

Financial Socialisation and Pathways to Financial Planning Propensity for Working Professionals

*A Doctoral Dissertation Submitted in Partial Fulfilment of the Requirements for
the Award of the Degree of*

**DOCTOR OF PHILOSOPHY
IN
MANAGEMENT**

BY

RADNYI GODASE
Reg. No: 19MBPH03

Under the supervision of
PROF. P. JYOTHI



**SCHOOL OF MANAGEMENT STUDIES
UNIVERSITY OF HYDERABAD
HYDERABAD-500046**

DECLARATION

I, Radnyi Godase, hereby declare that this thesis entitled “**Financial Socialisation and Pathways to Financial Planning Propensity for Working Professionals**” in fulfilment of the requirements for the award of Degree of Doctor of Philosophy in Management Studies, is the outcome of an original study, free of plagiarism, undertaken by me, under the supervision of Prof. P. Jyothi, Professor, School of Management Studies, University of Hyderabad.

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Below are the details of Publication, Conferences & Coursework pursued during PhD.

A. Journal Publication

1. Polepeddi, J. & Godase, R. (2022). Impact of Educational Intervention on Women Empowerment: Experimental Evidence from South India. *South Asian Journal of Management*, 29(3), 7-30 (ABDC – C)
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B. Conferences

- a) Presented paper entitled “Does the Surge in M-banking Transaction Volume Impact Service Quality: A customer-centric approach” at Financial Markets and Corporate Governance conference held at Monash University, Malaysia on 2-4 April, 2024.
- b) Presented paper entitled “Synergizing financial socialization with fintech: A conceptual framework for promoting financial planning” at TIES International Conference held at VES Institute of Management and Research, Mumbai on 2-6 April, 2024.
- c) Presented paper entitled “Understanding the Financial Planning Behaviour of Working Adults Based on Time Perspective: A Segmentation Approach” at Management Education and Research Colloquium (MERC), IIM Kashipur on 19-21 May, 2023
- d) Presented paper entitled “Role of Social Enterprises in promotion of Circular Economy” at International Conference on Business, Economics and Sustainable Development (ICBESD) held at NISM Mumbai on 2-3 March, 2020.

C. Workshops

- a) IIM Kozhikode – FDP on Advanced Data Academic Research and Analysis (January 2022 – February 2023) – Executive Alumni
- b) NITIE Mumbai – Online certification Course on Social Network Analysis (12 January 2022 – 2 March, 2022)
- c) NIT Calicut – FDP on Qualitative and Mixed Methods Research (March 2023)
- d) NIT Calicut – FDP on Data Driven Decision Making (3-8 August 2021)
- e) SWAYAM Course – Data Analysis for Social Science Teachers (2020)

Further, the student has passed the following courses towards fulfilment of the coursework requirement for PhD:

Sr. No.	Course Code	Name	Credits	Pass / Fail
1	EG825	Academic Writing for Doctoral Students	4	Pass
2	PH101	Statistics for research	3	Pass
3	PH102	Research Methodology – I	3	Pass
4	PH104	Research Methodology – II	3	Pass

Research Supervisor

(Prof. P. Jyothi)

Dean, School of Management Studies

(Prof. Mary Jessica)

DEDICATION

A special tribute is dedicated to my late grandfather, whose incredible journey from a humble handloom weaver to a respected municipal administrator shows the transformative power of education. His vision of prioritizing education for our family has grown into a magnificent tree, providing lasting shade and fruits for generations to come. Though we deeply feel his absence today, he would have been immensely proud to see the first PhD recipient in our family.

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Radnyi

ABSTRACT

The primary objective of this study is to explore the elaborate relationship between various socialization agents, financial self-efficacy, financial knowledge, time perspectives, and financial planning propensity among working adults. Employing a comprehensive theoretical framework that integrates theories such as financial socialization, social cognitive theory, and theory of planned behaviour, this study uncovers the multi-layered dynamics that influence individuals' financial behaviours. The data was collected via an online survey, yielding 697 responses. Out of these, 542 responses were analysed for demographics using SPSS and for structural equation modelling using AMOS. The findings reveal that while parental influence and workplace colleagues exert limited effects, media plays a significant role in augmenting financial self-efficacy and knowledge, thereby positively influencing financial planning propensity. Conversely, the financial socialisation occurring through friend's have a negative influence on one's financial self-efficacy. Additionally, the research highlights the positive mediating role of media and the negative mediating roles of financial self-efficacy and financial knowledge in the relationship between socialization factors and the propensity for financial planning. The findings also highlight that present fatalist time perspective significantly influence the interplay between financial self-efficacy and financial planning propensity. In terms of implications, the study suggests that integrating social interactions with financial literacy initiatives can enhance individuals' financial decision-making. Furthermore, interventions should focus on psychological factors, interpersonal skills, and the cultivation of positive attitudes towards money. The study underscores the importance of parental involvement in financial education programs and advocates for family-oriented initiatives that address the unique financial challenges faced by different segments of society.

Keywords: financial socialisation, financial knowledge, financial self-efficacy, time perspective, financial planning

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LIST OF ABBREVIATIONS

AGFI	Adjusted Goodness of Fit Index
AMOS	Analysis of Moment Structure
ANOVA	Analysis of Variance
AVE	Average Variance Extracted
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CMB	Common Method Bias
CR	Critical Ratio
EFA	Exploratory Factor Analysis
FP	Financial Planning Propensity
FS	Friend's Influence
FSE	Financial Self-Efficacy
GFI	Goodness of Fit Index
IRDAI	Insurance Regulatory and Development Authority of India
KMO	Kaiser-Meyer-Olkin
LLCI	Lower Limit Confidence Interval
MI	Media Influence
MLE	Maximum Likelihood Estimation
NCFE	National Centre for Financial Education
NFI	Normed Fit Index
OECD/INFE	Organisation for Economic Co-operation and Development/International Network on Financial Education
OFK	Objective Financial Knowledge

PFRDA	Pension Fund Regulatory and Development Authority
PS	Parental Socialisation
RMSEA	Root Mean Square Error of Approximation
SCT	Social Cognitive Theory
SE	Standard Error
SEBI	Securities and Exchange Board of India
SEM	Structural Equation Modelling
SPSS	Statistical Package for Social Sciences
TLI	Tucker-Lewis Index
TPB	Theory of Planned Behaviour
TPF	Future Time Perspective
TPPF	Present Fatalist Time Perspective
TPPH	Present Hedonist Time Perspective
ULCI	Upper Limit Confidence Interval
USA	United States of America
WS	Workplace Colleagues Influence

CHAPTER 1

INTRODUCTION

The central concepts of the thesis, namely “Financial Socialisation” and “Financial Planning”, are presented in this chapter. It provides a comprehensive background of the emergence of these concepts, considering their potential novelty in the literature. Additionally, the chapter situates the study within a broader framework of personal finance literature, highlighting the motivation behind conducting this research. Furthermore, it outlines the contributions and presents the study’s overview.

1.1 Background of the study

“Personal finance is 80% behaviour and 20% head knowledge.

Turns out my financial problems were a heart problem,

not a math problem.” – Dave Ramsey (Personal finance expert)

The personal finance domain has focused primarily on addressing the “why” and “how” of financial decisions, as they are central to financial security and well-being (Lyons & Kass-Hanna, 2022). For instance, a financial advisor may help a client understand why creating a budget is essential and how to track their expenses effectively in order to reach their financial goals. Personal finance, as an interdisciplinary domain, draws its foundation from economics, psychology, finance, family studies, and sociology (Grable & Chatterjee, 2022; Hira, 2009; Schuchardt et al., 2007). In a broader context, personal finance is grounded in economics, advocating the rationality of human beings (J. Hirshleifer, 1965; Markowitz, 1952; Sargent, 1987; Sharpe, 1964). However, recent literature on personal finance is predominantly aligned with psychology and economics (Kahneman & Tversky, 1979; Thaler, 1980).

Traditional finance theories emphasize that financial decisions should be made rationally, with individuals evaluating the costs and benefits of their available options (Statman, 1995). Gary Becker's rational choice theory builds on this concept, suggesting that people engage in utility-maximizing behaviour based on their preferences, generally in an unemotional and logical manner. This notion supports the traditional view that people make financial decisions in a structured way. Individuals tend to make "rational" choices as long as they are cognizant of the full consequences of their choices. The assumptions of this theory are based on unrealistic features such as unbounded selfishness, unbounded willpower, and unbounded rationality. Unbounded selfishness and willpower imply that people have enough self-control and willpower to control impulse decisions and make decisions only for their well-being. Unbounded rationality refers to the unlimited capability of humans to process information and solve complex problems. As per this theory, humans are rational agents, also referred to as *Homo economicus*, who focus on utility maximization (Becker, 1976).

Nevertheless, several anomalies were observed when the traditional theories were tested in real-world settings. The assumptions of rational theories were refuted in the actual context, as people often lack willpower and self-control and exhibit actions based on social preferences that are not innately selfish (O'Donoghue & Rabin, 1999). For instance, a study found that individuals often make irrational decisions when faced with tempting choices, such as opting for immediate gratification over long-term benefits (Fehr, 2002). This instance demonstrates how human behaviour deviates from the rationality assumed by traditional economic theories. These deviations from the standard or traditional theories led to the emergence of alternative explanations for actual behaviour, known as behavioural economics or finance. Behavioural finance, an allied field of behavioural economics, studies the social, psychological, cognitive, and emotional effects on an individual's financial and economic decisions. While traditional finance answers how people should ideally behave, behavioural

finance seeks to understand how people actually behave (Lyons & Kass-Hanna, 2022; Ozmete & Hira, 2011; Statman, 1995).

In behavioural finance, deviations from rationality are often considered biases or flaws. These cognitive biases emerge from people's reliance on heuristics in uncertainty, emotions, and affective influences (Fairchild, 2012; Haselton et al., 2015). For instance, within the realm of behavioural economics, a study was conducted to investigate how individuals' investment decisions are influenced by their emotions rather than rational reasoning, wherein fear or overconfidence can lead to buying or selling stocks at the wrong time, ultimately impacting their financial outcomes (Shefrin, 2002) — likewise, psychological motives such as safety and security needs, greed, and fear bias individual preferences. Thus, in uncertainty, judgment becomes less rational and more subjective depending on people's preferences (Pompian, 2006). Consequently, people's beliefs and choices can lead to biased decisions (Shefrin, 2002). Also, biases have been integral to decision-making, allowing a person to understand their environment and ensure their well-being (Cummins & Nistico, 2002).

Bias may also arise from the abundance of available information, a consequence of the proliferation of communication and information technologies, which have amplified the volume of information accessible to consumers. Information can now be produced, distributed, and retrieved more rapidly, with greater user-friendliness, and at a lower cost compared to the past (Johnson, 2001). Consequently, individuals are now inundated with information, which presents them with a plethora of choices to evaluate while making decisions. Exposure to excess information can overwhelm individuals, leading to difficulties in processing a significant amount of information due to their limited cognitive capacity (J. R. Agnew & Szykman, 2005). This excessive load can strain an individual's ability to process information, leading to increased anxiety, difficulties in remembering, and compromised decision-making

skills (Waddington, 2003). Hence, individuals often use heuristics to process information to avoid these adverse outcomes.

In simple terms, heuristics are basic and effective rules that people learn or develop over time. For example, heuristics are like mental shortcuts that individuals use to simplify complex financial situations, making decision-making more efficient and less overwhelming (Shah & Oppenheimer, 2008). In many instances, individuals face challenges in effectively evaluating and making informed decisions regarding their financial matters due to limited knowledge and expertise. This incapability often leads to higher costs when searching for information and a greater cognitive load when processing self-learned information. One of the ways in which individuals tend to reduce search costs is by relying on information gained through social interactions (Chung & Park, 2019).

Within the realm of personal finance, social interactions involve direct or indirect engagement with others, influencing financial learning and behaviours. Such interactions can influence individuals' financial decisions and behaviours in positive or negative ways (LeBaron & Kelley, 2021). Hence, the social environment significantly influences one's financial education and financial planning behaviour.

1.2 Introduction to the study

The attainment of financial well-being is a critical factor in achieving life goals and contributes significantly to individual productivity, organizational effectiveness, and broader economic health. Financial well-being is not merely an indicator of personal success; it underpins the foundations of a robust workforce and fosters a resilient economy (Diener, 2000; Netemeyer et al., 2018). Successful financial outcomes are often attributed to an individual's propensity to plan, which serves as an indicator of their money management skills and financial capability (Ameriks et al., 2003; Lusardi & Mitchell, 2011; Lynch et al., 2010; Scholz et al., 2007). Individuals who invest more time in creating financial plans, as indicated by their higher

propensity to plan, have been shown in previous studies to experience a positive association with various aspects of financial well-being, such as growth in savings rate, financial security, and long-term wealth accumulation (Fan & Park, 2021; S. T. Lee & Kim, 2020; Xiao & O'Neill, 2018).

Managing a household budget involves a variety of crucial decisions, from spending on food and shopping preferences to making significant financial choices like mortgages, rentals, investments, retirement plans, and education. Missteps in these areas can have long-term consequences, often due to a lack of financial knowledge (Estelami, 2014). This deficiency in financial literacy can hinder individuals from achieving their savings goals and attaining financial security (Schuchardt et al., 2007).

These financial challenges are particularly significant in light of the recent proliferation of development initiatives that have created a more favourable economic environment, enabling individuals to achieve a satisfactory standard of living (Falahati & Sabri, 2015). While previous generations had a limited understanding of the significance of financial planning, people have started to realise its importance due to increased access to information and changing socio-economic conditions. The global economic downturn, declining saving rates, and rising healthcare costs underscore the necessity of effective financial management for financial well-being (Kaur et al., 2023; Nanda & Banerjee, 2021).

Nevertheless, according to a 2020 survey conducted by the OECD/INFE (Organisation for Economic Co-operation and Development, 2020), only 48.8 percent of adults have a formal financial plan. Similarly, in India, the Life Goals Preparedness Survey 2023 indicated that despite a rise in the aspirations of Indians, only 40 percent of individuals have financial plans in place (Team MintGenie, 2023). This lower score suggests that many individuals, especially in India, are not actively engaging in financial planning, which suggests that immediate financial requirements are prioritised over long-term planning.

