific goals, such as buying a dream toy or item. This strategy helps children learn about delayed gratification and the importance of short-term planning. I-14 explains:

"We help our children set savings targets, for example, to buy a toy. So he learns to save slowly."

Introducing Saving Media

In addition to piggy banks, there are also parents who start introducing the banking system to their children by opening a special account. The goal is to make children more familiar with the concept of formal finance and get to know the financial world more broadly. I-23 said:

"My child has a child savings account at the bank. We take him to the bank when we open the account so he understands the process."

Theme 4: Spending

One of the most frequent financial activities that children do in their daily lives is shopping. Therefore, many parents use this moment as a means of socializing financial values and skills. This theme shows how parents teach their children to be wise shoppers - to understand their needs, make plans, and make rational considerations before buying. This approach aims to instill frugality, responsibility, and decision-making skills from an early age.

Comparing Prices before Buying

Some parents consciously teach their children not to buy things without comparing prices first. This is so that children understand the value of money and begin to be trained in making economic considerations when shopping.

"I make it a habit for my children to compare prices when shopping, for example, look at prices in two stores before buying" (I-02). "My child follows me when I go shopping. I show him why I chose product A instead of B, and he learns from that" (I-11).

Teaching How to Make a Shopping List

Shopping planning is an important aspect that is also taught to children. By making a shopping list first, children learn to prioritize, avoid impulse purchases, and manage resources rationally.

"When I go to the supermarket, I ask my children to help me make a shopping list so that I know what is important to buy" (I-03). We always make a shopping list together before going to the market. He understands why we need to make a list and not shop impulsively" (I-17).

Explaining the Importance of Buying Things According to Needs

One of the important financial values to instill from an early age is to buy things according to needs, not just because of desires or emotional impulses. Parents use a discussion approach and reflective questions and answers to explore their children's thoughts before making buying decisions.

"I teach my children that what they buy must fit their needs. So before buying, we check whether we really need it or not" (I-06). "I take my child to the minimarket and I ask him to choose one item that he really needs. It's a small exercise for him" (I-22).

Theme 5: Sharing

This theme highlights the social dimension of financial education in the family environment. Sharing is a fundamental value that many parents teach their children as part of understanding that money is not only to fulfill personal needs, but can also be used to help others. Socialization of sharing is not just a donation activity, but also shapes children's characters into caring, empathetic, and socially responsible individuals.

Setting Aside Money for Donation or Charity

Most parents accustom their children to setting aside some of their money-either from pocket money or gifts-to donate to those in need. This practice is done as a form of empathy training while introducing the concept of social responsibility in the use of money. I-13 says:

"Every month, we set aside some money to donate, and my son also sets aside some of his pocket money, too.

Teaching Empathy for the Needy

In addition to hands-on practice, many parents also use narrative and discussion approaches to evoke children's empathy for people who are less fortunate. Stories are used as a bridge to open children's awareness that not everyone lives in the same conditions. I-16 said:

"I tell my children that there are people whose lives are not as fortunate as ours, so it is important to share."

Linking Sharing with Religious Values

Some parents integrate the value of sharing in the context of their religious teachings. Thus, sharing is not only a habit but also part of the child's spiritual responsibility and faith. I- 24 explains:

"If there is a social activity at school or mosque, I invite my children to contribute and watch the process."

Modeling Sharing from Daily Family Practices

Many parents also use daily activities as a means of learning the value of sharing. Giving food to neighbors, helping friends who are in trouble, or providing support to sick relatives are real examples that children can emulate.

"We like to invite children to share food with neighbors or friends who are in trouble" (I-26). "I tell my children that if they have more, they should share it. I give an example when we help neighbors when they are sick" (I-32).

Methods of Family Financial Socialization

In this study, it was found that parents use various approaches to socialize financial knowledge, attitudes, and behaviors to their children in the home environment. Five main themes of socialization methods emerged from the interviews, namely, explicit discussion, participation in financial activities, role modeling, habituation, and financial assignments and simulations. The following is a description of each theme along with sub-themes and illustrations of the informants' statements:

Table 2. Main theme and sub-themes of financial socialization methods.

