Family Financial Socialization and Its Impact on Financial Decision-Making: A Systematic Review Key Behavioral Theories

Lilik Rohmawati[1], Made Laksmi Sena Hartini[2], Alvionia Filda Sari Mareta[3], Tri Nurul Khomidah[4]
[1,2,3,4]Akuntansi Perpajakan, Sekolah Vokasi, Universitas Diponegoro, Semarang, Indonesia
E-mail: : lilikrohmawati@lecturer.undip.ac.id[1], Madelaksmisenahartini@lecturer.undip.ac.id[2]
alvioniafilda1@lecturer.undip.ac.id[3], trinurulkh@lecturer.undip.ac.id[4]

Article History:
Received: 05 Desember 2025
Revised: 25 Desember 2025
Accepted: 31 Desember 2025

Keywords: *Family financial socialization, financial-decision making, young generation and behavioral theory.*

Abstract: *This study examines the influence of family financial socialization on the financial behavior of the younger generation by exploring both direct and indirect mechanisms through which parents shape financial outcomes. While prior studies have largely focused on explicit parental instruction and implicit role modeling, this research provides a more comprehensive analysis by incorporating psychological and social factors that mediate this relationship. A systematic literature review was conducted on 39 peer-reviewed articles published in reputable journals, employing a structured screening and analysis process. The findings reveal that family financial socialization significantly affects young adults' financial literacy, attitudes, and behavioral patterns. Both explicit practices, such as financial guidance and discussions, and implicit practices, including observational learning, play a critical role in shaping responsible financial behavior. Moreover, psychological factors, such as self-control, financial attitudes, and risk perception, were found to moderate the relationship between family financial socialization and financial decision-making. These results highlight the importance of family-based financial education in promoting sustainable financial behavior among young adults.*

INTRODUCTION

The financial behavior of young adults is becoming increasingly important as they face more complex economic challenges. This topic is especially relevant in the context of global economic uncertainty and rapid social change. The rapid advancement of technology requires the younger generation to possess strong financial knowledge for everyday decisions. Considering the rapidly increasing variety and number of financial products that can be easily accessed with a single click, this makes the market much more complex and challenging for the millennial generation to achieve financial well-being. Insufficient financial literacy can result in poor choices with potentially negative consequences in the future such as the debt rising and

unprepared financial decision (Goyal, 2023) (Muat et al., 2025). Previous studies have highlighted the significant role parents play in shaping their children's financial attitudes and behaviors. Early financial socialization within the family is a key factor influencing financial behavior.

(Kim & Lee, 2024);(Szendrey & Fiala, 2025) (LeBaron et al., 2020) (Rea et al., 2019) state that children get skills, knowledge and experiences from parents, the influence of financial socialization in families is enormous in improving financial well-being, financial capability, financial behavior and saving habits even among individuals with disabilities (Bowen & Ostroff, 2004). Parents who communicate actively in teaching money management and discussing financial matters can improve their children's ability to manage personal finances. (Agnew & Sotardi, 2025) found that families who are discussing finances, increase adolescents' confidence in managing their money. These findings lead to an understanding that open family communication not only influences financial understanding, but can also shape better financial attitudes and behaviors in the future. In Indonesia context, similar result can be seen in research finding by (Muat et al., 2025) (Addi-Raccah, 2024) stating that family fanancial socialization has significant influence on financial skills and financial attitude.

(Chawla et al., 2022) reveals that parents are the first educators and act as initiators of socialization agents for young adults. The role of parents in children's financial literacy, which later plays a role in decision-making. Using a sample of young adults and PLS-SEM analysis, along with a combination of Social Learning Theory (SST) and family financial socialization theory (FFST) to explain investment behavior. (Chawla et al., 2022) supporting SLT theory by showing the direct influence of parental influence and financial literacy on investment. In addition, this study provides an understanding that financial literacy can enhance the relationship between parents' financial behavior and their children's investment behavio (Chawla et al., 2022) that parents play a role not only as teachers but also as behavioral models who will influence how children make financial and investment decisions in the future.

(Zupančič et al., 2023) found that parents who perceive themselves as having greater financial knowledge engage in higher levels of financial teaching and influence their children to be more likely to regard them as role models in positive financial behavior. (Zupančič et al., 2023) adding that a good financial relationship between parents and children can be achieved if they have shared success in managing finances, which arises from financial knowledge and control over financial behavior.The finding that parents serve as role models is in line with research conducted by (Phung et al., 2023) Using a sample of 461 alumni at a German university, it was found that the role models of parents, fathers, and mothers increase the likelihood that children in the family make financial decisions to become entrepreneurs. (Sinnewe & Nicholson, 2023) Using semi-structured interviews with 28 Australian graduates, it was found that the process of financial socialization can be obtained from parents and close people. Parents play an important role as role models in instilling financial behavior. (Sinnewe & Nicholson, 2023) also adds that there is a direct relationship of parental influence in mediating financial behavior intentions and subsequent financial behavior, such as avoiding debt.

The first reason for conducting this study is the increasing integration of the internet and complex financial products into daily life. Internet access, like a double-edged sword, offers both positive aspects, such as access to information and financial products but the challenges including the potential for impulsive financial decision-making. In the context of family financial socialization, while numerous studies suggest that parents play a significant role as a child's first educators, there remains debate regarding the extent and nature of their influence. This study

aims to optimize systematic review research on the role of family financial socialization. The conclusions drawn are expected to provide recommendations for enhancing the role of family financial socialization as a key factor in shaping the financial behavior of future generations.