While there is growing recognition among Indians regarding the importance of retirement and overall financial planning, there appears to be a lack of a cohesive approach. This gap can be understood from other survey findings, such as The India Retirement Index Study (IRIS), conducted in 2023, which revealed that one-third of respondents expressed concern about depleting their savings prior to retirement. Furthermore, a substantial majority, comprising 90 percent of participants, expressed a desire to have initiated financial planning at an earlier stage (Max Life Insurance, 2023). Also, the India Retirement Readiness Survey of 2023 underscored that 38 percent of the surveyed population expressed apprehension regarding the absence of alternative income sources, highlighting the critical need for diverse income streams to support retirement expenses. Moreover, a noteworthy observation was the limited engagement of respondents with registered investment advisors, as only 10 percent reported seeking their services (PGIM, 2023).

In this context, literature underscores prevalent issues in personal finance, wherein individuals frequently accrue debt (Frigerio et al., 2020; Gardarsdóttir & Dittmar, 2012), maintain inadequate savings (Garon, 2011; Koonce et al., 2008), and make suboptimal investment choices, often stemming from a lack of financial knowledge or cognitive biases (Akçay & Hirshleifer, 2020; Han et al., 2019; Sahi, 2017). Past research has mainly focused on recognising the key factors that influence financial behaviour (Farrell et al., 2016; Hira, 2012; J. Kim et al., 2003; Loibl et al., 2021). In the nascent stages of this research domain, emphasis was placed on the role of financial literacy as a principal driver (Agarwalla et al., 2015; Alhenawi & Elkhail, 2013; Chen et al., 2006; Koonce et al., 2008; Lusardi & Mitchell, 2011; Xiao & Porto, 2017). However, there were conflicting findings: some studies showed a strong link between financial literacy and behaviour, while others suggested it was relatively unimportant (Huston, 2010; J. J. M. Lee & Kim, 2020; Utkarsh et al., 2020).

Subsequently, researchers redirected their focus towards an array of factors encompassing social (Gudmunson et al., 2016; Gudmunson & Danes, 2011), psychological (Farrell et al., 2016; Jariwala, 2022), and cognitive dimensions (Cole & Shastry, 2009; Topa et al., 2018). Recent studies have revealed the importance of social interaction in crucial financial decisions and developing financial knowledge concerning savings (Boto-García et al., 2022; Webley & Nyhus, 2013), stock market trading (Gao et al., 2019; Hong et al., 2004; Niu et al., 2020), investment (Hira et al., 2013; D. Hirshleifer et al., 2023; Rantala, 2019), and retirement planning (Hoffmann & Plotkina, 2020; Palaci et al., 2017; Topa & Alcover, 2015). Individuals with stronger and larger social networks can reduce the effort and time they spend searching for information as they perceive that they can access crucial information with the help of their network (Chung & Park, 2019). Similarly, social interaction and peer consensus have been found to shape influential heuristics (Hoffmann & Plotkina, 2020).

Existing literature in personal finance has shown that financial socialisation from various sources, including parents, peers, media, and schools, have a substantial impact on financial attitudes, self-efficacy, literacy, behaviour, and satisfaction (Deenanath et al., 2019; Jariwala, 2022; LeBaron & Kelley, 2021). The present study aims to contribute to the financial planning industry by evaluating the factors that influence an individual's inclination to plan and recognizing parents, peers, workplace colleagues, friends, and media as crucial influences on an individual's financial management behaviour. While previous studies have highlighted family socialisation as a critical source of financial knowledge (Deenanath et al., 2019; J. Kim et al., 2011; J. Lee & Mortimer, 2009; Zhao & Zhang, 2020), This study contributes to the current body of research by investigating the effects of different sources of socialisation, which has received limited attention in previous research.

By probing the influence of various socialisation sources on financial planning behaviour, this study seeks to provide a more comprehensive understanding of the social actors

that shape individuals' financial management habits. This research can provide valuable insights for financial educators and planners seeking to improve individuals' financial knowledge and decision-making abilities.

1.3 Broad Research Area

Financial behaviour encompasses a broad spectrum of behaviours pertaining to the management and planning of money, such as expenditure, savings, investments, borrowing, and insurance (Xiao, 2008). Financial behaviours, i.e., engaging in financial planning and other methods for managing money, have a direct or indirect relation with one's financial well-being or satisfaction (Joo & Grable, 2004). Increasing individuals' financial behaviour can result in increased financial stability and overall well-being. By developing positive financial habits, individuals can work towards achieving personal financial goals and feeling financially secure about their future.

Numerous psychological factors have an influence on financial behaviour, which is a crucial factor in determining financial well-being (Nanda & Banerjee, 2021; Saurabh & Nandan, 2018; She et al., 2021). These factors include attitudes towards money (Utkarsh et al., 2020), risk tolerance (Bapat, 2020; Ryack & Sheikh, 2016), and self-control (Sabri et al., 2023; Ullah & Yusheng, 2020). Understanding these psychological factors helps individuals make informed financial decisions and improve their overall financial well-being. Ultimately, taking steps to enhance financial behaviour can lead to greater financial satisfaction and autonomy (Serido et al., 2013; Xiao & Porto, 2017). Moreover, inadequate financial behaviour is directly linked to a decline in financial well-being (J. Kim et al., 2003). For example, an individual may exhibit positive financial behaviour by creating a budget, regularly contributing to a retirement account, and avoiding unnecessary debt. In contrast, someone displaying negative financial behaviour may overspend, fail to save for emergencies, and take out high-interest loans.

The significance of money management and financial planning practices has notably increased in many households and individuals due to the complexities of modern financial systems and the rising cost of living (Goyal et al., 2021). One crucial and early factor that significantly shapes financial behaviour is the process of financial socialisation, which involves interactions with various sources of information such as parents, friends, peers, social networks, finance professionals, and advisors (Gudmunson et al., 2016). These are vital sources through which individuals gain financial knowledge and develop financial attitudes like saving habits, investment strategies, and understanding of financial management practices (Allen et al., 2006; Kidwell et al., 2003).

1.3.1 Concept of Financial Planning

Financial planning, a subset of financial behaviour, is a process in which an individual sets and achieves financial goals through systematic management of finances. The process involves assessing the individual's current financial condition, identifying their financial goals (e.g., saving for a house, education, retirement, emergencies), and creating a detailed plan to achieve those goals (Altfest, 2004). It takes into account specific components such as saving, budgeting, investing, insurance planning, retirement planning, tax planning, and estate planning.

From a financial planner's perspective, Warschauer (2002) gives a comprehensive definition, "Financial Planning is the process that takes into account the client's personality, financial status and the socio-economic and legal environments and leads to the adoption of strategies and use of financial tools that are expected to aid in achieving the client's financial goals."

The core principle of financial planning is to align expenses, income, assets, and liabilities to maximize one's financial growth, security, and well-being. It encompasses making well-informed decisions about resource allocation, risk management, and improving financial outcomes. Financial planning aims to create a comprehensive strategy considering individual

constraints, circumstances, and aspirations. It assists them in making the best decisions, prioritizing financial goals, and taking the necessary steps to achieve them. It also includes regular reviews and plan adjustments based on situations, market conditions, and personal goals (Albrecht et al., 2014; Bogan et al., 2020; Sin et al., 2019).

Successful financial planning involves the effective management of one's financial resources to achieve financial goals and improve overall financial well-being (Lusardi & Mitchell, 2011). It begins with setting clear objectives, like buying a home, funding education, or saving for retirement, and requires developing a detailed plan to reach those targets (Sin et al., 2019). Successful financial planning is subjective and can vary according to individual goals, priorities and circumstances.

A robust financial plan fosters stability and security through effective risk management, insurance, emergency funds, and retirement planning (Tomar et al., 2021). Central to this is cash flow management, which involves budgeting, tracking expenses, and allocating funds to meet both immediate and long-term needs (Kumar, Rani, Rani, & Rani, 2023).

Debt management is another critical element, with strategies to reduce and manage debt, prioritize repayments, and consider consolidation (Loibl et al., 2021). Asset allocation and investment planning are crucial, focusing on creating a diversified portfolio that suits individual risk tolerance and financial goals, along with regular reviews and adjustments (Lu & Tang, 2019).

Finally, successful financial planning requires continuous monitoring and adaptation, ensuring the plan remains effective as personal and market conditions change (S. T. Lee & Kim, 2020). This regular evaluation keeps financial goals on track and allows for necessary adjustments over time.

1.3.2 Progression of Financial Planning Landscape in India

The concept of financial planning has deep roots in human civilization, with evidence of resource allocation dating back to ancient times. Initially, the focus was on ensuring the availability of essentials like food, shelter, and clothing. As societies progressed, particularly with the rise of trade, the need for more sophisticated financial management became apparent. The Industrial Revolution marked a significant shift as resource planning and allocation expanded to include financial management, investment, and actuarial skills. This era also saw individuals becoming part owners in private companies through shareholding (Cull, 2009).

In India, liberalization in the 1990s brought about rapid economic growth and created a surge of new opportunities. With more funds, new businesses and employment prospects, the standard of living improved (Sahi, 2013). Consequently, individuals developed a greater awareness regarding the necessity of making investments and saving for the future. The subsequent decade saw a growing middle class, fuelled by urbanization and rising incomes. This growth led to a greater focus on financial planning, driven by higher disposable incomes and changing family structures (Grohmann, 2018) – from joint to nuclear families – which required individuals to secure their financial well-being.

Significant financial crises, such as the bursting of the dot-com boom and the global economic downturn of 2008, marked the early 2000s. These events emphasised the criticality of risk management and the need for portfolio diversification (van Raaij, 2016). Such instances underscored the need for individuals to take a more strategic approach to their finances. Additionally, the Indian government launched various programs to promote financial awareness and inclusion, such as Pradhan Mantri Vaya Vandana Yojana, Atal Pension Yojana, and Pradhan Mantri Jan Dhan Yojana (Ramadorai et al., 2017; Somville & Vandewalle, 2018). Such initiatives aimed to increase financial literacy and encourage better financial planning practices.

India has a robust and comprehensive range of financial education efforts that are designed to bolster financial literacy among its citizens. In 2017, the Reserve Bank of India (RBI) initiated a general awareness campaign, "RBI Kehta Hai" ("RBI Says"), to spread financial education in 13 different languages and through various media outlets (NCFE, n.d.-e). Recently, in 2023, Financial Literacy Week focused on promoting their campaign "Good Financial Behaviour - Your Saviour" (RBI, n.d.).

The National Centre for Financial Education (NCFE) was also established to advance financial education in India. The NCFE leads the charge with programs like the "Financial Education Training Programme (FETP)", "Money Smart School Programme (MSSP)", "Financial Awareness and Consumer Training (FACT)", and the "Financial Education Programme for Adults (FEPA)", which offer workshops to promote financial education (NCFE, n.d.-b).

The Securities and Exchange Board of India (SEBI) has also undertaken significant efforts to boost financial awareness. Their Financial Education through Resource Persons Programme trains and empanels resource persons across districts to conduct free workshops on basic financial concepts like banking, insurance, pensions, and investments, with an emphasis on five target groups: homemakers, self-help groups, executives, middle-income groups, and retired personnel. SEBI further supports financial education through visits to the SEBI by students, distribution of booklets, and sector-specific initiatives such as investor awareness programs and regional seminars (NCFE, n.d.-d). For public awareness, various campaigns are conducted across different channels. Television and radio programs broadcast information on financial rights and dispute resolution, while print media carries sustained campaigns in multiple languages, warning against spurious callers and fictitious offers. Their social media campaigns leverage platforms like YouTube, Facebook, and Twitter to disseminate financial education and dedicated websites are launched to reach a wider audience.

The Pension Fund Regulatory and Development Authority (PFRDA) has launched “Pension Sanchay”, a website dedicated to promoting financial literacy from the viewpoint of retirement planning. It covers key concepts such as interest rates, compounding, inflation, and risk diversification, along with a blog section providing insights into finance and investment. PFRDA also conducts subscriber awareness programs across India, and training agencies are empanelled to create awareness around the National Pension System (NPS) and Atal Pension Yojana (APY) (NCFE, n.d.-c).

The Insurance Regulatory and Development Authority of India (IRDAI) has implemented a range of financial literacy initiatives to promote consumer awareness about insurance. It has developed educational content, including brochures, a Policyholder Handbook, and a comic book series in 12 vernacular languages. Seminars and quiz programs are organized to engage insurance intermediaries and public stakeholders. To address consumer concerns, IRDAI set up the “Integrated Grievance Management System (IGMS)”, a central repository for insurance-related grievances. Additionally, IRDAI collaborates with the National Council of Applied Economic Research (NCAER) to conduct pan-India surveys to measure insurance awareness and conduct research to safeguard policyholders’ interests (NCFE, n.d.-a). These initiatives represent a comprehensive approach to enhancing financial literacy and awareness across India, reflecting the efforts of various governmental bodies, financial institutions, and media outlets to educate the public about financial planning and security.

As financial products become more complex, with the introduction of mutual funds, tax-saving instruments, and insurance policies (Gough & Nurullah, 2009), there is a growing need for professional financial guidance. This evolving landscape has made financial planning increasingly critical in helping individuals make informed decisions.

1.3.3 Significance of Financial Planning

Financial planning is a crucial process that has significant implications for individuals, families, and society. At the individual level, it empowers people to set and prioritize financial goals, leading to greater financial security and well-being (Rahman et al., 2021). These goals can range from buying a home and planning for retirement to financing education or starting a business. Through the creation of a budget, the accumulation of savings, prudent investment decisions, and effective debt management, individuals can alleviate financial strain and enhance their life quality (Bird et al., 2014; Sinnewe & Nicholson, 2023). Effective financial planning fosters wealth creation through judicious investment decisions, asset accumulation, and portfolio diversification (Ameriks et al., 2003; van Rooij et al., 2012; Von Gaudecker, 2015).

Additionally, financial planning provides security through insurance, retirement planning, estate planning, and emergency funds, protecting families from unforeseen events and ensuring the preservation of wealth (Iramani & Lutfi, 2021; K. T. Kim & Lee, 2020). On a broader scale, financial planning supports economic growth by encouraging savings and investment, which fuels business expansion, employment, and infrastructure development (Gidigbi & Donga, 2020; Ribaj & Mexhuani, 2021), which contributes to a higher standard of living and a robust economy.

Moreover, effective financial planning reduces reliance on social welfare by promoting financial independence. It also aligns individual financial goals with charitable endeavours and community development, enabling a positive impact on society.

1.3.4 Nature of Financial Planning at Different Life Stages

Financial planning as a process has diverse features and priorities at various stages of life in terms of age (Bogan et al., 2020).