Main themes	Sub-themes
Explicit financial teaching	<ul style="list-style-type: none"> ○ Explains the difference between needs and wants ○ Provides an understanding that money is earned through hard work ○ Explains the reasons behind family financial behavior
<i>Experiential learning</i>	<ul style="list-style-type: none"> ○ Encourage children to make shopping lists and make decisions ○ Involve children in family financial planning ○ Let children help in the family business
<i>Parental modeling</i>	<ul style="list-style-type: none"> ○ Demonstrate the budgeting process and financial discussions ○ Demonstrate the shopping process and product selection considerations ○ Model sharing with those in need
<i>Habituation</i>	<ul style="list-style-type: none"> ○ Getting into the habit of saving using a piggy bank or bank account ○ Setting savings targets for specific goals
<i>Practice and simulation</i>	<ul style="list-style-type: none"> ○ Manage pocket money with allocation and recording ○ Play shopping or buying and selling simulations ○ Encourage children to try small entrepreneurial experiences

Theme 1: Explicit Financial Teaching

One of the main approaches parents use in socializing financial values and skills to their children is through explicit discussions. This approach refers to direct, instructional, and intentional communication practices that aim to provide an understanding of basic financial concepts. Based on the results of the interview analysis, explicit discussions were conducted through three main sub-themes, namely:

Explaining the Difference between Needs and Wants

This sub-theme shows how parents guide their children to understand the difference between needs and wants, which is one of the important foundations of financial literacy.

"I often tell my children that when they buy things, they should first look at what they really need, not just want" (I-10). "I teach my children that what they buy must be according to their needs. So before buying, we check whether we really need it or not" (I-06).

From these quotations, it appears that discussions about spending priorities are conducted in a practical context, namely, before or during shopping, which provides space for children to apply these principles in their daily lives.

Understanding that Money is Earned through Hard Work

This sub-theme relates to parents' efforts to instill an understanding of the process of earning money, which is through work and effort, not mere gifts. The value of hard work and productivity becomes the foundation in shaping a wise attitude towards money.

"Sometimes, I tell my children about my work. I explain that money is earned through hard work" (I-01). "I explain that money is not just given, but must be worked for. For example, if he helps wash the motorcycle, I give him a wage." (I-15).

This quote shows experiential learning. Although the approach is practical (the child is given a wage), the main value is still conveyed through the discussion that accompanies the action, so it is included in the explicit discussion category.

Explaining the Reasons Behind the Family's Financial Behavior

In this sub-theme, parents discuss with the child why the family makes certain financial decisions, for example, in terms of spending, purchasing goods, or budget planning. This explanation is important so that children do not just imitate but understand the rational reasons behind the financial actions taken by the family. As explained by I-30:

"I talk to my son when I plan to buy furniture, so that he understands about financial planning."

This discussion gives children a direct understanding that financial decisions are not made arbitrarily, but based on needs, priorities, and budget considerations. By involving children in this explanation, parents have positioned children as subjects who are trained to think financially from an early age.

Theme 2: Experiential Learning

Besides explicit discussion, one of the most prominent methods in the financial socialization process in the family environment is the participatory approach through experiential learning. This method allows children to learn finance actively, through real involvement in family financial activities. This principle is in line with constructivist learning theory, which emphasizes that knowledge will be more meaningful if it is built through direct experience. In this study, it was found that children's participation occurred in various forms, which can be categorized into three main sub-themes, namely: (a) compiling shopping lists and making decisions, (b) involvement in family financial planning, and (c) assisting in family business activities.

Getting Kids to Make Shopping Lists and Make Decisions

Some parents involve their children in the pre-shopping process, such as making a list of items to buy. This activity is not just technical but a means to practice decision-making skills, priority management, and self-control over consumption.

"When I go to the supermarket, I ask my children to help me make a shopping list so that I know what is important to buy" (I-03). "We always make a shopping list together before going to the market. He understands why we need to make a list and not shop impulsively" (I-17).

From these quotes, it can be concluded that parents consciously use daily activities as a learning medium, especially to introduce the concept of impulse buying and how to avoid it.

Involving Children in Family Financial Planning

In addition to shopping activities, some parents also include children in broader planning, such as planning major purchases or family activities. In this context, children learn that financial decisions require careful consideration, including cost estimation and choosing the best alternative.

"I involve my child when we plan a vacation, so he knows that everything needs to be planned, including the costs" (I-19). "I talk to my son when I plan to buy furniture, so he understands about financial planning" (I-30).

Although the child's role in the decision-making process may not be large, involvement in the discussion has provided early insight into how economic decisions are made in the family.

Children Helping the Family Business

This sub-theme features examples of children's direct involvement in productive economic activities carried out by the family, such as trading or opening a small business. Children not only observe, but also play an active role in carrying out these activities. This gives them experience about the value of money, the buying and selling process, and work ethics. I-08 shares his experience:

"My son likes to help out at our small shop. From there, he started to understand how to sell and earn money" (I-08). "I once took my son to a food-selling event. He learned how to serve people and count the proceeds" (I-27).

Such activities contribute greatly to experiential financial learning. Children not only learn about money in the abstract but also experience the economic process directly: from production, transactions, to evaluations of the results.

Theme 3: Parental Modeling

Another method widely used by parents in financial socialization at home is modeling, which involves providing concrete examples or directly serving as a role model in everyday financial behavior. In this approach, children learn not just through verbal instructions but through observing their parents' financial behaviors.