Second, while there is a substantial body of research on family financial socialization, much of it remains fragmented. Some studies focus on the role of parents, others on psychological factors or social influences, but few integrate all these perspectives. As a result, the overall understanding of how financial behavior is shaped remains incomplete. Additionally, much of the existing evidence comes from developed countries, leaving a gap in our understanding of how financial socialization operates in different social and cultural contexts.

This gap underscores the need for research that integrates multiple perspectives to offer a more comprehensive understanding. This study seeks to address this gap by combining theories on financial socialization with behavioral perspectives. In doing so, the research examines not only what parents teach and how young people learn from their environment, but also how psychological and social factors interact. This approach provides a more holistic view of how financial decisions are formed. Beyond its conceptual contributions, this research also offers practical insights for families, educators, and policymakers aiming to improve financial literacy.
As previously explained, this study aims to address the following question:

1. How does family financial socialization affect young adult financial behavior and decision-making, and what are the underlying psychological and social mechanisms?
2. What are the key factors in family financial socialization that influence young adult financial literacy, and how do these factors interact with other social influences?
3. How do psychological factors, such as self-control and mindset toward money, mediate the relationship between family financial socialization and young adult financial decision-making?

BACKGROUND THEORY

1.1 Defining Family Financial Socialization Process.

Financial socialization is a process of acquiring and developing values, attitudes, norms, knowledge, and behaviors that contribute to financial viability and individual well-being. Considering the importance of financial socialization in the knowledge transfer process, intergenerational relationships in financial understanding are very important. The concept of acquiring knowledge within the family can relate directly to family members as well as family rules. This interaction arises because of communication, time spent together, and the development of trust among family members. Lack of financial understanding and interactionin childhood will affect inadequate financial understanding in adulthood (Fletcher & Wright, 2024).

(Rea et al., 2019) reveals that as the first agent of socialization, the process of family financial socialization can occur both implicitly and explicitly. Purposive financial socialization refers to deliberate actions and communications carried out to convey financial knowledge and behavior in the context of daily family life, such as paying bills, organizing monthly shopping, and discussing debt and its consequences. The goal of all these activities is to reinforce ways of thinking in managing finances. On the other hand, implicitly, the process of financial socialization shows that parents shows spesific behavior without actively provide direct financial education; a child only observes and monitors the financial behavior exhibited by the parents, which often leads to independent financial reflection, such as creating a budget that is vulnerable

to inaccuracies due to ambiguity, misunderstandings, or incorrect learning. Implicit modeling has a significant influence; for example, materialistic parents tend to produce children who are equally materialistic (Szendrey & Fiala, 2025) but (Legenzova & Leckė, 2025) exploring that the implicit financial socialization process negatively affects investment knowledge and attitudes.

(Legenzova & Leckė, 2025); (Bowen & Ostroff, 2004) reveal that explicit financial socialization, such as teaching about investing by parents, has a significant impact on their children's investment literacy and saving decision. Furthermore, this research illustrates that explicit socialization by parents regarding investment and money management will influence individuals' financially literate and preparation in making better financial decisions. It is important to understand how the influence of family socialization is not only limited to basic financial literacy, but also includes the ability to manage risk and invest in the future. In addition, (Fletcher & Wright, 2024) and (Ndou & Godi, 2025) emphasized that financial socialization that begins at an early age has a long-term impact on an individual's financial understanding and habits in urban and rural area. Children who are invited to discuss money and financial management from an early age tend to have a better understanding of basic financial concepts, such as savings and expenses, which will continue to a more complex understanding when they are adults. (Jalili et al., 2025) explore several factors that will influence financial behavior in shocking condition and emphasize that, environmentall communication and support are significant factors in improving resilince.

On the other research, (Antoni, 2023) Expressing by using the concept of direct financial socialization which refers to the explicit process and instruction and hands-on participation where families intentionally teach children about personal finance and develop financial outcomes (Subramanian, 2024). The technique of direct financial socialization is financial teaching by the family, where parents share financial knowledge or certain concepts when interacting with their children and undirect financial socialization. Hence the indirect financial socialization that highly related to family interaction without special intention.

1.2 Family Financial socialization Theory

(Horsburgh & Ippolito, 2018) (Liang et al., 2022) (Chlosta et al., 2012) (Burcher et al., 2021) In his research, he emphasized that financial socialization within the family influences the formation of an individual's behavior in the future. This aligns with Bandura's theory, where the learning process occurs through observation and modeling. Delivering knowledge in a social context is not only through observation but also involves a cognitive process (by internalizing and understanding) and then imitating that behavior. This process involves 'psychological adjustment between cognitive skills and behavior patterns between an individual and the observing individual'. Bandura proposed that this type of learning involved four different stages attention, retention, reproduction and motivation. (Liang et al., 2022) adding that individuals tend to copy the activities carried out by the role models they have.