Stage 1: Young adults (20s to early 30s)

In this stage, individuals usually focus on building a strong financial foundation. The priorities may be handling student loans, starting retirement savings, setting an emergency fund, and considering setting financial objectives. Typically, young adults have more risk tolerance as they are considered risk-takers due to fewer responsibilities (Ryack & Sheikh, 2016). However, they may also consider insurance planning in terms of term and health insurance. Financial planning in this stage is characterised by debt management, budgeting and creating good financial habits (Chieffe & Rakes, 1999).

Stage 2: Middle-age Adults (mid-30s and mid-50s)

Individuals are likely to have several financial responsibilities during this stage. At this stage, middle-aged adults save for children's education, mortgage payments, prepare for future healthcare expenses, and increase retirement savings. Revisiting and adjusting their investment strategies according to risk tolerance and changing goals is also necessary. They need to consider health insurance for the long term and estate planning to plan their future and protect their assets (Chieffe & Rakes, 1999).

Stage 3: Pre-retirees (Late 50s to early 60s)

As individuals approach retirement age, they evaluate their retirement readiness and make retirement arrangements. Financial planning may include calculating retirement income needs, re-evaluating investment portfolios, and tax-efficient withdrawal strategies. During this stage, it is favourable to explore health coverage options and long-term care planning (van Raaij, 2016).

Stage 4: Retirees (60s and beyond)

In the retirement stage, the focus of financial planning shifts towards managing retirement income, preserving the wealth created, and remaining financially secure. Essential considerations include retirement withdrawal management, budgeting, directing healthcare

costs and ensuring estate planning is according to the objectives (Tomar et al., 2021; Topa & Alcover, 2015).

Financial planning stages are subjective and presented in a generalized manner, as individual circumstances may vary. A financial plan should be designed according to personal priorities, financial and life goals, and peculiar circumstances.

1.4 Financial Socialisation: An Overview

Socialisation is a systematic acquisition of knowledge, skills, and values that enable individuals to actively engage as members of a certain group and community (Moschis & Churchill, 1978). The process commences in childhood and endures throughout life to some extent. When the concept is applied to consumer behaviour, it is called consumer socialisation. It is the process by which young individuals “acquire skills, knowledge and attitudes relevant to their functioning in the marketplace” (Ward, 1974).

Consumer Socialisation theory serves as the base for financial socialisation. Financial socialisation is “much more inclusive than learning to effectively function in the marketplace. It is the process of acquiring and developing values, attitudes, standards, norms, knowledge and behaviours that contribute to the financial viability and well-being of the individual” (Danes, 1994). Studies have shown that parents, schools, peers, and media are key consumer socialisation agents. Financial socialisation was identified as an antecedent to financial attitudes, influencing financial behaviours (Gudmunson & Danes, 2011). This favourable financial attitude develops confidence in the individuals regarding their finances.

1.5 Other Key Concepts under Study

Financial Knowledge: Financial knowledge is the understanding and awareness of financial concepts and procedures and the utilisation of this understanding to solve financial problems. Financial knowledge is one of the predominant factors in responsible

financial behaviour (Goyal et al., 2021). Individuals process and analyse the information they gather from various sources (Huston, 2010) to manage money effectively (Lusardi & Mitchell, 2011).

Financial self-efficacy: In behavioural studies, the term self-efficacy often refers to a person's feeling of self-agency, which is demonstrated by their confidence in their ability to complete a task and, more broadly, deal with life's obstacles (Bandura, 2006; Farrell et al., 2016; Gecas, 1989). According to Forbes and Kara (2010), financial self-efficacy is a person's belief in their ability to achieve financial goals. Financial self-efficacy is a very influential variable, as confidence in one's abilities will only push one to be more responsible (Hoffmann & Plotkina, 2020, 2021).

Time perspective: Zimbardo and Boyd (1999) refer to time perspective as "the often-nonconscious process whereby the continual flows of personal and social experiences are assigned to temporal categories, or time frames, that help to give order, coherence, and meaning to those events". It refers to "how a person's perspective of time, including the past, present, and future, influences their decision-making and choices".

Financial planning propensity: The planning propensity can be defined as a tendency to plan in order to fulfil long-term financial goals. An individual's planning propensity is a money management skill and financial capability indicator. Individuals with a higher propensity spend more time creating financial plans (Ameriks et al., 2003).

1.6 Motivation for the Study

During the pandemic, the socio-economic conditions underwent significant changes along with the public health situation. The implementation of countrywide lockdowns and restrictions on public movement resulted in increased social interactions and the exchange of information through personal interactions and various media forms. As a result of this amplified virtual

interaction, attitudes towards physical health and financial well-being underwent a paradigm shift, with social cues significantly influencing household and personal finance decisions.

The Financial Freedom Survey 2022, conducted by Scripbox with over 1,400 respondents, revealed evolving trends in financial planning, with increased awareness of long-term investments. Despite this, 80% of respondents were unsure about their post-retirement financial plans, with many not saving for retirement until after age 30. The survey also showed that merely 32% of respondents were taking financial planning more seriously post-pandemic, focusing on achieving long-term financial goals (Livemint, 2022). This data underscores the importance of professional advice in fostering confidence in personal financial management.

Similarly, the pandemic prompted people to reassess their financial goals, often amidst an overload of information. As financial decision-making grew more complex, individuals faced difficulties processing this excess information due to limited cognitive capacity, leading to stress, reduced memory retention, and potentially poor decision-making (Agnew & Szykman, 2005; Waddington, 2003). This overload compelled many to adopt heuristics to manage their financial information, often turning to social interactions to streamline their decision-making processes (Chung & Park, 2019).

In 2021, a survey by Groww, an Indian investment platform, indicated that young Indians began prioritizing wealth creation, financial security, and retirement planning. Friends and colleagues were identified as the most significant influences on their investment decisions, whereas family members and investment advisors played minor roles. The same survey exposed a considerable gap in financial knowledge and highlighted a low-risk appetite among many participants (Financial Express, 2021).

Given these findings, the focus of this study is to explore whether the changing dynamics of social interaction promote positive financial behaviours. It seeks to identify the key socialisation agents that encourage effective financial planning and discern the impact of

increased social interaction on individuals' approach to managing their finances. By understanding these trends, the study hopes to offer insights into how individuals can make more informed financial decisions in an increasingly complex environment.

1.7 Problem Statement

Prior research has highlighted the impact of socialisation through parents, peers, and the media as significant sources of financial literacy and knowledge. However, there is a lack of sufficient empirical studies that have investigated the influence of different socialisation agents on an individual's inclination to plan. While family socialisation's impact on financial knowledge is well-studied, the influence of other agents on a working adult's preparedness for financial planning remains underexplored.

Furthermore, previous studies have concentrated on the association between financial knowledge and financial planning in young adults, with insufficient investigation into how financial knowledge mediates an individual's inclination to plan. Further investigation is essential to address this gap by exploring the role of various socialisation agents beyond family in shaping individuals' attitudes towards financial planning. Understanding how different sources of financial knowledge influence a person's propensity to engage in financial planning can offer valuable insights for policymakers and financial educators seeking to improve financial literacy among working adults. Examining the role of financial knowledge and self-efficacy in the connection between socialisation agents and an individual's willingness to participate in financial planning is of utmost importance.

Additionally, most studies on financial planning have concentrated on young adults, neglecting other age groups and employed individuals. Such a limited focus hinders a thorough comprehension of financial planning behaviours within various demographic categories. Thus, this study aims to investigate how socialisation agents influence an individual's inclination to plan, taking into account the mediating role of financial knowledge and self-efficacy as well as

the moderating influence of time perspective. Moreover, the research aims to enhance the comprehension of financial planning behaviours by examining the behaviour of working adults across different age groups. It is essential to assess the financial behaviours of employed adults, who have stable incomes, as compared to those of unemployed college students. This study seeks to fill the research gaps by examining how socialisation agents influence the development of financial planning behaviours. The primary aim is to improve financial literacy and advocate for the adoption of effective planning strategies.

1.8 Research Questions

The present research inquiry seeks to answer the following research questions:

1. “What is the nature of the interplay among financial socialisation, financial self-efficacy, and financial knowledge among employed individuals?”
2. Can the influence of socialisation agents effectively augment an individual’s financial self-efficacy and knowledge, promoting financial planning engagement?
3. Does financial socialisation influence financial planning propensity, considering the roles of financial self-efficacy and knowledge?
4. Does an interaction effect exist between financial self-efficacy and time perspective factors in predicting an individual’s propensity for financial planning?”

1.9 Research Objectives

1.9.1 Broad Objective: The primary objective of this study is to investigate the factors that influence a person's financial planning propensity.

1.9.2 Specific Objectives

1. "To examine the dynamics of the relationship between financial socialisation, financial self-efficacy and financial knowledge among working professionals".
2. "To assess the impact of socialisation agents in enhancing an individual's financial self-efficacy and knowledge to encourage engagement in financial planning".
3. "To study the influence of financial socialisation on individuals' financial planning propensity, considering the sequential roles of financial self-efficacy and financial knowledge".
4. "To explore whether an interaction effect exists between financial self-efficacy and time perspective factors in predicting an individual's inclination toward financial planning."

1.10 Scope of the Study

The surge in scholarly literature, particularly in the field of financial socialisation and financial planning, underscores the relevance and timeliness of this study. This study explores the interconnected topics of financial socialisation and financial planning, which have garnered significant scholarly interest due to their substantial impact on individual financial behaviours and decision-making processes. This study aims to expand by examining how different factors of financial socialisation contribute to an individual's financial planning strategies. This study aims to provide an adequate comprehension of the intricate relationship between financial socialisation and planning by examining the specific processes through which these influences change financial behaviours. The study delivers a comprehensive analysis that will enhance

current understanding and provide significant insights for individuals, families, and financial institutions aiming to enhance their financial outcomes.

Contextual factors, key constructs, and underlying conceptual dimensions all play a role in defining the research scope, which in turn determines the study's boundaries and area of interest. The financial socialisation construct is elucidated through an examination of influential socialisation agents, including parental financial habits, peer group influences, workplace dynamics, and media exposure, showcasing how these factors mould individuals' approaches to financial planning. For example, parents may instil frugal saving habits in their children by encouraging regular savings, while exposure to advertisements through media platforms can stimulate impulsive spending tendencies. Notably, this study narrows its scope to employed individuals with full-time jobs, a departure from previous research that predominantly targeted younger demographics like students. Thus, this study offers a distinctive viewpoint focused on employed individuals with stable incomes, providing novel insights into the financial behaviours of this specific demographic.

1.11 Key Contributions of the Study

The advancement of literature or knowledge is achieved through a cumulative process, wherein new research builds upon the established foundation of preceding studies, enriching our comprehension and outlook. Therefore, it is essential to determine the contribution of a specific study to the current body of literature and practice, as well as its relevance to the readers, before exploring complex intricacies. Hence, the subsequent section offers a brief overview of the theoretical and practical advancements presented by this work, laying the foundation for a more comprehensive examination of its contributions.

1.11.1 Theoretical Contribution

This study explores financial planning behaviour using the theories of planned behaviour, financial socialisation theory, and social cognitive theory. It posits that individuals' intentions are influenced by their attitudes, subjective norms, perceived behavioural control, upbringing, and self-efficacy, providing insight into the factors influencing financial planning.

The research attempts to shed light on how individuals' confidence in their financial abilities and their understanding of financial concepts impact their planning behaviours. Thus, the study examines the mediating role of financial self-efficacy and knowledge and the moderating role of time perspective, as there is a dearth of literature that explains their relationship with socialisation and propensity to plan. Additionally, the study explores how time perspective influences the associations between financial self-efficacy and propensity to plan. Individuals who have a future-oriented time perspective are more inclined to engage in long-term financial planning. In contrast, those with a present-oriented perspective may struggle to save for the future. Ultimately, this research can lead to more effective financial planning strategies that take into account both the psychological and practical aspects of personal financial management.

1.11.2 Practical Application

The study delves into the realm of financial planning from the perspective of practitioners, providing valuable insights to assist financial planners, educators and policymakers in understanding the factors influencing financial decision-making beyond socio-economic aspects. Comprehending psychological and social impacts on financial behaviour can improve practitioners' capacity to meet diverse customer needs, preferences and formulate strategic client recommendations. Moreover, comprehending the impact of time perspective on financial planning might assist individuals in harmonising their objectives and priorities with their temporal orientation.

1.12 Organisation of the Thesis

Chapter 1 (Introduction): The first chapter provides an outline of the fundamental concepts of the thesis. The study commences by providing the background information, clearly stating the problem, defining the research goals, and specifying the scope of the investigation. Furthermore, the chapter furnishes insights into the theoretical and practical contributions the research aims to make, thus setting the stage for the ensuing investigation.

Chapter 2 (Literature Review): This chapter reviews the existing financial socialisation research, encompassing theoretical and empirical studies. The examination delves into the extensive literature on socialisation, tracing the evolution of the concept, defining its scope, and exploring various theoretical approaches adopted in this domain. Additionally, the chapter elucidates related concepts relevant to the study, including financial self-efficacy, financial knowledge, and time perspective, establishing the rationale for investigating these variables within the thesis. Moreover, it identifies and highlights research gaps uncovered through the literature review, paving the way for exploring unaddressed areas in the field of financial socialisation.

Chapter 3 (Theory and Hypotheses Development): This chapter explains the theoretical foundations that are used to address the research gaps that have been discovered. It explores relevant theories related to the study. Subsequently, it presents a research model wherein the conceptual framework illustrates the interconnections between financial socialisation variables, financial self-efficacy, financial knowledge, time perspective, and financial planning propensity. Drawing upon the research questions, the chapter formulates hypotheses to be empirically tested, guiding the investigation towards empirical validation and insights into the relationships among the examined variables.

Chapter 4 (Methodology): This chapter offers a thorough explanation of the research methodology used in this study. Initially, it elucidates the philosophical underpinnings,

encompassing the ontology, epistemology, methodological, and axiological assumptions that align the research questions and the chosen methodology. Following that, the chapter provides a detailed explanation of how all the factors being studied were put into practice, the sampling plan, the instruments used for research, the methods used for collecting data, and the tools used for analysing the data. Lastly, it provides a comprehensive account of the ethical guidelines followed throughout the research process.

Chapter 5 (Data Analysis and Results): This chapter outlines an overview of the statistical tools utilised in data analysis. Additionally, the chapter illustrates the findings of the statistical analysis and their interpretation.