Children Observe Parents Creating a Budget and Join the Discussion

Parents demonstrate financial management behaviors, such as creating a household budget, and then invite their children to observe or even discuss these matters. This gives children the idea that every expense must be planned and adjusted according to income.

"We have a habit of making a monthly budget. My child sometimes watches, and I explain our monthly expenses" (I-04).

By involving the child in this activity, the child not only sees that the family makes financial plans but also understands how the process works and what considerations are taken into account when preparing a budget.

"I teach my child to create a simple budget from their allowance, such as a list of daily small expenses" (I-21).

Although in the context of personal pocket money, the parents' habits in managing household finances directly inspire the child to practice similar habits on a smaller scale.

Children Observe the Shopping Process and Reasons for Product Selection

In shopping activities, some parents consciously show their children how to choose products based on considerations of price, quality, and needs. Children learn from the way parents make rational and frugal consumption decisions.

"My child accompanies me when I go shopping. I show him why I choose product A instead of B, and he learns from that" (I-11). "If we want to go to the supermarket, I invite my child to help make a shopping list so they know what is important to buy" (I-03).

In this case, modeling and explicit discussion often go hand in hand. When parents provide an example and then explain it, the child gains a complete learning experience.

Setting an Example Sharing with Those in Need

Exemplary behavior also manifests in the form of social actions, such as sharing with others. Some parents convey the value of generosity in tangible ways, such as helping neighbors or donating to those in need. In this case, children directly witness that money is not only used for personal interests but also as a means to spread kindness. I-32 conveyed:

"I told my child, if you have more, you should share. I gave an example when we helped the neighbor when they were sick" (I-32). "I tell my child that there are people whose lives are not as fortunate as ours, so it's important to share" (I-16).

This statement illustrates how parents strive to instill financial values based on empathy and social concern through real-life examples.

Theme 4: Habituation

One of the approaches widely used in the process of financial socialization within the family environment is through habituation, which involves shaping children's financial behavior through practices carried out routinely and consistently. This approach is not always instructional or explicit, but it is effective in instilling sustainable habits or behaviors and shaping the child's financial character.

In the findings of this research, there are three main sub-themes in the habituation strategies employed by parents.

Getting Used to Saving Using a Piggy Bank or Bank Account

One of the most common forms of habituation is encouraging children to set aside a portion of their allowance into a piggy bank. This practice is carried out consistently, whether daily or weekly, as an initial way to introduce the concept of saving.

"If my child gets extra pocket money or angpao, I direct them to save some in a piggy bank" (I-07). "I made a special piggy bank for him, and we encourage him to fill it regularly every week with the leftover pocket money" (I-28).

This quote emphasizes that the saving process is done regularly and monitored by the parents, creating consistency that reinforces the habit.

Other parents take it a step further by introducing a formal financial system through opening a children's bank account. This becomes a more modern form of habituation and expands the child's understanding of the world of banking and digital finance. I-23 stated:

"My child has a children's savings account at the bank. " We took him to the bank when we opened the account so he would understand the process.

Setting Savings Goals to Buy Something

In addition to encouraging saving in general, some parents also use a goal-oriented saving approach to increase their children's motivation to save.

"We help the child set a savings goal, for example, to buy a toy. "So he learns to save little by little" (I-14). "I often say, if you start saving now, you can buy your dream item later without asking your parents again" (I-31).

This quote emphasizes the value of independence and responsibility for personal desires, which is built through the habit of short- or medium-term saving.

Theme 5: Practice and Simulation

Another approach used by parents to socialize children about finance at home is by giving real tasks and creating financial experience simulations. This method provides children with the opportunity to practice financial skills through activities that resemble real-life situations. Thus, children not only learn theoretically but also develop applicative skills and problem-solving abilities in managing money. This method is divided into three main sub-themes, namely: (a) managing pocket money through allocation and recording, (b) playing financial simulations, and (c) engaging in small business activities.

Managing Allowance with Allocation and Recording

Some parents train their children to divide their allowance into specific categories and record their daily expenses. The goal is for the child to understand the concept of personal financial management, control spending, and be responsible for the use of money.

"My child's allowance is always limited, and I teach them how to divide it so it lasts until the end of the week." (I-12). "I teach my child to record their allowance, so they learn to manage their own expenses." (I-29).

Playing Shopping Simulations or Buy and Sell

To introduce economic concepts in a fun way, some parents create simulation games like playing store or shopping simulations. Through this game, children are introduced to the concepts of expenses, priorities, exchange rates, and decision-making in limited situations. I-25 recounted:

"I like to create games with my child, for example, playing 'shopping' with play money. "But we still discuss priority spending.

This game is designed so that children can learn to distinguish between needs and wants, and experience the consequences of their shopping decisions, all in a light and enjoyable atmosphere. Such simulations create experiences that engage the cognitive, affective, and motor aspects of children simultaneously, making their understanding of finance more profound.