Another theory family resources management system theory (FRMST) was applied in research by (Muat et al., 2025). Dalam penelitiannya (Muat et al., 2025), stating that the framework for understanding individual behavior within the family consists of three processes: input, throughput, and output. Input terdiri dari permintaan dan sumber daya yang masuk ke dalam sistem yang dapat mempengaruhi throughput untuk mencapai output. Family financial socialization is demand which are considered value-based goals that provide direction and orientation to individual

actions. In throughput, inputs—financial socialization, financial knowledge, and financial awareness—are transformed and synthesized into financial attitudes and skills that drive desired financial behavior. Dearth of research addressing family financial socialization as the demand necessary to transform the input into output. A study used perceived parental influence in the input component, examining its relationship with the financial literacy of young adults (Muat et al., 2025).

1.3 Family Financial socialization as Contributing Factors

However, Not only family financial socialization influenced, other social factors also shape an individual's financial behavior. (Ndou & Godi, 2025) (Abdul Ghafoor & Akhtar, 2024) (Tang et al., 2025) shows that social influences in the family, such as social capital, parents education and occupation interpersonal relationships and parental income play an important role in financial decision-making among young adults. In addition, psychological factors such as self-control and mindset can also moderate the relationship between family financial socialization and financial decision-making. (Phung et al., 2023) (Riaz et al., 2022) (Xu et al., 2023) show that intrinsic motivation, self-efficacy, self-esteem and Self-control are closely related to financial literacy, suggesting that psychological factors play a role as mediators in family financial socialization. This confirms that in order to comprehensively understand how financial socialization affects financial behavior, we need to consider not only the technical lessons regarding money management, but also broader psychological and social factors.

Meanwhile, research by (Grohmann, 2017) highlights the importance of family structure in financial socialization and student financial behavior. (Grohmann, 2017) examines the differences in the financial behaviour of students who grew up in intact families compared to those raised in non-intact families in South Africa. The results of the study show that students who come from whole families tend to have a higher level of financial socialization. They gain more opportunities to learn about financial management from their parents, either directly through teaching or indirectly through observation of their parents' financial behavior. In contrast, college students who grew up in non-intact families were less likely to engage in discussions about financial issues, leading to a lower understanding of money management. uses a quantitative method with regression analysis to explore the relationship between family structure and financial socialization. This study emphasizes the importance of considering family structure factors in financial literacy education programs, especially when developing interventions aimed at improving financial behavior among students. This gives a clear picture that the family is the most powerful socialization agent in shaping the financial behavior of children and adolescents, in accordance with the theory of financial socialization put forward by (Soppe, 2004).

Furthermore, research conducted by (Alshebami & Aldhyani, 2022) in Saudi Arabia highlighted the social influence of parents and peers on financial literacy and saving behavior among adolescents. They used the PLS-SEM analysis to assess the social influence of parents and peers on students' financial literacy and saving habits. The results of the study show that both parents and peers have a positive influence on the level of financial literacy of students. However, the study also found that self-control plays an important role in moderation. College students with low self-control are more likely to fail to implement their financial knowledge in healthy saving habits. This research provides important insights into how social interactions with peers and parents can affect financial decision-making, but also suggests that psychological factors such as

self-control need to be considered in the development of financial literacy programs. Therefore, this research is relevant to your research, which also examines the social influence on young adult financial behavior, especially in the context of peers and self-control.

Based on the review of previous research that has been prepared, financial literacy and financial behavior of young adults are influenced by various factors, both motivational, social, and psychological. Learning motivation plays a very important role in improving financial literacy, as shown by (Phung et al., 2023) who suggest that intrinsic motivation can improve students' understanding of financial management. In addition, the role of the family, particularly the family structure and the influence of parents, is enormous in shaping the financial behavior of their children, as shown by (Antoni, 2023) (Chawla et al., 2022) who emphasize the importance of teaching and modeling financial behavior by parents. Peers also have a significant influence on shaping financial literacy, as found by (Alshebami & Aldhyani, 2022) who show that peers can strengthen or weaken adolescents' financial behaviors depending on existing social influences. Finally, psychological factors such as self-efficacy and mindfulness, found by (Saeed et al., 2014) suggest that self-awareness and control over individual financial behavior can moderate the relationship between attitudes toward money and financial literacy.

In another context, research by (Mariela et al., 2022) on the evaluation of financial literacy scales for financial decisions in young adults in Latin America and the Caribbean provides important insights regarding financial literacy measurement. In this study, it was found that the designed financial literacy scale included three main dimensions: financial knowledge, financial attitudes, and financial behavior. This scale was tested using factor confirmation analysis (CFA), which showed excellent validity in measuring financial literacy in the young adult population in the region. The findings of this study show the importance of social and cultural context in shaping relevant financial literacy measurement instruments. Despite this, the study was limited to a sample of young adults in Ecuador and other countries in the region, which may limit the generalization of the results to the global population (Mariela et al., 2022).

Another relevant study is that conducted by (Silinskas et al., 2021) which examined financial literacy among Finnish adolescents through data collected in PISA 2018. This study identifies that financial education provided in schools has a positive influence on adolescent financial literacy. Additionally, although parental involvement in financial education does not show a strong association with adolescents' financial literacy levels, it highlights the importance of formal financial education in forming a solid financial understanding at a young age. The main limitation in this study is the reliance on existing data from PISA 2018, which focuses only on the cognitive aspects of financial literacy without considering other non-cognitive factors that may also play a role in the development of financial literacy (Silinskas et al., 2021).