Chapter 6 (Discussion and Conclusion): The final chapter presents a comprehensive analysis of the reported results. Further, it elucidates the implications for policymakers, financial educators, and finance professionals, as well as the study's limitations, and sets the direction for future research.

CHAPTER 2

LITERATURE REVIEW

This chapter reviews the existing literature on financial socialisation and related outcomes. Research gaps have been identified and discussed in detail based on the current literature.

2.1 The Concept of Financial Socialisation

The concept of financial socialisation has gathered considerable scholarly interest due to its relevance in understanding the scope of financial literacy and well-being. Recently, educators, researchers, and policymakers have directed their attention towards financial socialisation within the personal finance domain (Grable & Chatterjee, 2022; Guzman et al., 2019; Hira, 2009). It is essential to recognize that specific stages of human development, such as adolescence, adulthood, and retirement, are intricately linked to economic cycles, life transitions, and changes in societal policies, which significantly influence the mechanisms and outcomes of financial socialisation (Gudmunson & Danes, 2011). These factors shape individuals' financial attitudes and behaviours at critical points in their lives. This importance was emphasised at the “National Symposium on Financial Literacy and Education” held in the USA, recognizing the crucial role of financial socialisation for future research (Solheim et al., 2011). Thus, consistent efforts have been directed towards conceptualising financial socialisation (Danes, 1994; Ivan & Dickson, 2008; Ward, 1974).

Financial socialisation is a subset within the broader scope of human socialisation. It serves as the mechanism through which individuals engage within a communal or collective setting. Individuals with expertise in financial matters or leadership roles within a social group exert influence on less experienced members by sharing their knowledge and guiding them in financial decision-making processes. This influence aims to transmit prevalent social rules,

such as saving practices, attitudes like risk aversion, and social norms, thereby shaping the behavioural conduct and financial decision-making of individuals who are newer to the group (Gudmunson et al., 2016). In the case of financial matters, numerous social groups serve as conducive environments wherein the process of financial socialisation unfolds. These groups encompass but are not confined to, familial units, educational institutions, peer circles, professional workplaces, religious organisations, and racial or ethnic collectives. Although not exhaustive, these domains are significant for understanding the financial socialisation complexities (Gudmunson & Danes, 2011).

In the socialisation process, the mode of exchange, which is often communication, is the central aspect of the financial socialisation process, as it aids individuals in comprehending the structure, logic and functions of financial systems (Moschis et al., 1984). Thus, it implies that, ideally, all are financially socialised. Moreover, there is a common misconception about financial socialisation that it is an intentional act to develop the financial capability of a child. However, in reality, it is non-purposive and part of regular interaction patterns in the family and may not necessarily be goal-oriented in every social setting (Deenanath et al., 2019; Gudmunson & Danes, 2011).

Preliminary research indicates that family traits influence the manner in which discussions about money occur, leading to improved financial conduct (Mugenda et al., 1990). Furthermore, familial influence through open discussions and role modelling, i.e., both verbally and non-verbally, plays a critical role in shaping individuals' money attitudes, thereby impacting their financial well-being in the long term (Ivan & Dickson, 2008). While some beliefs or attitudes may be advantageous in specific social settings such as family or peer groups (Ivan & Dickson, 2008) yet, in some cases, this process might lead to detrimental attitudes, beliefs and behaviour in the larger economic contexts.

Literature has shown that financial socialisation acts as a key influencer that impacts financial decision-making and well-being in adulthood (LeBaron-Black, Curran, et al., 2023; Ullah & Yusheng, 2020). Financial socialisation is a lifelong process that begins in childhood and continues into early adulthood. During this process, children learn about consumer roles by observing their parents, instructors, peers, employment experiences, and media. Eventually, they develop a normative pattern of obtaining financial independence from their parents (J. Lee & Mortimer, 2009). For instance, the financial socialisation occurring during childhood positively relates to better financial practices, asset ownership (J. Kim & Chatterjee, 2013), retirement planning in adulthood (Palaci et al., 2017) and life satisfaction in later life (LeBaron-Black, Curran, et al., 2023). Moreover, a comprehensive understanding of the processes involved in financial socialisation and the development of attitudes, beliefs, and behaviours in children and adolescents is considered crucial for a successful transition into adulthood (J. Kim et al., 2011; J. Lee & Mortimer, 2009).

Scholars have explored the various factors that influence socialisation, such as literacy, standards, skills, attitudes, roles, beliefs, norms and values. Moreover, these factors and their preceding causes have developed and impacted the results of financial decision-making over time (Danes, 1994). Over time, financial socialisation has aided in contextualising financial decision-making and behaviour, complementing the prevailing literature to expand the understanding of the underlying mechanisms in personal finance (LeBaron & Kelley, 2021).

2.2 Financial Socialisation's Association with Economic and Consumer Socialisation

The concept of “financial socialisation” was first presented in a study that investigated how married couples from various age groups acquire financial products. The study established the presence of a phenomenon stated to be the “financial socialisation process” (Stafford et al., 1982). The phrases “financial socialisation”, “economic socialisation”, and “consumer socialisation” are sometimes used interchangeably, possibly due to the widespread use of “economic socialisation” and “consumer socialisation” in previous studies. However, it is essential to note that financial and consumer socialisation are subsets of economic socialisation, with financial socialisation closely related to economic socialisation (Alhabeeb, 1996, 2002; Stacey, 1983).

Stacey (1983) pointed out that the literature on consumer and economic socialisation in the twentieth century was influenced by research areas such as political socialisation. The author's examination of the economic socialisation literature encompassed various theories and approaches, including themes related to children's comprehension of money, economic disparities, ownership, and consumer socialisation. Additionally, Stacey (1983) highlighted that while economic socialisation typically begins in childhood, it can also take place during adulthood, especially in transitional life stages like work, marriage, and family. Along with Stacey (1983), Webley (1996, 2004) contributed to the study of economic socialisation by elucidating the economic perceptions of children as they remain financially reliant on their parents until a certain age. These studies shed light on how children acquire allowances and practice saving behaviours. Through the review of economic socialisation offered by Stacey and Webley, it is evident that investigating children's perspectives may or may not accurately reflect the dynamics of the economy.

Ward (1974) defines the concept of consumer socialisation as the “process through which young individuals acquire the skills, knowledge, and attitudes necessary for effective

participation as consumers within the marketplace”. This conceptual framework primarily pertains to the early stages of life. Subsequently, Moschis (1987), a student of marketing under Ward’s guidance, drew attention to the emergence of interest in consumer socialisation from a marketer’s viewpoint aiming to exploit children’s susceptibility to persuasive advertising, thereby potentially fostering unfavourable consumption patterns that persist into adulthood. Therefore, Moschis established the foundation for comprehending communication processes in consumer socialisation, acknowledging the importance of investigating how cognitive development and children’s social environment interact to shape consumer behaviour.

The examination of each form of socialisation underscores that consumer socialisation primarily concerns marketplace behaviour, especially purchasing activities (Moschis, 1987; Ward, 1974), while economic socialisation pertains to children’s comprehension of demand and supply dynamics and their understanding of how individuals socialise and manifest class distinctions (Stacey, 1983; Webley, 2004). On the other hand, while involving purchasing attitudes and behaviours, financial socialisation primarily centres on the sociocultural processes that individuals engage in when dealing with limited resources, evolving financial regulations, challenges in fulfilling needs and desires, and the prevalent availability of credit. This concept serves as a guiding framework for research endeavours to enhance financial literacy, competency, responsible financial conduct, and overall well-being within individual and societal contexts (Gudmunson et al., 2016).

2.3 Socio-demographic Factors and Financial Socialisation Process

Gender and socioeconomic status are widely studied socio-demographic aspects in the financial socialisation domain. Financial socialisation and literacy were found to be closely linked to one's socio-demographic background attributes like gender, age, parental education level, and family wealth (Silinskas et al., 2023).

Gender differences manifest prominently in the literature on financial socialisation, with studies demonstrating how cultural expectations influence financial behaviours differently for males and females, as evidenced in the research conducted by Tang et al. (2015) and Furrebøe et al. (2023). Clarke et al. (2005) found that white, higher-income college students often model financial tasks after fathers, who are considered the primary managers of household finances. Students whose mothers teach financial tasks reported increased confidence in performing financial tasks and practising them as young adults. Male students were more prepared to perform various tasks when modelled at home.

On the contrary, Garrison and Gutter (2010) reported that females have better opportunities for financial social learning than males. However, significant effects were not reported with respect to observing financial behaviours on risk-taking. Ameer and Khan (2020) reported that financial socialisation's influence on financial confidence is moderated by gender, with formal education in finance playing a significant role in improving financial confidence among women. The study suggests that gender-specific strategies may be necessary to improve financial literacy and behaviour.

Moreover, income and wealth are commonly recognised as the primary indicators used to assess an individual's socioeconomic status and social class, reflecting their financial resources and economic standing in society. Often, it has been observed that wealthy families have the ability to instil greater financial knowledge and skills among their children (Stacey, 1983). The financial pathways exhibited greater distinctiveness and a strong positive

correlation within the cohort of students from the higher social class (Newcomb & Rabow, 1999). Wealthy families' involvement with financial products and institutions provides their children with more opportunities to learn about finances compared to children from disadvantaged backgrounds (Sherraden et al., 2013). Moreover, the financial contentment of emerging adults may be foreseen by variables such as elevated socioeconomic status, positive parental financial habits, and the nature of their present financial associations (Damian et al., 2020). Further, Cho et al. (2012) discovered that childhood financial discussions positively impact adult financial planning and goal-setting, particularly among low- and moderate-income adults.

Lusardi et al. (2010) examined the relationship between parents' education level and their stock ownership and financial literacy. The findings suggest that families with higher socioeconomic status offer a conducive environment for positive financial socialisation. However, research on young adults indicated that individuals from families with greater net worth experienced fewer financial worries and possessed weaker money management skills, underscoring the substantial influence of parental wealth on financial concerns (J. Kim & Chatterjee, 2013). Likewise, parents with higher levels of education tend to employ more effective financial socialisation strategies, leading to enhanced financial literacy and overall well-being (Zhao & Zhang, 2020).

Furthermore, the prominence of racial and ethnic disparities highlights the impact of cultural backgrounds on financial socialisation practices within families, specifically for Black, Asian, and other minority groups (Li et al., 2021; White et al., 2021). Additionally, studies conducted in emerging economies, such as one in India, have revealed that socio-demographic factors such as age, education level, gender, occupation, and marital status influence individuals' financial well-being (Kumar, Rani, Rani, & Sarker, 2023). These studies also highlight the importance of various factors in promoting financial literacy, including socio-

demographic characteristics, parental influence, and attitudes towards financial planning (Mahapatra et al., 2017). Thus, culturally responsive financial education initiatives are crucial in recognizing and addressing the diverse needs and experiences of individuals from various racial and ethnic backgrounds, such as offering multilingual financial literacy workshops and culturally tailored financial coaching programs.

2.4 Theoretical Advances in Current Research

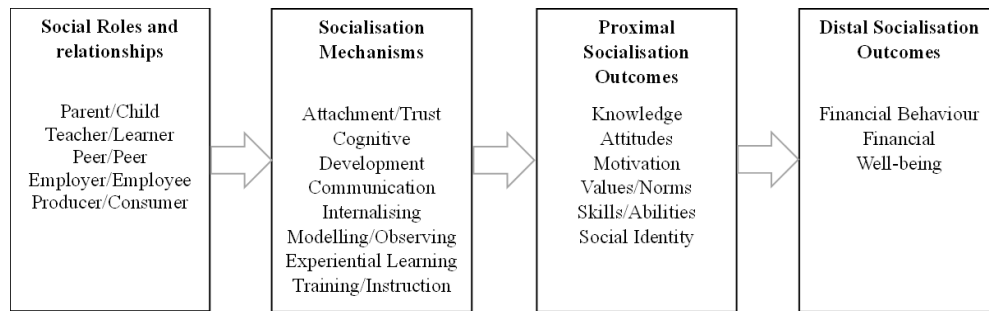
The study of financial socialisation has seen substantial theoretical advancement over the years, emphasizing the critical role of social interactions and various socialisation agents in shaping financial outcomes. This section synthesizes key findings from numerous studies to illustrate the evolution of theoretical perspectives.

The primary focus of most research on financial socialisation is to comprehend the underlying mechanisms and the resulting outcomes. The majority of the research on this concept revolves around establishing the process and outcomes of financial socialisation. Gudmunson et al. (2016) offer a generalised framework comprising different types of variables included in financial socialisation (Figure 2.1).

Financial socialisation outcomes can be divided into immediate and long-term results, also referred to as proximal and distal outcomes, respectively. Proximal outcomes differ theoretically from distal outcomes as individual characteristics developed through social settings may vary across contexts, even though they manifest in different circumstances (Gudmunson & Danes, 2011). On the other hand, financial behaviour and well-being are distal outcomes as they are context-dependent and can be objectively determined. This framework may assist as a classification tool for expanding the range of variables considered in financial socialisation research, providing a comprehensive analysis.

Figure 2.1

The Financial Socialisation Framework proposed by Gudmunson et al. (2016)



Extensive research documents the substantial impact of family and peers on financial socialisation, particularly parental influence shaping the financial attitudes and behaviours of youth and young adults (Danes, 1994). Parental involvement significantly influences young individuals' economic self-efficacy and financial decision-making skills through direct communication about work and financial support (J. Lee & Mortimer, 2009; Mortimer et al., 2016).

Research has shown that the financial attitudes and practices of parents have a significant impact on the financial literacy and investment behaviour of young adults (J. Kim & Chawla, 2022). However, recent research has revealed limitations in the influence of parental financial socialisation. Khalisharani et al. (2022) discovered that while parental financial socialisation is vital in shaping the financial behaviour of university students, financial literacy, despite its expected positive impact, can paradoxically lead to unexpected outcomes in financial behaviour. This understanding challenges the commonly held belief that improved financial behaviour is solely a result of possessing strong financial literacy skills.

Hong et al. (2004) illustrated that people who interact with neighbours or participate in religious congregations exhibit a higher propensity to invest in the stock market, highlighting the significant influence of social interactions on investment decisions. Chang (2005) further expanded on this by showing that social networks are pivotal in providing saving and

investment advice, particularly for low-income individuals. These findings highlight how crucial community and social networks are for boosting financial engagement and literacy.