Encouraging Children to Try Entrepreneurial Experiences

Some parents introduce their children to the world of entrepreneurship by giving them the opportunity to sell simple products or services. This activity aims to develop an understanding of how to make money, calculate profits, and appreciate the value of work and creativity. I-09 explains:

"I asked my child to make cookies and sell them to the neighbors. "So that he knows that effort can earn money".

Parental guidance in the early stages instills confidence in children to start while also introducing basic business principles such as capital, production, marketing, and result evaluation.

DISCUSSION

This study reveals that parents in Indonesia socialize financial values to their children through various aspects such as financial management and budgeting, earning money, saving, spending, and sharing. They use methods such as explicit financial teaching, experiential learning, parental modeling, habituation, practice, and simulation. These findings support Bandura's (1977) social learning theory and the family financial socialization theory previously proposed by Gudmonson and Danes (2011), as well as Jorgeson and Savla (2010). Additionally, this research enriches theory by emphasizing the importance of moral and religious values and that financial socialization in a collectivist context goes beyond technical skills to cultivate a sense of empathy and social responsibility Zhao and Zhang, 2020; LeBaron and Kelley, 2020).

The results of this study are consistent with previous findings indicating that communication between parents and direct experience can strengthen financial literacy and promote responsible behavior (Kim et al., 2011; LeBaron et al., 2018). Practices such as saving for a specific purpose or involving children in the shopping process reflect behaviors that were previously identified in qualitative research (Lachance & Choquette-Bernier, 2004). However, this study adds a new dimension by revealing how parents from various economic backgrounds apply teaching methods, as well as highlighting sharing as a key theme influenced by cultural and religious norms. This differs

from research in Western countries, which focuses more on individual outcomes such as credit use and saving (Clarke, 2005; Grinstein-Weiss et al., 2011), aligning with recent calls to consider cultural differences in financial education (Azhar & Siddiqui, 2023; Alqahtani et al., 2025).

In practice, this research emphasizes the importance of parents' role as educators in financial matters. Simple everyday actions like managing allowance, setting savings goals, or creating a shared shopping list can effectively instill financial skills. Teaching financial lessons within a moral and religious context further strengthens empathy and social responsibility. This insight suggests that financial education programs need to adopt a family-focused approach, complement the formal education curriculum, and leverage the role of parents in developing financial literacy. Policymakers and educators should design culturally sensitive interventions that combine technical skills with value-based learning so that young people can navigate the complexities of financial reality.

LIMITATIONS

This study provides meaningful insights into financial socialization among parents in Indonesia, although there are certain limitations that should be noted. First, the sample consisted only of economics teachers and lecturers (assumed to have higher financial literacy), which may not be representative of the wider parent population. This homogeneity may have led to a bias toward more reflective or structured socialization practices. Future research should involve parents from various educational and occupational backgrounds to obtain a broader range of experiences. Second, this study was conducted in a single geographical area (Bojonegoro Regency), which limits the generalizability of the findings. Comparative studies in different regions and socio-economic conditions would enrich our understanding of contextual variations in financial socialization. Third, reliance on self-reports and retrospective interviews may be subject to memory bias and social desirability. Incorporating longitudinal designs, diary methods, or mixed-method approaches may provide stronger evidence of how financial socialization unfolds over time. Finally, although this study highlights the role of cultural and religious values, it does not fully uncover the dynamics of intergenerational differences or digital financial practices. Future research could explore these dimensions to develop a more comprehensive model of financial socialization, particularly in developing countries.

CONCLUSION

This study provides empirical evidence on the various content and methods of financial socialization carried out by millennial parents in Indonesia. Parents play a central role as the primary agents in shaping their children's financial understanding, attitudes, and behaviors. Through explicit teaching, experiential learning, parental modeling, habituation, practice and simulations, parents convey important financial topics such as financial planning and budgeting, earning money, saving, spending, and sharing, to develop basic financial competencies in children. The findings confirm that financial socialization not only transmits knowledge but also shapes moral and religious values such as sharing and empathy. It also expands the theoretical model by showing that financial socialization practices are adapted to socio-cultural values, thus providing a more comprehensive understanding of intergenerational financial learning. For future research, it is necessary to explore the long-term impact of various financial socialization strategies within families and examine variations across different socioeconomic and cultural backgrounds. In this way, academics and practitioners can develop context-sensitive frameworks that bridge financial literacy, behavior, and family dynamics.

Transparency: The author confirms that this manuscript complied with ethical standards during the writing process. Informants provided written and verbal consent after being informed about the purpose, procedures, and rights of the study, including the option to withdraw at any time. Anonymity and confidentiality were ensured through pseudonyms and secure data storage with restricted access.

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