RESEARCH METHOD

The analysis method used in this study involves thematic and quantitative analysis with weighted values for each factor found in each article. The researcher uses statistical analysis tools to combine quantitative findings with a thematic approach to develop a comprehensive synthesis. This procedure is designed to be replicable by other researchers in similar fields, ensuring that every step in this systematic process can be repeated with consistent results. The analysis section provides important insights into how various factors in family financial socialization interact with

psychological and social factors to influence young adults' financial decisions. This methodology also considers various elements such as self-control, money mindset, and peer influence, all of which play a role in shaping financial habits amovbng the younger generation.

Prosedur *PRISMA* (Preferred Reporting Items for Systematic Reviews and Meta-Analyses), The data collection procedure used the PRISMA *(Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method,* A total of 47 documents were searched and analyzed to be used as the main data source. The feasibility assessment found that 39 studies passed the criteria and were systematically reviewed in this study. The researcher chose the Scopus article as an effort to ensure the quality and reliability of the sources used. This study was further analyzed to find important results on how parental financial socialization affects young adult financial behavior and decisions.

The thematic approach was chosen by the researcher so that it could produce a comprehensive synthesis. A thematic approach is implemented to make it easier for other researchers to repeat in the same field. The analysis section provides an important understanding of the interaction of various factors in family financial socialization with psychological and social elements that influence financial choices for young people. The methodology also considers a number of aspects such as self-control, attitudes towards money, and the impact of peers, all of which play a role in building financial habits among younger generations. The results of the study were obtained from the articles that had been selected and analyzed in this study.

EMPIRICAL RESEARCH AND DISCUSSION

Factors Influence on Young Adult Financial Behavior

1. The direct effect of Family Financial Socialization on Young Adult Financial Behavior

Previous research studies have focused on the financial socialization process, which centers on both purposive and unintentional actions carried out by parents in shaping financial behavior. In the parent-child relationship, more intentional socialization processes occur during decision-making interactions. This process also happens unintentionally through observation and watching parents, who become role models for decision-making behavior (Deenanath et al., 2019). In another study, the process of unintentional financial socialization is referred to as implicit socialization (Szendrey & Fiala, 2025) (Legenzova & Leckė, 2025) (Fan & Lee, 2022) (Subramanian, 2024). Temuan penelitian ini menunjukkan bahwa teneeger yang tumbuh dilingkungan keluarga yang memiliki sosialiasi tertentu, memiliki kepercayaan tinggi dalam pengelolaan keuangan, lebih memahami konsep biaya, tabungan dan perencanaan keuangan personal dan investasi (Kim & Lee, 2024) (Agnew & Sotardi, 2025) (Legenzova & Leckė, 2025).

2. Psychological Factors Affecting Family Financial Socialization

The study also found that psychological factors such as self-control and mindset towards money have a major influence in mediating the relationship between family financial socialization and young adult financial behavior. (Phung et al., 2023) show that individuals with high self-control tend to have better financial habits, such as saving consistently and avoiding excessive debt. This indicates that self-control plays an important role in more effective personal money management. Research by (Agnew & Sotardi, 2025) confirms that adolescents who have good self-control, influenced by open and supportive family socialization, show better ability to manage their finances in young adulthood. Mindset has also been found to play an important role in financial decision-making, as shown by (Phung et al., 2023). They found that individuals who had a

growth mindset towards money were more open to learning and changes in their financial habits. In contrast, those with *a fixed mindset* tend to be limited in their ability to make positive changes in financial habits. (Legenzova & Leckė, 2025) show that the influence of family socialization on investment literacy can be strengthened by this psychological factor. Those who have an open mindset towards investing and money management are more likely to make wise decisions when it comes to future wealth and investment management.

3. The Role of Social Capital in Young Adult Financial Decision Making

Findings from (H. Cho et al., 2024) research show that social capital in families; such as strong interpersonal relationships between family members can strengthen financial socialization and improve the quality of financial decision-making by their children. The study found that families who have strong social connections provide emotional and practical support that allows their children to develop better financial understanding and habits. This social capital also plays a role in increasing adolescents' sense of security and confidence in making their financial decisions, as found in a study by (H. Cho et al., 2024) which emphasizes that healthy interpersonal relationships in families improve the quality of financial decisions made by their children. In some cases, peers also play a role in strengthening or weakening the influence of family financial socialization, especially if peers have different financial mindsets or habits. Peers with healthier financial habits can reinforce positive habits, while those with bad habits can have a negative impact on adolescent financial management.

4. **The Effect of Financial Socialization on Young Adult Financial Literacy**

Young adult financial literacy is greatly influenced by the financial socialization received in the family. Research shows that adolescents who receive explicit instruction on money management, such as how to manage a budget, save, and invest, have higher levels of financial literacy. Research by (Fletcher & Wright, 2024) confirms that financial socialization that begins at an early age, such as discussions regarding family budgeting and money management, contributes to a better understanding of the basic financial concepts necessary for long-term financial management. Research by (Legenzova & Leckė, 2025) adds that socialization regarding investments, which is often done by parents, directly affects their children's ability to make better investment decisions in adulthood. High investment literacy, which stems from socialization in the family, provides long-term benefits for individuals. In addition, the influence of financial socialization in the family was also measured based on how well parents taught long-term financial planning, such as saving for retirement or investing in stocks and mutual funds. These findings indicate that family financial socialization not only improves basic financial literacy, but also more specific financial literacy, such as investment and long-term planning.