Loibl and Hira (2006) found that close personal ties, like those with family, friends, and coworkers, are crucial in spreading financial planning information. This study shows how meaningful interpersonal relationships are for financial decision-making. Similarly, Duflo and Saez (2003) showed that social interactions at work and small financial incentives can greatly influence retirement savings decisions, highlighting the importance of workplace dynamics and incentives in shaping financial behaviours.

Recent studies have also examined the influence of social media on financial socialisation. Yanto et al. (2021) and Putri and Wijaya (2020) found that social media significantly shapes financial knowledge and behaviour among Indonesian students, indicating the growing role of digital interactions in financial education. However, LeBaron-Black et al. (2022) noted that social media exposure and peer influence could lead to less responsible spending behaviours among emerging adults, contrasting with the positive influence of parental guidance and employment.

The impact of financial socialisation varies across cultural contexts. Gao and Fok (2015) demonstrated that family and social interaction were found to increase the likelihood of saving, investing in risky assets, and borrowing, with family interaction positively related to informal financing in China. In the Malaysian context, Sabri et al. (2012, 2021) revealed that childhood consumer experiences, parental financial socialisation, and religious influences are key factors in predicting the financial well-being of college students. This underscores the necessity for customized financial education initiatives tailored to diverse cultural contexts. Similarly, Jariwala (2022) emphasized that conversations about finances with parents notably shape the financial self-efficacy and autonomy of young students in India. Pak et al. (2023)

discovered that family financial socialisation has enduring effects on financial well-being in South Korea.

Shim et al. (2010) demonstrated that parental socioeconomic status and financial knowledge significantly predict financial satisfaction and healthy financial behaviours, underscoring the importance of parental financial role modelling. Wheeler and Brooks (2023) and Shim et al. (2013) identified distinct financial identity-processing styles (e.g., Followers, Pathfinders, and Drifters) influenced by parental financial behaviours, highlighting the long-term impact of financial socialisation on financial identity and behaviours.

Thus, differences in financial socialisation experiences can result in heightened concerns about personal finances, underscoring the importance of tailored approaches in educational settings, such as individualized financial counselling or customized budgeting workshops (Watkins et al., 2024). The findings underscore the importance of inclusive strategies for financial education and well-being, which take into account the interaction between financial knowledge, mental well-being, and socio-economic factors to foster long-term financial stability and holistic personal growth.

Goyal et al. (2023) and Riaz et al. (2022) showcased a dynamic interplay between socialisation agents and psychological traits, such as financial self-efficacy, money attitudes, and risk tolerance. Results indicated that financial socialisation significantly influences financial management behaviours, with psychological characteristics serving as mediators in this association. This highlights the intricate relationship between external socialisation influences and internal psychological factors in moulding financial behaviours.

While many studies affirm the positive impact of financial socialisation, some findings are contradictory. For instance, Copur and Gutter (2019) found that conversations about financial management with parents did not significantly influence saving behaviour, suggesting that other factors like impulsivity and self-efficacy may play a more substantial role. Cho et al.

(2012) also noted that demographic factors did not show significant relationships with financial management behaviour, indicating the need for further research to understand these dynamics better.

Theoretical advancements in financial socialisation literature highlight the multifaceted influence of social interactions, family, peers, workplace dynamics, and cultural contexts on financial behaviours and attitudes. These insights underscore the importance of a comprehensive approach to financial education that considers the diverse socialisation agents and psychological factors influencing financial decision-making across different life stages and cultural settings.

Table 2.1*Overview of the Financial Socialisation Literature*

Author	Predictor(s)	Outcome(s)	Mediator(s)/ Moderator(s)	Country
Loibl and Hira (2006)	Use of family and friends or coworkers as sources for financial planning information	Objective and subjective financial knowledge	Use of employer-provided and self-directed financial learning media	USA
Shim et al. (2010)	“Parental Socioeconomic status, Parental financial behaviour, Parental direct teaching, High school work experience, High school financial education”	Financial Relationships with Parents, Financial Satisfaction Behaviour, Healthy Financial Behaviour	Adopting Parental Role, Financial Modelling, Financial Knowledge, Subjective Norm, Perceived Behavioural Control, Financial Attitudes	USA
Jorgensen and Savla (2010)	Parental influence	Financial behaviour	Financial knowledge, Financial attitude	USA
Gutter et al. (2010)	Demographic variables, Financial status, Financial social learning opportunities	Financial behaviour		USA
Cho et al. (2012)	Sources of information: Financial planner, Media, Friends	Financial Behaviour: Planning and monitoring		USA
Sohn et al. (2012)	Financial socialisation: schools, peers, media financial experiences, money attitudes	Financial literacy		South Korea
Shim et al. (2013)	Financial parental socialisation, Work experiences and participation in financial education	Financial capabilities	Financial identity	USA

Hira et al. (2013)	Financial socialisation: Parental, Media, Peer, Workplace	Investment regularity, Investor involvement, Household net worth				USA
Chowa and Despard (2014)	Parent-perceived parental financial socialisation		Youth financial behaviour			Ghana
Shim et al. (2015)	Parent modelling, Parent communication, Parental expectations, Friends' behaviours, Class learning	Healthy financial behaviour	Financial attitude, financial controllability, financial efficacy			USA
Agnew and Cameron-Agnew (2015)	Financial discussions at home	Financial literacy	Gender			New Zealand
Palaci et al. (2017)	Parental financial socialisation	Financial planning for retirement	Financial decisions for retirement, financial management			Spain
Zhu (2018)	Direct teaching, parental financial norm	Financial behaviour	“Subjective knowledge, adoption of modelled financial behaviour, and objective financial knowledge, perceived behavioural control, financial attitude”			China
Maturana and Nickerson (2019)	Peer effects	Refinancing decisions				USA
Lu and Tang (2019)	Social interaction effects: Coworker	Asset allocation decisions				USA
Deenanath et al. (2019)	“Discussions with Parents about Money, Confidence in Making Money	Financial Behaviour	Subjective Knowledge	Financial		USA

	Decisions, Student-Earned Income, Access to Money Through Parents, Personal and Family Characteristics”				
Chung and Park (2019)	Financial knowledge network intensity, Objective financial knowledge	Risk-taking, Investment decision quality	Subjective knowledge	financial	USA
Ullah and Yusheng (2020)	Financial socialisation: Parents, Peers, teachers, Early Childhood Consumer Experience	Financial well-being	Locus of control		Pakistan
Zhao and Zhang (2020)	Financial socialisation (Parents)	Financial behaviour, financial well-being	“Financial knowledge, skills, self-efficacy”		USA
White et al. (2021)	Parental financial messages related to saving, banking, and investing (varied by race)	Financial Management, Optimism and Stress			USA
Ameer and Khan (2020)	Financial Literacy, Financial Socialisation and Financial Confidence	Financial Behaviour			New Zealand
Utkarsh et al. (2020)	Financial socialisation (Parents), Financial literacy, Attitude toward money	Financial well-being			India
Fan and Park (2021)	Financial socialisation	Subjective well-being	Financial knowledge, financial goal, self-control, financial skill, financial management behaviour, financial well-being		USA
Jariwala (2022)	“Financial discussion with parents, financial discussion	Financial self-efficacy,			India

	with observation parent's behaviour, observation of peer's behaviour"	peers, of behaviour,	financial autonomy			
LeBaron-Black, Curran et al. (2023)	Parental financial modelling, parent-child financial discussion, experiential learning of finances	financial parent-financial learning	Financial distress, Financial satisfaction, Financial Independence	Financial self-efficacy, financial management behaviours		USA
LeBaron-Black, Kelley, Hill, Jorgensen, and Jensen (2022)	Financial socialisation: Parents, Peers, Employment, Media		Spending behaviours			USA
Boto-García et al. (2022)	Financial socialisation (Parents)		Saving habits	Self-control		USA
Goyal et al. (2023)	Financial Socialisation: Parents, Peers and Media		Personal financial management behaviour	"Financial, Psychological characteristics (Attitude Towards Money, Financial Self Efficacy, Financial Risk Tolerance, External Locus of Control, Procrastination"	Literacy,	India
Khan et al. (2023)	Parental financial socialisation	financial	Financial well-being, hopelessness	Healthy money management, Financial enabling		Hong Kong

2.5 Research Gaps

The extant review of financial socialisation literature reveals significant gaps that drive the motivation to conduct the current study.

2.5.1 Need to expand the theoretical perspective of the financial socialisation concept

The concept of financial socialisation has its roots in the broader frameworks of consumer socialisation and the social learning paradigm. Over recent years, there has been a multitude of theoretical progressions to conceptualise financial socialisation, and continuous efforts persist in adding to this domain (J. Kim & Chawla, 2022).

In the initial stages, the theory of family financial socialisation underwent establishment and refinement through the works of scholars like Danes (1994), Ivan and Dickson (2008) and Ward (1974). Notably, Gudmunson and Danes (2011) conducted a critical review of socialisation literature and introduced the family financial socialisation framework, as subsequently developed by Danes and Yang (2014) and LeBaron and Kelley (2021). Within this framework, the family/parents were recognised as a significant agent of socialisation.

Subsequent studies delved extensively into examining whether parents and family influence the financial behaviour of their children during adolescence and young adulthood (Shim et al., 2010; Utkarsh et al., 2020). However, these investigations yielded inconclusive outcomes, with studies presenting mixed results regarding the parental role (Sharif & Naghavi, 2020; Solheim et al., 2011). Moreover, the parental role was found to be diminishing in the adult years as children get exposed to peers and the influence of the media (Gutter et al., 2010).

Prior research based on the family financial socialisation framework predominantly concentrated on aspects such as financial knowledge, attitudes, and financial capabilities (Deenanath et al., 2019; Utkarsh et al., 2020; Zhao & Zhang, 2020; Zhu, 2018). However, recent studies have recognised the significance of psychological and attitudinal factors like financial self-confidence, sense of control, and various socioeconomic factors such as

joblessness and health, which impact one's overall well-being (Goyal et al., 2023; Jariwala, 2022). Moreover, existing research has primarily centred on distal outcomes stemming from these predictors, such as financial well-being or financial satisfaction (Kumar, Rani, Rani, & Sarker, 2023; Loibl & Hira, 2005; Zhao & Zhang, 2020), rather than proximate outcomes like financial planning propensity.

Despite these significant developments, scholars contend that there exists ample room for broadening the theoretical perspective and acknowledging the roles played by other socialisation agents, including peers, the workplace, and media, in influencing both proximate and distal socialisation outcomes (Jorgensen & Savla, 2010; LeBaron & Kelley, 2021). Consequently, an opportunity exists to extend existing theories to advance the field of personal finance by studying additional social and psychological factors influencing financial planning behaviour (Guzman et al., 2019).

2.5.2 Calls for attention to investigate Financial Socialisation among an Underrepresented Demographic

Another notable limitation in the existing body of research on personal finance is the lack of diversity in sampling practices, primarily focusing on college students of white ethnicity. Predominantly, researchers have focused on studying emerging adults' financial behaviours and retirement planning (Mahapatra & Mishra, 2022), primarily composed of college students pursuing undergraduate or postgraduate degrees. As a result, there is a notable gap in research addressing financial socialisation across diverse demographic groups in various countries, underscoring the need for further investigation.

Acknowledging this gap in research, scholars have stressed the significance of broadening samples to encompass adults, non-college students, and older individuals (Gudmunson et al., 2016). This study seeks to address this lacuna in the literature by examining the financial planning behaviour of working professionals. The rationale behind this choice is

rooted in the assertion that an in-depth analysis of successful financial behaviour is best achieved when the respondents have a stable source of income, in contrast to college students who often rely, at least in part, on parental financial support.

2.5.3 Dearth of studies in the Indian context

In recent times, the internationalisation of financial socialisation literature has been expanding its horizons by exploring the relevance of this concept in diverse settings, taking into account the cultural and economic divergence that shapes financial realities. This shift in focus is crucial, considering that previous research primarily focused on the financial socialisation behaviours of respondents from North America. Furthermore, it is pertinent to note that a significant proportion of these studies' participants are of White ethnicity (LeBaron-Black, Kelley, et al., 2022; LeBaron-Black, Curran, et al., 2023; Shim et al., 2010).

Chowa and Despard (2014) conducted a study among young individuals residing in Ghana and underscored the significance of parental financial socialisation. Their findings revealed that young people's income was pivotal in predicting positive financial behaviours. In contrast, there are discrepancies in the context of the United States concerning the relationship between youth employment, income, and educational pursuits. The discrepancies occur as youth income is substantially lower than that in the United States. When there are limited pathways to higher education, income could serve as a catalyst for financial advancement, particularly in African countries. Similar outcomes were reported by Karimli et al. (2015) in their study involving Ugandan children. Notably, children in Ghana and Uganda are more inclined to allocate their incomes to essential needs, whereas in the United States, children's allowances are often directed towards non-essential consumption (Alhabeeb, 1996).

Building on these observations, it is pertinent to explore how financial attitudes and behaviours differ among other developing economies, especially India. Over the past few decades, India has emerged as a significant presence in the global financial landscape. The

Indian stock market has demonstrated competitive returns on a global scale, with an increase of ₹80.62 trillion in wealth recorded in 2023 alone (Press Trust of India, 2023). Furthermore, the significant growth of Assets Under Management of the Indian mutual fund industry rose from ₹8.25 trillion in March 2014 to ₹53.40 trillion in March 2024, marking a more than sixfold increase within a decade (AMFI, 2024), underscoring the sector's substantial development and potential impact on the economy. Despite India's considerable impact on the global economy, various indicators suggest that certain concerns persist. According to a recent report by the Reserve Bank of India on Indian Household Finance (Ramadorai et al., 2017), a significant majority of Indian households invest their wealth in real estate (84%), physical gold (11%), and the remainder in other financial assets (5%). This financial behaviour contrasts developed economies, where a substantial portion of wealth is directed towards financial assets and retirement savings accounts. Similarly, India's pension assets remain relatively modest, accounting for 14%–16% of GDP, in stark contrast to the OECD countries' average of 66.6% of GDP (Pension Fund Regulatory and Development Authority, 2023). The divergence in financial behaviour cannot be solely attributed to population or personal income but is better explained by a multitude of factors that influence individuals' money management practices.

Despite cultural similarities with other Asian counterparts, India differs significantly from the United States and other Western economies (Hofstede, 1980), where most research on financial behaviour and well-being has been conducted. According to Agarwalla et al. (2015), Bapat (2020), and Tomar et al. (2021), there is a noticeable lack of research in the area of personal financial planning from the perspective of developing countries. India's position as one of the rapidly expanding economies makes it an optimal setting to analyse the financial planning propensity of employed individuals.