5. The Influence of Other Social Factors in Family Financial Socialization

In addition to factors in the family, other social influences such as peers, social environment, and social media also have a significant impact on young adult financial behavior. Peers are often important agents in the process of financial socialization, as found in (E. Y. Cho, 2024) research. Research shows that teens who have peers with healthy financial behaviors tend to emulate these habits and improve their financial management. Conversely, peers who have poor financial habits can influence an individual's financial decisions in an adverse way. The influence of social media is also increasingly being considered, with many teenagers learning about financial management through digital sources, both through social media, influencers, and advertising. Research by (Zhao et al., 2023) found that parents who guide their children in using social media wisely can help them obtain correct and relevant information regarding money management.

6. Discussion of Findings and Their Relationship to Previous Literature

This study aims to explore the influence of family financial socialization on young adult financial behavior, highlighting psychological and social factors that can moderate this influence. Based on the findings that have been presented previously, I will discuss more about each *research question* that is asked and relate it to the existing literature, as well as explain the significance of the research results and their contribution to this scientific field.

1. How does family financial socialization affect young adult financial behavior and decision-making, and what are the underlying psychological and social mechanisms?

The main findings of this study show that family financial socialization has a significant influence on young adult financial behavior. Financial socialization carried out by parents, both explicitly through direct teaching on money management, and implicitly through observation of parents' financial behavior, has been shown to play an important role in shaping financial decisions among young adults. (Kim & Lee, 2024) in their research also show that financial socialization in the family, although carried out in more limited contexts such as in individuals with disabilities, still plays a key role in improving the financial well-being of individuals. This is in line with the findings of (Agnew & Sotardi, 2025) who suggest that families who are open about financial communication tend to have teenagers who are more confident in making financial decisions.

The results of this study identify that the influence of family financial socialization is not only influenced by direct communication and teaching, but also by psychological factors such as self-control and mindset towards money. (Phung et al., 2023) research shows that self-control plays a key role in personal money management. Individuals who have good self-control tend to be better able to make wise financial decisions, such as saving regularly and avoiding excessive debt. This is consistent with the findings of (Legenzova & Leckė, 2025) , who suggest that family socialization involving investment teaching can strengthen investment literacy and better investment decisions in young adulthood. In addition, social factors such as peer influence and family social capital have also been found to play a role in shaping young adult financial behavior. As stated by (E. Y. Cho, 2024) strong interpersonal relationships in families improve the quality of financial decision-making by their children. This indicates that financial socialization in the family is not only in the form of technical education regarding money, but also involves social support that enables young individuals to make better financial decisions.

These findings are very important because they highlight that good financial management depends not only on technical knowledge regarding money, but also on psychological and social aspects, such as self-control, mindset towards money, and social influences in family and peers. This research provides a more holistic understanding of how different factors interact to influence young adult financial decision-making, which can be used to design more effective and contextual financial literacy programs. This research contributes to the development of theory and practice in financial literacy by introducing psychological and social dimensions in the analysis of family financial socialization. This study enriches the existing literature by highlighting that the understanding of money management is not only limited to technical education, but is also influenced by psychological factors such as self-control and attitudes towards money, as well as by the social influence of peers and the social capital of the family.

2. What are the key factors in family financial socialization that affect young adult financial literacy, and how do these factors interact with other social influences?

This study found that the main factors in family financial socialization that affect young adults' financial literacy include hands-on teaching about money management, open discussions on financial topics, and social influences in the family. (Legenzova & Leckė, 2025) (Lim et al., 2025) show that parents who teach their children about investing and money management tend to improve their children's investment literacy. (Agnew & Sotardi, 2025) also identified that families who are open in communication about finances produce children who are more literate in money management, as well as more confident in making financial decisions.

In addition to explicit teaching by parents, other social factors such as peer influence also play an important role in shaping financial literacy. Peers with good financial habits can reinforce positive habits, while those with bad habits can lead to detrimental financial behavior. (Kim & Lee, 2024) found that the influence of social capital in the family, namely strong interpersonal relationships between family members, also plays a role in improving the quality of financial decisions made by their children. The social influence of peers and the wider community also contributes to shaping young adult financial mindsets and habits. These findings are important because they show that financial literacy is not only influenced by direct instruction from parents, but also by broader social factors, such as peer influence and social capital in the family. These findings underscore that financial literacy education needs to take into account various social and psychological elements in the family and social environment, which contribute to the formation of healthier financial habits.

Contribution to the Scientific Field: This study contributes to the field of financial literacy by showing that the influence of family socialization on financial literacy does not only occur through explicit education, but is also influenced by other social factors. These findings could help in designing a more comprehensive financial literacy program, which not only teaches technical knowledge, but also takes into account social and psychological influences in family and peers.

3. How do psychological factors, such as self-control and mindset toward money, mediate the relationship between family financial socialization and young adult financial decision-making?

Key findings from this study show that psychological factors such as self-control and mindset towards money play an important role in mediating the relationship between family financial socialization and young adult financial decision-making. (Phung et al., 2023) found that good self-control is directly related to healthier financial habits, such as saving regularly and avoiding unnecessary spending. This is in line with the results of research by (Agnew & Sotardi, 2025) which shows that adolescents who have good self-control, obtained through positive family financial socialization, tend to have better money management in young adulthood.In addition, this study also found that the mindset towards money, whether a person has a *growth mindset* or *a fixed* mindset, affects the way they manage their finances. Research by (Phung et al., 2023) confirms that individuals with *a growth mindset* towards money are more open to learning and changes in their financial habits. In contrast, those with *a fixed mindset* tend to get stuck in bad habits and find it difficult to make positive changes in their financial management.

These findings are important because they emphasize that family financial socialization focuses not only on technical teaching about money, but also on the formation of attitudes and self-control that influence how individuals make financial decisions. Given that self-control and mindset can influence financial management in the long run, the results of this study provide important insights into how psychological factors can function as mediators in family financial socialization. This research contributes to the field of financial psychology by showing that self-control and mindset play a role as mediators in young adult financial decision-making. These findings open up opportunities for further research on how these psychological factors can be leveraged to design more effective financial literacy education interventions, which not only teach technical knowledge but also pay attention to the psychological dimension in financial management.

RESEARCH IMPLICATIONS AND LIMITATIONS

Implications: This study provides important implications for the development of more holistic and contextual financial literacy education programs. By understanding that family financial socialization involves not only technical teaching, but is also influenced by psychological and social factors, financial literacy programs can be designed to pay more attention to these factors. Interventions that involve families as the main agents in financial teaching, as well as pay attention to psychological dimensions such as self-control and mindset, will be more effective in promoting healthy financial habits among young adults. Therefore, the results of this research can be used to design a more inclusive education policy in personal financial management.

Limitations: While this study provides valuable insights, there are some limitations to be aware of. First, the study only includes literature published in reputable scopus indexed journals, which may not cover the entire spectrum of existing research. In addition, the study places more emphasis on the influence of family financial socialization in the context of developed countries, with little attention to more diverse cultural contexts, such as developing countries. Therefore, there is a need for further research that expands this scope and examines how financial socialization functions in different cultural contexts.

Thus, the results of this study make a significant contribution to the understanding of how family financial socialization affects young adult financial behavior. These findings also open up opportunities for further research on psychological and social influences on financial decision-making, as well as provide guidance for the development of more comprehensive and effective financial literacy programs.

CONCLUSION

This study reveals that financial socialization in the family has a significant influence on financial behavior and financial decision-making in young adults. Financial socialization carried out by parents, both through explicit teaching and through observation of parents' behavior, has proven to play an important role in shaping their children's financial habits. Psychological factors such as self-control and mindset towards money also play a key role in mediating the influence of family financial socialization on young adult financial decision-making. In addition, the social influence of peers and the social capital of the family also strengthen or moderate the financial decisions made by young individuals.

The study also highlights that financial socialization involves not only technical teaching about

money management, but also profound psychological and social aspects. The results show that families who have open communication about finances and actively discuss financial topics produce children who are more confident and more responsible in managing their money. In addition, self-control and mindset towards money were found to play an important role in moderating the relationship between family financial socialization and young adult financial behavior. These findings reinforce the argument that money management has to do not only with technical knowledge, but also with the psychological and social factors that shape long-term financial decisions.

Contribution to the Scientific Field: The findings of this study make a significant contribution to the field of financial literacy and financial behavior by introducing the psychological and social dimensions in understanding the influence of family financial socialization. This study builds on the existing literature by highlighting that good financial understanding depends not only on technical knowledge, but also on psychological factors such as self-control and mindset, as well as social factors such as peer influence and family social capital. These findings lead to the development of more holistic interventions in financial literacy education that include psychological and social aspects, as well as technical teaching.

Suggestion

Based on the synthesis we have conducted, a series of recommendations that we can provide to improve young adults' financial literacy are as follows;

Firstly, various previous studies have found that financial literacy is very important for the development of children's literacy in adulthood. It is crucial to integrate financial literacy within the family. Intentional financial literacy programs that involve parents as the primary agents are expected to cultivate healthier financial habits. Training for parents should not only focus on providing financial literacy indirectly or unintentionally, but should also be strengthened with discussions and an active, open process of delivering financial content that actively involves children.

Secondly, The important role of family financial socialization cannot stand alone; psychological aspects are important to consider so that there is internal motivation within the individual in the financial learning process to achieve specific goals. The expectations held by an individual are a belief that the chosen actions will lead to specific outcomes, and values are the source of motivation to choose alternatives in order to achieve the planned goals. Phung et al. (2023) stating that learning motivation involves beliefs, emotions, and strategies to maintain achievement goals**.** We consider that the expectations, motivation and values held by an individual will influence the financial literacy process and financial decision-making in the future. This perspective in line with expectancy value theory. The future research can explore more about embedding individual motivation in financial parent socialization in shaping financial behavior.

Third, because peer influence and social influence in the family have also been found to play a role in shaping financial behavior, it is important to include social elements in financial literacy programs. Programs that strengthen healthy social relationships within the family, as well as introduce ways to manage peer influence in financial decision-making, can be very effective. Therefore, more research and experimentation on social influences in financial management among adolescents and young adults needs to be conducted to identify how best to manage these influences.