Drawing upon the identified research gaps, the following figure, as Miles (2017) proposed, encapsulates the extant areas of research gaps that this study attempts to address (Figure 2.2).

Figure 2.2

Research gaps to be addressed

Evidence Gap	Existing studies have mixed evidence regarding the influence of financial socialization agents on financial behaviour (Kim & Chawla, 2022; LeBaron & Kelley, 2021).
Knowledge Gap	Little is known about the influence of socialization agents (except parents) on financial planning behaviour (Gudmunson et al., 2016; LeBaron-Black et al., 2022).
Practical-Knowledge Gap	Researchers and practitioners extensively focus on risk tolerance or risk appetite as a psychological factor. Literature emphasizes the need to explore other psychosocial factors (Bapat, 2020).
Population Gap	Previous research on financial behaviour have extensively considered college students/emerging adults as their respondents. The research on financial behaviour among working professionals is yet to be explored, especially in developing economies (Goyal et al., 2023).

Chapter Summary

This chapter provided a detailed overview of the current literature on financial socialisation and its related outcomes. It further elucidated the research gaps in the given literature and outlined the direction of this study.

CHAPTER 3

THEORY AND HYPOTHESES DEVELOPMENT

The chapter delves into the foundational principles governing financial socialisation and planning. It grounds its analysis in established theoretical frameworks, namely the “Theory of Planned Behaviour”, “Socialisation theories”, and “Social Cognitive Theory”. Drawing upon existing literature, the chapter formulates hypotheses to bridge critical research gaps, culminating in the presentation of a comprehensive conceptual framework.

3.1 Money Management, Budgeting and Financial Planning

Financial behaviour includes regular money management, future expense planning, and complex decision-making. Key aspects are budgeting, saving, investing, and making informed financial choices. It is crucial for achieving individual and household goals (Baker & Ricciardi, 2015; Hira, 2012), ranging from basic financial security to more long-term objectives like homeownership and travel.

Responsible expenditure and savings are crucial for meeting consumption needs and achieving financial and life goals. Poor money management can hinder goal attainment and lead to mental stress and family conflicts (LeBaron-Black, Li, et al., 2022). Proficiency in money management enhances financial awareness and prudent financial decision-making, preventing financial distress and fostering financial and life satisfaction and well-being (Xiao, 2008; Xiao & O’Neill, 2018),

Budgeting is an integral part of money management and involves planning and allocating financial resources. It helps balance income and expenses effectively, prevent financial deficits, and achieve significant life goals. Budgeting is particularly relevant for low-

and median-income households to prevent problematic debt and develop financial skills to address financial strain (Bamforth et al., 2018; Kidwell & Turrisi, 2004; van Raaij, 2016).

Irresponsible financial behaviour, such as misusing credit, can lead to debt burdens and a lower quality of life. Budgeting is essential to curb risky spending behaviours and prevent adverse financial consequences, including bankruptcy (Galperti, 2019). It ensures the allocation of financial resources in line with needs and goals, allowing for the creation of an emergency fund and long-term financial security.

Financial planning is associated with budgeting and higher financial literacy is positively related to effective budgeting practices and saving for future goals (Lusardi & Mitchell, 2011). Financial education is crucial for promoting effective budgeting within the financial planning process. Additionally, financial planning and money management are interconnected concepts that greatly influence individuals' financial well-being. Early exposure to financial concepts and practices can have a lasting impact on individuals' financial planning and money management skills through social learning (Gutter et al., 2010), making them integral aspects of the financial socialisation process. Despite the importance of money management, many individuals lack interest in financial matters and avoid self-learning about complex financial products (van Raaij, 2016).

3.2 Influence of Psychological and Social Factors on Financial Behaviour

The interaction between social and psychological factors significantly shapes financial behaviour. The socialisation theories and the “Theory of Planned Behaviour (TPB)” provide a unique perspective on human behaviour by emphasizing certain consistent elements. First, an individual's knowledge and beliefs (cognition) influence their behaviour. Second, although knowledge is essential, it alone is insufficient to change behaviour. Finally, psychological and social features critically impact behaviour.

The Theory of Planned Behaviour (Ajzen, 1991) explores the connections between attitude, intentions, and behaviour, emphasizing the significance of psychological traits. According to this theory, the intention to engage in a behaviour is influenced by one's attitudes towards the behaviour, perceived social pressure (social norms), and perceived control over the behaviour (self-efficacy). These factors encompass perceived financial capability, parental norms, and social norms established by peers and media (She et al., 2023; Xiao et al., 2011; Zhu, 2018). Ajzen (2011) also notes that the theory is generalizable across various disciplines, provided the generalizability concept and correspondence principle are followed.

Similarly, social cognitive theory integrates aspects of behaviour adaptation from behavioural, cognitive, and affective paradigms. It posits that to engage in a behaviour, individuals must possess both the knowledge and the capability to perform the behaviour. SCT emphasizes the importance of observational learning from credible sources in shaping behaviour and identifies self-efficacy as a crucial psychological factor in understanding and predicting human behaviour (Azizli et al., 2015; Bandura, 1986).

Financial socialisation significantly influences financial management behaviours through various agents such as parents, friends, colleagues, and media. These agents impact individuals' perceptions and norms related to money management (Bamforth et al., 2018; Gudmunson & Danes, 2011). The consumer socialisation theory posits that individuals develop perceptions, knowledge, attitudes, and behaviours through socialisation agents across different life stages (Saurabh & Nandan, 2018).

Research indicates that financially socialized individuals tend to make better financial decisions and enhance their financial well-being (Rea et al., 2018), with family members influencing attitudes towards money, which are associated with financial behaviour and well-being (Ivan & Dickson, 2008). On the other hand, Flouri (1999) emphasized family socialisation and parental values as predictors of adolescent materialistic attitudes. Chaplin and

John (2010) also found that parents and peers influence adolescent materialism by promoting conformity and materialistic values.

Open family discussions about budgeting, saving, and investing significantly influence the acquisition of financial knowledge among college students. Hanson and Olson (2018) discovered a positive correlation between strong conversational orientations within families and higher levels of financial literacy. The family environment is crucial for financial socialisation, often through experiential learning activities like involving children in household budgeting or decision-making (LeBaron et al., 2019). These early experiences foster saving habits and shape financial planning for the future (Boto-García et al., 2022).

The way families teach about finances impacts financial and mental well-being during the transition to adulthood (LeBaron-Black, Li, et al., 2022). Zhao et al. (2023) found a significant positive correlation between effective financial teaching methods and a reduction in financial distress. Noncognitive abilities, such as financial self-control, play a mediating role in this relationship, highlighting the importance of early financial education in fostering long-term financial well-being.

Psychological characteristics such as self-efficacy, attitudes toward money, and risk perception play significant roles in personal financial management behaviours. Goyal et al. (2023) found that financial socialisation through parents, peers, and media significantly impacts young professionals' financial management behaviour, mediated by psychological factors. In their study, Nandan and Saurabh (2019) observed that financial risk attitude serves as a mediator in the association between financial knowledge and financial satisfaction. Similarly, Riaz et al. (2022) illustrated that financial self-efficacy acts as a mediator between financial socialisation agents and financial literacy, with mindfulness playing a moderating role in this relationship.

The influence of peers and media is also significant in the financial socialisation process. However, the influence of peers and media can sometimes overshadow that of family, as seen in studies where media significantly impacted financial literacy among university students (Putri & Wijaya, 2020).

Despite advances in financial socialisation research, further exploration is needed on the roles of socialisation in enhancing financial knowledge and behaviours (LeBaron & Kelley, 2021). Understanding the impact of psychological traits on financial planning behaviour is still emerging, with limited research exploring how social and psychological factors influence personal financial decisions, including retirement planning (Hoffmann & Plotkina, 2020; Tomar et al., 2021).

3.3 Financial Planning Propensity: Pathway to Responsible Financial Behaviour

Setting goals often requires individuals to commit to managing their preferences and behaviours, which can change over time. This commitment aims to enhance productivity and satisfaction across various domains, including job performance, saving decisions, learning improvement, and mental health (Gómez-Miñambres, 2012; J. M. Lee & Hanna, 2015). Occasionally, there can be a lack of harmony between the establishment of goals and their execution. The inclination to engage in planning is also seen as a predisposition to take action in order to achieve objectives by employing reminders to limit distractions (Lynch et al., 2010). This approach helps in understanding interruptions in goal attainment or when there is a conflict between competing goals.

Based on the psychological theories related to planning, such as the Theory of planned behaviour, Ameriks et al. (2003) proposed a concept of ‘propensity to plan’. The concept stems from the foundational understanding that certain planning activities may enhance the possibility of achieving pre-specified goals. In the personal finance domain, a propensity to

plan is referred to as “individuals’ tendency to plan to meet long-term financial goals” (S. T. Lee & Kim, 2020).

Differences in attitude and skills influence how households approach financial planning, with active management and prudent observation leading to a higher likelihood of addressing issues like unwarranted expenditure (Ameriks et al., 2003). Planning can be quantified as establishing short- and long-term financial plans, which involves setting objectives, creating spending plans, exercising self-control, budgeting, and plan management (Bearden & Haws, 2012; Lynch et al., 2010). The planning propensity literature posits that varied levels of savings efforts can explain varied levels of asset accumulation. Thorough planning and information gathering enhance goal achievement through delayed gratification (Baumeister, 2002; O’Donoghue & Rabin, 1999). Allocating more time to financial decision-making enables households to review choices, potentially leading to more significant wealth accumulation (Ameriks et al., 2003; Khwaja et al., 2007).

Studies have shown that planning may differ for individuals and their respective contexts. These differences affect goal achievement probability. In the future, goal-directed action may be elicited without conscious involvement when people face a situation or context. Thus, a propensity to plan has the properties of both short- and long-term approaches to goal attainment (Guzman et al., 2019).

3.4 Theoretical Underpinnings

3.4.1 Social Learning Theory and Social Cognitive Theory

Social Cognitive Theory (SCT), given by Albert Bandura (1986), formerly recognised as Social Learning Theory (Bandura & Walters, 1977), asserts that alterations in behaviour are shaped by the elaborate interplay among environmental variables, individual attributes, and inherent characteristics of the behaviour under consideration. These elements mutually impact each other. Bandura (1981) defines self-efficacy as “people’s judgment of their capabilities to organise and execute courses of action required to attain designated types of performances”, such as managing finances. A central concept in SCT is self-efficacy, where individuals must believe in their capacity to perform a behaviour and perceive positive incentives to outweigh negatives. Self-efficacy can be enhanced through clear instructions, skill development opportunities, and modelling by trustworthy individuals. SCT extends beyond individual factors, incorporating environmental and social aspects, making it a comprehensive model of human behaviour (Ozmete & Hira, 2011).

SCT introduces the notion of triadic reciprocity, emphasising the dynamic interaction between an individual, the environment, and behaviour. This continuous interaction implies that a change in one factor affects the other two. The theory involves vital concepts associated with the individual, encompassing personal characteristics, emotional arousal/coping, self-efficacy, expectations, self-regulation, observational/experiential learning, and reinforcement. These concepts shape a person’s cognitive capacities and influence behaviour. In the context of financial behaviour change, SCT can be applied to enhance self-efficacy, addressing people’s confidence in their ability to undertake financial actions. Self-efficacy is deemed crucial for promoting behaviour change, influencing the choice of financial activities and persistence in the face of challenges (Bandura, 1986).

Furthermore, SCT sheds light on the environmental influences that contribute to individuals' financial attitudes and values. Early experiences heavily influence financial beliefs, particularly during childhood and youth. Various factors, including family, friends, community, school, religion, and media, shape financial knowledge and attitudes. Parents and peers notably impact financial understanding and behaviour, with parents exerting greater influence in childhood and peers becoming more influential during adolescence and college (Gutter et al., 2010; Shim et al., 2010, 2015).

3.4.2 Socialisation theories

Socialisation encompasses developing knowledge, skills, and values necessary for individuals to integrate and interact effectively within society. It involves learning attitudes, norms, and behaviours from specific sources based on formality and the learner's role: formal agents, such as family or school, and informal agents, including mass media or peers (Loibl & Hira, 2006). It highlights the propagation of societal norms through significant socializing agencies during childhood and adolescence. These norms, whether prosocial or deviant, are more likely transmitted through strong connections within healthy families or schools (LeBaron & Kelley, 2021).

The socialisation framework explains the role of external factors, i.e., socialisation agents, which influence a person's mental self-regulatory mechanisms and further their consumer behaviour. In the consumer socialisation theory, Moschis (1987) discusses three components of this framework: antecedents, the socialisation process, and outcome. The fundamental premise is that a person acquires their skills, knowledge and behaviour (outcomes) from the socialisation agents through the socialisation process, which shapes an individual's character. The three mechanisms of the social learning process consist of social interaction, modelling and reinforcement. Social interaction involves social norms, such as parents'

expectations, communication or interpersonal relationships between a person and the socialisation agents.

Financial behaviour research frequently employs socialisation theory. The framework is called the “Family Financial Socialisation Theory” (Gudmunson & Danes, 2011). It is a broader concept that includes “financial attitudes, standards, values, norms, knowledge and behaviour that affect one’s financial well-being” (Khan et al., 2023; Mohamed, 2017; Ullah & Yusheng, 2020; Utkarsh et al., 2020). Individuals acquire financial knowledge through observations, encouragement, hands-on experience, and active engagement, along with intentional guidance provided by formal and informal socialisation influencers. The process of learning commences from childhood and persists, to a certain degree, throughout one’s lifespan (Danes, 1994; Gudmunson & Danes, 2011).

3.4.3 Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB) (Ajzen, 1991), an extension of the Theory of Reasoned Action (TRA), is a commonly used psychological theory to recognise and predict human behaviour. TPB posits that an individual’s intention to perform a particular behaviour is linked with the actual performance. The three critical components of TPB that explain the behavioural intention to engage in a certain behaviour are “attitude towards the behaviour”, “subjective norms”, and “perceived behavioural control”. First, the attitudes are related to the values of the behaviour. The evaluation of a particular behaviour can either be positive or negative. For instance, positive attitudes are associated with the intention to engage in the behaviour. Attitudes, as well as subjective norms, are considered to be influenced by beliefs, namely, behavioural and normative beliefs. Behavioural beliefs influence attitudes. Normative beliefs are social expectations based on a given situation that influence subjective norms or societal pressure. The higher the perceived social influence, the more likely a person is expected to conform to societal expectations. Lastly, perceived behavioural control (PBC),

which is an addition to TRA that results in the formation of TPB, is concerned with the control over skills, resources and opportunities. This component is also related to “one’s perception of their ability to perform a specific behaviour”. Higher PBC is related to the greater possibility of performing the given behaviour.