Finally, for future research, it is important to expand the scope of the sample used in this study, given that this study is more focused on young adult populations in countries with more advanced social contexts. Further research involving a variety of cultures and more diverse social contexts, such as developing countries, can provide deeper insights into how family financial socialization functions in different social contexts. Therefore, follow-up studies need to consider cultural and social differences that can affect the way financial socialization is carried out in different countries.

Thus, this study provides important insights into how family financial socialization affects young adult financial behavior, as well as introducing new perspectives in financial literacy education. The implementation of these findings will have a significant impact in designing financial literacy programs that are more effective and in accordance with the needs of the young generation in the future.

REFERENCES

Abdul Ghafoor, K., & Akhtar, M. (2024). Parents' financial socialization or socioeconomic characteristics: which has more influence on Gen-Z's financial wellbeing? *Humanities and Social Sciences Communications*, *11*(1). https://doi.org/10.1057/s41599-024-03007-3

Addi-Raccah, A. (2024). The role of digital capital in parental engagement. *Education and Information Technologies*, *29*(13), 16901–16928. https://doi.org/10.1007/s10639-024-12455-y

Agnew, S., & Sotardi, V. A. (2025). Family Financial Socialisation and its Impact on Financial Confidence, Intentions, and Behaviours among New Zealand Adolescents. *Journal of Family and Economic Issues*, *46*(1), 246–258. https://doi.org/10.1007/s10834-024-09990-8

Alshebami, A. S., & Aldhyani, T. H. H. (2022). *The Interplay of Social Influence , Financial Literacy , and Saving Behaviour among Saudi Youth and the Moderating Effect of Self-Control*. *July*. https://doi.org/10.3390/su14148780

Antoni, X. (2023). THE role of family structure on financial socialiSation techniques and behaviour of students in the Eastern Cape , South Africa socialiSation techniques and behaviour of students in the Eastern Cape , South Africa. *Cogent Economics & Finance*, *11*(1). https://doi.org/10.1080/23322039.2023.2196844

Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-firm performance linkages: The role of the "strength" of the HRM system. *Academy of Management Review*, *29*(2), 203–221. https://doi.org/10.5465/AMR.2004.12736076

Burcher, S. A., Serido, J., Danes, S., Rudi, J., & Shim, S. (2021). Using the Expectancy-Value Theory to Understand Emerging Adult's Financial Behavior and Financial Well-Being. *Emerging Adulthood*, *9*(1), 66–75. https://doi.org/10.1177/2167696818815387

Chawla, D., Bhatia, S., & Singh, S. (2022). Parental influence, financial literacy and investment behaviour of young adults. *Journal of Indian Business Research*, *14*(4), 520–539. https://doi.org/10.1108/JIBR-10-2021-0357

Chlosta, S., Patzelt, H., Klein, S. B., & Dormann, C. (2012). Parental role models and the decision to become self-employed: The moderating effect of personality. *Small Business Economics*, *38*(1), 121–138. https://doi.org/10.1007/s11187-010-9270-y

Cho, E. Y. (2024). A qualitative investigation of financial decision-making and enabling factors among ethnic minority young adults in Hong Kong. *Humanities and Social Sciences Communications*. https://doi.org/10.1057/s41599-024-03605-1

Cho, H., Choi, S., & Kwon, D. H. (2024). Employee Characteristics and Corporate Risk-Taking:

Focusing on Tenure. *Asia-Pacific Journal of Financial Studies*, *53*(3), 282–303. https://doi.org/10.1111/ajfs.12465

Deenanath, V., Danes, S. M., & Jang, J. (2019). Purposive and unintentional family financial socialization, subjective financial knowledge, and financial behavior of high school students. *Journal of Financial Counseling and Planning*, *30*(1), 83–96. https://doi.org/10.1891/1052-3073.30.1.83

Fan, L., & Lee, J. M. (2022). *Young adults ' financial advice-seeking behavior : The roles of parental financial socialization*. *April 2021*, 1226–1246. https://doi.org/10.1111/fare.12625

Fletcher, M., & Wright, R. (2024). Sowing seeds: The impact of financial socialization on the financial understanding of young children and preschoolers. *Journal of Consumer Affairs*, *58*(3), 763–793. https://doi.org/10.1111/joca.12593

Goyal, K. (2023). *The direct and indirect effects of financial socialization and psychological characteristics on young professionals ' personal financial management behavior*. https://doi.org/10.1108/IJBM-09-2022-0419

Grohmann, A. (2017). Financial Literacy and Financial Behavior: Evidence from the Emerging Asian Middle Class. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3084021

Horsburgh, J., & Ippolito, K. (2018). A skill to be worked at: Using social learning theory to explore the process of learning from role models in clinical settings. *BMC Medical Education*, *18*(1), 1–8. https://doi.org/10.1186/s12909-018-1251-x

Jalili, R., Gilani, N., Najafi, B., Gordeev, V. S., & Doshmangir, L. (2025). *Health financial resilience in individuals and households : a scoping review of components , strategies and outcomes*.

Kim, K. T., & Lee, J. (2024). *Unlocking Financial Well-Being for People With Disabilities : The Importance of Financial Knowledge and Socialization Within the Family Context*. *June*, 1–13. https://doi.org/10.1177/21582440241253564

LeBaron, A. B., Holmes, E. K., Jorgensen, B. L., & Bean, R. A. (2020). Parental Financial Education During Childhood and Financial Behaviors of Emerging Adults. *Journal of Financial Counseling and Planning*, *31*(1), 42–54. https://doi.org/10.1891/JFCP-20-00021

Legenzova, R., & Leckė, G. (2025). The Link between Family Financial Socialization in Adulthood and Investment Literacy of P2P Investors. *Journal of Family and Economic Issues*, *46*(2), 525–544. https://doi.org/10.1007/s10834-024-09962-y

Liang, M., Chen, Q., & Zhou, Y. (2022). The Influence of Various Role Models on Children's Pro-environmental Behaviours. *Frontiers in Psychology*, *13*(May). https://doi.org/10.3389/fpsyg.2022.873078

Lim, B., Heng, J., Ali, R., & Ni, S. W. (2025). *Exploring the Family Financial Socialisation Model in Determining the Financial Well-Being of Employees From the Private Sector in Klang Valley*. *34*, 268–297.

Mariela, S., Chiluiza, K., & Everaert, P. (2022). *education sciences Design and Evaluation among Young Adults of a Financial Literacy Scale Focused on Key Financial Decisions*.

Muat, S., Shahnaz, N., Mohd, M., & Abd, E. (2025). How Do Family Financial Socialization and Financial Literacy Dimensions Shape the Financial Well - Being of Indonesian Millennials ? A Serial Mediation Analysis. *Journal of Family and Economic Issues*, *46*(3), 867–886. https://doi.org/10.1007/s10834-025-10047-7

Ndou, A., & Godi, N. J. (2025). *Moderating effects of parental income on the relationship between parental financial discussions and financial literacy of young adults*. *September*. https://doi.org/10.1108/IJSE-07-2024-0622

Phung, T. M. T., Tran, Q. N., Nguyen-Hoang, P., Nguyen, N. H., & Nguyen, T. H. (2023). The role of learning motivation on financial knowledge among Vietnamese college students. *Journal of Consumer Affairs*, *57*(1), 529–563. https://doi.org/10.1111/joca.12511

Rea, J. K., Danes, S. M., Serido, J., Borden, L. M., & Shim, S. (2019). " Being Able to Support Yourself ": Young Adults ' Meaning of Financial Well-Being Through Family Financial Socialization. *Journal of Family and Economic Issues*, *40*(2), 250–268. https://doi.org/10.1007/s10834-018-9602-7

Riaz, S., Khan, H. H., Sarwar, B., Ahmed, W., Muhammad, N., Reza, S., Muhammad, S., & Ul, N. (2022). *Influence of Financial Social Agents and Attitude Toward Money on Financial Literacy : The Mediating Role of Financial Self-Efficacy and Moderating Role of Mindfulness*. https://doi.org/10.1177/21582440221117140

Saeed, R., Munir, H. M., Lodhi, R. N., Riaz, A., & Iqbal, A. (2014). Capital structure and its determinants: empirical evidence from Pakistan's pharmaceutical firms. *Journal of Basic and Applied Scientific Research*, *Vol. 4 No.*, 115–125.

Silinskas, G., Ahonen, A. K., & Wilska, T. A. (2021). Financial literacy among Finnish adolescents in PISA 2018 : the role of financial learning and dispositional factors. *Large-Scale Assessments in Education*. https://doi.org/10.1186/s40536-021-00118-0

Sinnewe, E., & Nicholson, G. (2023). *Healthy financial habits in young adults : An exploratory study of the relationship between subjective financial literacy , engagement with finances , and financial decision-making*. *March 2022*, 564–592. https://doi.org/10.1111/joca.12512

Soppe, A. (2004). Sustainable corporate finance. *Journal of Business Ethics*, *53*(1–2), 213–224. https://doi.org/10.1023/B:BUSI.0000039410.18373.12

Subramanian, R. (2024). *Do Explicit and Implicit Parental Financial Socialization Influence Students' Financial Literacy? Evidence from India*. *October*, 24–39.

Szendrey, J. M., & Fiala, L. A. (2025). *Family Frugality Scale: Development, Validation, and Usage of an Implicit Financial Socialization Modeling Measure*. *36*(1), 85–97.

Tang, P., Zhou, N., Cao, H., Aamir, M., & Xiaomin, K. (2025). Parental Financial Socialization and Youth Subsequent Victimization of Intimate Partner Abuse : The Roles of Youth ' s Financial Behaviors and Friends ' Financial Socialization. *Journal of Family and Economic Issues*, *46*(3), 887–899. https://doi.org/10.1007/s10834-025-10048-6

Xu, H., Song, K., Li, Y., & Ankrah Twumasi, M. (2023). The Relationship between Financial Literacy and Income Structure of Rural Farm Households: Evidence from Jiangsu, China. *Agriculture (Switzerland)*, *13*(3). https://doi.org/10.3390/agriculture13030711

Zhao, P., Bazarova, N. N., & Valle, N. (2023). *Digital parenting divides : the role of parental capital and digital parenting readiness in parental digital mediation*.

Zupančič, M., Poredoš, M., & Lep, Ž. (2023). Intergenerational Model of Financial Satisfaction and Parent-Child Financial Relationship. *Journal of Social and Personal Relationships*, *40*(8), 2568–2591. https://doi.org/10.1177/02654075231153352