The TPB is relevant to various domains such as environmental issues, health and financial behaviour. In the study’s context, financial planning can also be comprehended through the lens of this theory (Guzman et al., 2019; Hoffmann & Plotkina, 2020; Sharif & Naghavi, 2020). For example, positive attitudes concerning financial planning (attitudes), support from family and peers (subjective norms), and self-efficacy (PBC) can improve one’s intention to engage in financial planning (Goyal et al., 2023).

3.5 Hypotheses Development

3.5.1 “Socialisation, Financial Self-Efficacy and Financial Knowledge”

Socialisation and financial self-efficacy

Embedded in social cognitive theory propounded by Bandura (1986), financial self-efficacy is theoretically articulated through the constructs of “expectancies” and “perceptions of control” (Gecas, 1989). High levels of financial self-efficacy correlate with a proactive approach to financial challenges, whereas low levels correlate with avoidance of such challenges, construed as insurmountable hurdles (Mortimer et al., 2016). This construct interlaces with family financial socialisation, wherein childhood observations, parental modelling, and transparent discussions regarding financial management significantly mould an “individual’s belief in their capacity to realise financial objectives” (Gudmunson & Danes, 2011). It is pertinent to underscore that the evolution of financial self-efficacy is an ongoing process influenced by repeated experiences of task mastery (Bandura, 1982).

Empirical evidence reveals nuanced dynamics between family financial socialisation and financial self-efficacy. Notably, parental monitoring of spending emerges as positively

correlated with financial self-efficacy, accentuating the familial influence on financial confidence dynamics (Furrebø et al., 2023; J. Kim & Chatterjee, 2013; J. Lee & Mortimer, 2009). Furthermore, research among college students underscores the enduring impact of parent-child financial discussions and financial modelling during formative years on financial self-efficacy, particularly evident among individuals devoid of debt (Rudi et al., 2020). Nevertheless, the intricate nature of these associations is discernible, with certain facets of family financial socialisation, such as allowances, displaying inconsistent correlations with financial self-efficacy across diverse contexts (Amagir et al., 2020; Jariwala, 2022).

Moreover, another study indicates that one-sided financial support from parents might have adverse effects on young people's self-confidence and their progression into adulthood (Mortimer et al., 2016). These nuanced relationships underscore the need to disentangle the multifaceted determinants shaping financial self-efficacy. Thus, the following hypotheses are devised to understand the linkage between socialisation and financial self-efficacy.

H1a: "Financial socialisation through parental influence is positively associated with financial self-efficacy."

H1b: "Financial socialisation through friends' influence is negatively associated with financial self-efficacy."

H1c: "Financial socialisation through workplace colleague's influence positively is associated with financial self-efficacy."

H1d: "Financial socialisation through media is positively associated with financial self-efficacy."

Socialisation agents and financial knowledge

Financial knowledge can be defined as the understanding and awareness of financial concepts and procedures and utilising this understanding to solve financial problems. It is the cognitive component of financial literacy. Financial knowledge is one of the predominant factors for

responsible financial behaviour (Goyal & Kumar, 2021). Individuals process and analyse the information they gather from various sources, including socialisation agents using financial skills (Huston, 2010) to manage money effectively (Lusardi & Mitchell, 2011).

Consumers with less financial knowledge are financially more vulnerable and are receiving the wrath of wealth inequality (Lusardi et al., 2017). Nevertheless, individuals acquire these skills and knowledge through many sources (Moschis & Moore, 1979). The information individuals or consumers gather intentionally or unintentionally from various socialisation agents will facilitate their financial planning and influence their financial well-being. Intentional financial socialisation will lead to increased financial knowledge and, in turn, better financial outcomes (Utkarsh et al., 2020; Zhao & Zhang, 2020). When individuals possess the necessary knowledge about financial concepts and money management matters, they tend to have a favourable attitude toward finance (Bapat, 2020). Financial socialisation was identified as an antecedent to financial attitudes, influencing financial behaviours (Gudmunson & Danes, 2011). This favourable financial attitude develops confidence in the individuals regarding their finances.

On the contrary, Zhu (2018) argues that direct parental teaching is negatively associated with objective financial knowledge. Heckman and Grable (2011) found that students who were financially dependent on their parents displayed lower levels of financial knowledge and self-efficacy; however, the results were insignificant. Similar results were reported by Jorgensen and Savla (2010).

Individuals often seek advice from family members or peers rather than consulting an expert (Benartzi & Thaler, 1999). This tendency occurs among those with lower levels of financial sophistication as they do not trust other sources of information and avoid professional advisors. Mimura et al. (2015) argue that children who rely on peers for financial information about savings and investments exhibit lower levels of financial knowledge. Moreover,

Deenanath et al. (2019) study posits that income earned outside the household positively impacts improved financial behaviour, while pocket money provided by parents exhibits a negative association with subjective financial knowledge.

Furthermore, employers are recognised as pivotal contributors to financial education, positively influencing employees' financial knowledge (Bernheim & Garrett, 1996; Hira & Loibl, 2005). In contrast, Sohn et al. (2012) suggest that individuals who possess bank accounts and prioritise media as a primary socialisation agent for information display better financial literacy levels.

Consequently, there is still scope to explore how financial socialisation mechanisms encompassing teaching practices, behavioural modelling and peer communication collectively enhance financial knowledge due to the inconclusive arguments. Thus, the following hypotheses are articulated.

H2a: "Financial socialisation through parental influence is related to financial knowledge".

H2b: "Financial socialisation through friends' influence is related to financial knowledge".

H2c: "Financial socialisation through workplace colleague's influence is related to financial knowledge".

H2d: "Financial socialisation through media is related to financial knowledge".

3.5.2 "Financial Self-Efficacy" and "Financial Knowledge"

Financial self-efficacy functions as a catalyst in motivating individuals to pursue and acquire financial knowledge actively. Individuals possessing elevated levels of financial self-efficacy are predisposed to partake in activities geared towards augmenting their comprehension of financial concepts and strategies. This inclination, as explained by social cognitive theory, manifests in their increased participation in financial workshops, a diligent perusal of financial information, and guidance from financial professionals, thereby actively broadening their financial knowledge base (Furrebøe & Nyhus, 2022; Goyal et al., 2023).

The influence of financial self-efficacy extends beyond knowledge acquisition, empowering individuals to translate their financial knowledge into actionable decisions. Individuals with higher financial self-efficacy exhibit heightened confidence in applying their financial knowledge to make informed decisions. This confidence translates into tangible financial behaviours, such as formulating and adhering to budgets, strategic retirement planning, and judicious investment practices, ultimately facilitating adept financial management and realising financial objectives (Jariwala, 2022; Zhao & Zhang, 2020).

Previous studies have demonstrated a positive linkage between financial self-efficacy and financial knowledge. Consistent findings across studies underscore that individuals with heightened financial self-efficacy demonstrate superior financial knowledge and engage in more constructive financial behaviours. Noteworthy examples include a study by Riaz et al. (2022) wherein financial self-efficacy emerged as a significant predictor of financial knowledge among college students. Based on the evidence, the given hypothesis is proposed.

H3: “Financial self-efficacy positively influences financial knowledge”.

3.5.3 Influence of Proximal Outcomes on Financial Planning Propensity

Financial self-efficacy and financial planning propensity

Financial self-efficacy is an influential variable, as one’s confidence in one’s abilities will only push one to be more responsible. Individuals with higher financial self-efficacy are more likely to result in responsible financial management behaviour and experience better financial well-being due to proper financial planning (Hoffmann & Plotkina, 2020, 2021).

Self-efficacy finds expression through various dimensions of individual behaviour, encompassing aspects such as resilience in the face of challenges, the orientation towards an optimistic or pessimistic future outlook, and the propensity for self-enhancing or self-debilitating thought patterns. Applying the notion of self-efficacy to the realm of personal

finance management implies that individuals who possess an elevated belief in their proficiency in financial matters are more inclined to approach financial difficulties as chances for skill development rather than as risks to be evaded. Individuals who exhibit an elevated level of financial self-efficacy, indicating a more profound conviction in their competence to handle monetary matters, display a greater propensity to possess investment and savings instruments while simultaneously exhibiting a diminished inclination to participate in financial instruments linked to indebtedness. Individuals with higher financial self-efficacy are more likely to result in responsible financial management behaviour and experience better financial well-being due to their proper financial planning (Danes & Haberman, 2007; Hoffmann & Plotkina, 2020). Therefore, the study postulates that:

H4a: “Financial self-efficacy has a positive impact on financial planning propensity”.

Financial knowledge and financial planning propensity

Individuals’ financial knowledge affects their financial management behaviour because individuals with greater financial knowledge understand and manage their finances differently than those with less financial knowledge (Saurabh & Nandan, 2018). It is often assumed that increased financial knowledge will result in changes in financial management behaviour (Zhao & Zhang, 2020). For financial knowledge to be a significant determinant of an individual’s financial well-being, it should be accompanied by a favourable financial attitude for better money management skills (Aydin & Akben Selcuk, 2019; Sohn et al., 2012). Financial knowledge combined with the right financial attitude will only lead to sound financial management behaviour and is also a sign of financial capability (Xiao & O’Neill, 2018; Xiao & Porto, 2017). Desirable financial management behaviours include positive financial behaviours like future planning and goal setting (Lusardi, 2015). Such individuals who are good at saving, controlling spending and budgeting are bound to have a high propensity to plan.

There are inconsistencies in the literature about the impact of financial literacy on behaviour. A string of literature demonstrates that higher financial knowledge does not imply better financial behaviour (Ameer & Khan, 2020; Serido et al., 2013). Thus, more exploration is required to understand the relationship between financial knowledge and planning propensity.

H4b: “Financial knowledge has an impact on financial planning propensity”.

3.5.4 Mediation Hypotheses

The socialisation process consists of the role of socialisation agents and the learning occurring through these socialisation agents (Moschis & Churchill, 1978). Consumer socialisation theory identifies parents/family, school, peers and media as significant socialisation agents. Moreover, each agent interacts distinctly through the life cycle.

Researchers in socialisation have valued the socialisation processes occurring during infancy and early childhood through parents. Their role in the early stages of childhood is also of greater importance (Van Campenhout, 2015). Parents are considered primary socialisers of the children’s social world as they shape their children’s saving or money attitudes and credit behaviours. As a child’s primary caregiver, parents have greater control over allocating resources to the child. They also regulate the social environment and can have an affectionate relationship with the child. All these factors affect family financial socialisation processes; in this course, both children and parents will interpret and assign meaning to their interaction and observations of each other’s behaviour (Kuczynski et al., 2014). A study found that students often approached parents to seek financial information (Lyons, 2008). Also, discussions around financial matters are crucial as they help improve financial capability and independence among emerging adults (LeBaron et al., 2018). Financial socialisation occurring at a younger age

translates into financial as well as relational benefits in adulthood (LeBaron-Black, Saxey, et al., 2023).

Furthermore, researchers have observed that peers play a critical role in shaping an individual's financial behaviour (Duflo & Saez, 2002; Yanto et al., 2021). In an investigation of adolescents' gambling propensity, it was reported that gambling behaviour resulted from peer socialisation (Delfabbro & Thrupp, 2003). Children will likely learn financial management skills if they observe and interact with their parents and peers (Mohamed, 2017). However, the influence of peers gradually increases as children grow and thus shift their interaction from parents to peers. Peer influence may occur strongly in an unstable family environment where there is ineffective parental communication (John, 1999).

Gaining information from peers also adversely influences savings (Beshears et al., 2015). A study from Pakistan, with respondents aged around 40, found that financial socialisation through peers negatively affected financial well-being (Ullah & Yusheng, 2020). This outcome implies that adults' financial well-being deteriorates when interacting with and observing their peers. It is also apparent that people who observe and mimic their peers often find it challenging to manage their finances, i.e., less responsible financial behaviour (LeBaron-Black, Kelley, et al., 2022). Conversely, several studies have highlighted the power of peer pressure in promoting saving behaviour (Duflo & Saez, 2002; Lu & Tang, 2019; Raue et al., 2020). In comparison, another line of literature contends that workplace colleagues positively influence investors' asset allocation decisions, especially regarding the risk exposures of coworkers (Lu & Tang, 2019).

Media is another vital socialisation agent for adolescents and adults (Sohn et al., 2012). Media channels such as publications, newsletters and software as sources of information for self-directed learning are positively linked to healthy financial practices (Godase et al., 2024; Loibl & Hira, 2005). Media was also found to relate to investment patterns as it provided the

necessary information for making investment decisions (Hira et al., 2013). On the other hand, LeBaron-Black et al. (2022) report the media's negative influence on emerging adults' spending behaviour.

For this study, financial planning propensity is understood as one's intention to engage in financial planning behaviour proactively. Many studies in the past have used intentions as a proxy for actual behaviour. As per the theory of planned behaviour, intentions can capture the motivational factors influencing behaviour that indicate one's willingness to perform the behaviour (Ajzen, 1991).

In delving into how parents and peers influence individuals' financial behaviours, researchers have uncovered a key area of interest in the academic sphere, i.e., financial socialisation. These influential figures, termed financial socialisation agents, may influence how individuals perceive and handle their finances. Their role extends beyond mere influence; they significantly contribute to instilling financial knowledge and nurturing financial self-efficacy – essentially, the belief in one's ability to tackle financial matters effectively. The mediation hypothesis suggests that the impact of financial socialisation on financial planning is not linear but, instead, weaves through the intertwined factors of “financial self-efficacy” and “financial knowledge”.

Aligning with social cognitive theory, the pivotal determinant of one's engagement lies in their confidence in executing these behaviours (Bandura, 2006). In financial planning, positive experiences with financial socialisation are anticipated to boost individuals' confidence in handling financial matters (financial self-efficacy), subsequently steering them towards more effective financial planning. Moreover, acquiring financial knowledge, nurtured through interactions with these financial influencers, emerges as a pivotal factor influencing effective financial planning. The mediation hypothesis posits that the intricate connection

between financial socialisation and financial planning is woven through the influential roles of “financial self-efficacy” and “financial knowledge”.

Zhao and Zhang (2020) conducted research that identified “financial self-efficacy” as a mediator in the association between financial socialisation and financial behaviours among college students. Similarly, scholarly inquiries, exemplified by the research conducted by Nandan and Saurabh (2019), have shed light on the mediating function of financial knowledge in the nexus between financial socialisation and financial planning behaviours.

The mediation hypothesis suggests that the influence of financial socialisation on financial planning is influenced by individuals’ degrees of “financial self-efficacy” and “financial knowledge”. This lens provides a compelling perspective on how our early financial influencers continue to shape our financial decisions. The mediation hypotheses, including serial mediation, are as follows:

H5 (a-d): “The influence of financial socialisation, involving parents, friends, workplace colleagues, and media, on financial planning propensity is mediated by financial self-efficacy”.

H6 (a-d): “Financial knowledge functions as an intermediate factor that affects the relationship between financial socialisation (which includes parents, friends, workplace colleagues, and media) and individuals’ propensity for financial planning”.

H7: “The relationship between financial self-efficacy and financial planning propensity is positively mediated by financial knowledge”.

H8 (a-d): “The impact of financial socialisation occurring through parents, friends, workplace colleagues, and media on financial planning propensity is sequentially mediated by financial self-efficacy and financial knowledge”.

3.5.5 Time Perspective as a Moderator

Zimbardo and Boyd (1999) conceptualise “time perspective” as a subconscious process that categorises “personal and social experiences into temporal frames—past, present, and future”

– offering order, coherence, and meaning to these events. In essence, an individual's perception of temporal periods significantly influences their judgments and decisions. The literature underscores that individuals with a higher future orientation tend to exhibit responsible financial behaviours (Kimiyağahlam et al., 2019), showcasing restraint in compulsive buying, exercising careful money management, and displaying a greater likelihood of enrolling in private pension plans (Howlett et al., 2008; Stolarski et al., 2015).

Within the framework of this study's research objective, particular attention is directed towards the present and future dimensions of the time perspective construct. The association between a present temporal orientation and risky conduct is well-established and often results in unfavourable consequences, whereas a future temporal orientation is associated with positive outcomes. Further division of the present dimension reveals two subscales: present-hedonist, characterised by indulgence in momentary life pleasures and excitement, and present-fatalist, associated with a mundane, hopeless, and helpless approach towards life and the future (Rutledge & Deshpande, 2015; Stolarski et al., 2015).

The present-fatalistic approach is tied to an external locus of control, which has been associated with higher levels of materialism and lower levels of well-being. Individuals exhibiting higher materialism, present-fatalistic, and present-hedonistic orientations tend to be less future-oriented, potentially experiencing heightened stress in current money management. Conversely, a higher future orientation and a lower present-fatalist orientation are associated with an expectation of greater future financial security (Ponchio et al., 2019). This nuanced understanding of time perspective dimensions adds depth to our exploration of the intricate relationships between financial self-efficacy, time perspective, and financial planning propensity.

H9 (a-c): “The effect of financial self-efficacy on financial planning propensity is expected to vary based on the levels of individuals’ time perspective (present hedonism, present fatalism, and future perspective)”.

The study’s conceptual framework is devised from the existing literature to address the relevant shortcomings of the present literature. Figure 3.1 illustrates the conceptual framework. The overview of the hypotheses based on the conceptual framework is presented in Table 3.1.

Figure 3.1

Conceptual framework

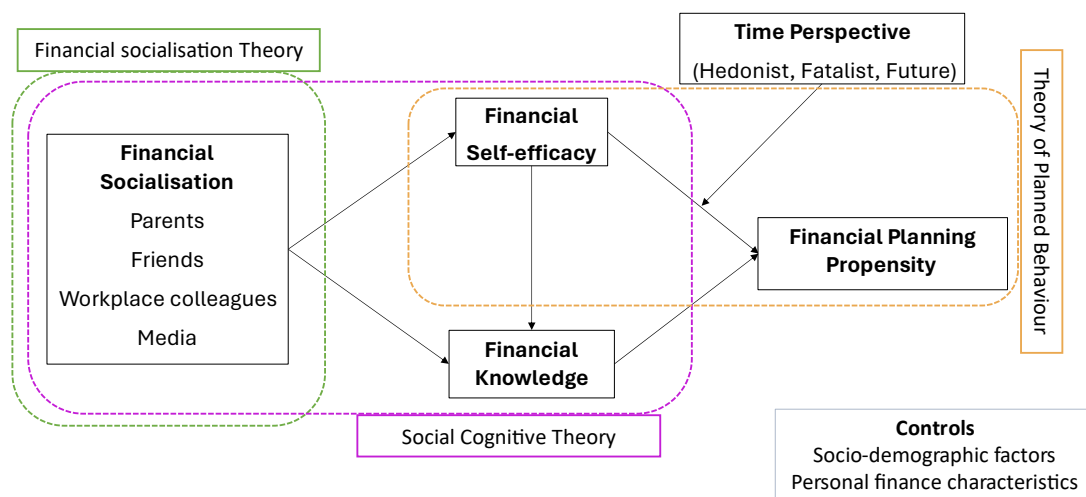


Table 3.1*Overview of Hypotheses*

Hypotheses	Hypothesised Relationships
H1	“Financial socialisation through the influence of parents (H1a), friends (H1b), workplace colleagues (H1c) and media (H1d) are positively related to financial self-efficacy.”
H2	“Financial socialisation through the influence of parents (H2a), friends (H2b), workplace colleagues (H2c) and media (H2d) are associated with financial knowledge”.
H3	“Financial self-efficacy positively influences financial knowledge”.
H4	“Financial self-efficacy (H4a) and financial knowledge (H4b) are related to financial planning propensity”.
H5	“The influence of financial socialisation, involving parents (H5a), friends (H5b), workplace colleagues (H5c), and media (H5d), on financial planning propensity is mediated by the level of financial self-efficacy”.
H6	“Financial knowledge functions as an intermediate factor that affects the relationship between financial socialisation (which includes parents (H6a), friends (H6b), workplace colleagues (H6c), and media (H6d)) and individuals’ propensity for financial planning”.
H7	“The relationship between financial self-efficacy and financial planning propensity is positively mediated by financial knowledge”.
H8	“The impact of financial socialisation occurring through parents (H8a), friends (H8b), workplace colleagues (H8c), and media (H8d) on financial planning propensity is sequentially mediated by financial self-efficacy and financial knowledge”.
H9	“The effect of financial self-efficacy on financial planning propensity is expected to vary based on the levels of individuals’ time perspective: present hedonism (H9a), present fatalism (H9b), and future perspective (H9c)”.

CHAPTER 4

RESEARCH METHODOLOGY

The present chapter includes a detailed explanation of the research methodology adopted in this study. The chapter discusses the research paradigm based on philosophical assumptions and provides a rationale for methodological choice aligned with the research questions. Additionally, this section offers a justification for selecting the research methods. It addresses the concerns related to reliability, validity, replicability and generalizability, which are the evaluation criteria for social sciences research. The chapter also explains the sampling framework and procedure followed for designing the questionnaire, collecting and analysing data. Lastly, the chapter describes the ethical considerations of the study.

4.1 Introduction

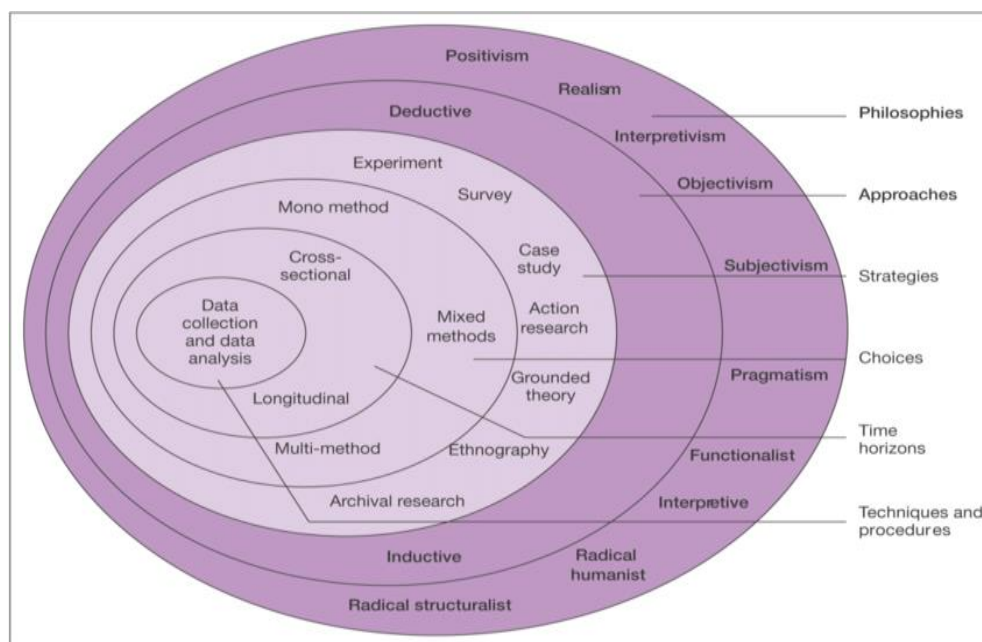
Research design is considered a blueprint or a framework for conducting any research project. It is defined as “the procedures necessary for obtaining the required information, and its purpose is to design a study that will test the hypotheses of interest, determine possible answers to the research questions, and provide the information needed for decision making” (Malhotra, 2010). The methodological choice based on the ontology and epistemology of given research questions needs further consideration as multiple techniques, sampling methods, analytical tools and procedures are available. Thus, any study that has clarity about the proposed methodology and rationale for its selection is deemed desirable.

4.2 Research Typology

A framework was propounded that illustrated the research elements, which appears similar to an “onion” (Saunders et al., 2012). This framework guides the researcher in locating their research in the vast research context by justifying the assumptions and choice of methodologies. Figure 4.1 displays the six critical layers of the onion that represent the elements of the research: “philosophy, approach, strategy, choice, time horizon and data collection and analysis”. The elements and positioning of the present study are discussed in subsequent sections.

Figure 4.1

Research Typology Framework by Saunders et al. (2012)



4.3 Research Philosophy

Research philosophy is the underlying belief systems and assumptions that form the basis for knowledge development. The assumptions can be categorised into three types: ontological assumptions, which pertain to observed reality; epistemological assumptions, which relate to human knowledge; and axiological assumptions, which consider the influence of one’s beliefs

on the research process. These assumptions fundamentally shape every aspect of the research, from research questions to the interpretation of the findings.

As a multidisciplinary domain originating from social sciences, natural sciences, and applied sciences, management research has embraced various ideologies, research methodologies, perspectives, and approaches. The present study conforms to this perspective. Studies in the management field and allied social enquiry need to be facilitated by understanding and explaining social phenomena. The two methods of examining the “social phenomenon are ontology and epistemology”, drawn from the seminal research by Burnell and Morgan (1979). Ontology refers to the nature of reality, while epistemology deals with what constitutes acceptable knowledge. Burnell and Morgan (1979) specified “four paradigms – positivism, pragmatism, realism and interpretivism”. For good social research, the research design and questions must be formed by certain ontological and epistemological assumptions.

The central questions researchers have to deal with are: Can a social phenomenon be explained by deducing observable facts? (Positivism); Should the explanations be embedded in narratives and their interpretation? (Interpretivism); or whether the explanations can be derived from the factors that influence changes in the world’s status? (Deductivism and Instrumentalism) (Shapiro & Wendt, 1992). Due to the intricate nature of the social context, it is challenging to provide answers to these concerns. Therefore, by addressing these fundamental issues, the research process can be enhanced, leading to a more suitable procedure and methodology. The purpose is to investigate whether “social entities are regarded as objective entities that represent reality regardless of social actors”.

The financial behaviour literature falls under the purview of personal finance derived from multiple disciplines such as economics and psychology. Like most management research, the financial behaviour domain also leans towards positivism due to the influence of the abovementioned disciplines. This condition prompted researchers in management to resonate

with characteristics of natural sciences such as rationality, universality and objectivity (Leitch et al., 2010). This study can be categorised within the positivist paradigm since it aims to use scientific methods to investigate the relationship between important factors and determine causality.

4.4 Research Approach

The present study employs a hypothetico-deductive approach, which implies that the hypotheses is deduced from the existing literature in a specific area (financial socialisation and financial planning in the study's context) and then converted into operational definitions for measurement (Bryman et al., 2007). Operationalisation consists of developing measures of a construct to be studied. This is followed by data collection and analysis of the proposed hypotheses. The findings emerging from this process contribute to the existing body of knowledge and can be utilised by other researchers to develop the knowledge.

4.5 Selection of Research Methodology

The selection of methodology applied for the research depends on the research philosophy and approach. The methodology could be quantitative, qualitative, or mixed, and it exhibits a unique approach depending on the use case for given studies. This study is based on the positivist paradigm and applies the deductive approach.

The two study designs, quantitative and qualitative, are differentiated by their underlying research philosophy. The quantitative technique adheres to a positivist viewpoint and a particular framework. On the other hand, the qualitative method holds an interpretivist perspective where subjective interpretations and views of researchers are interpreted through social context. Furthermore, in the quantitative method, a theory is empirically tested, thus following a deductive approach. The qualitative method complies with the inductive approach.

Additionally, the quantitative method can either be mono-method or multi-method. Mono-method refers to employing single data collection and performing statistical analysis. When a study uses multiple data collection techniques followed by analysis, it is called a multi-method study. The present study employs mono-method quantitative research.

4.6 Research Strategy

Researchers commonly utilise several research methodologies based on the specific nature of the study. These include archival research, action research, case study, narrative inquiry, ethnography, survey and grounded theory. The primary nature of the study is descriptive; thus, the survey method as a research strategy has been adopted. The strategy is widely used in the financial socialisation domain and is a relevant method to test the hypothesis emerging from the literature (LeBaron et al., 2020; LeBaron-Black, Kelley, et al., 2022; Zhao & Zhang, 2020).

4.7 Time Horizon

The empirical research can broadly be categorised as longitudinal and cross-sectional based on time horizon. “Longitudinal studies” gather data from the same participants at several time intervals, while cross-sectional studies collect data from multiple participants at a single time point. “Cross-sectional designs examine the relationship between the variables and cannot establish the direction of the causality”, which is a critical limitation of this design.

While acknowledging the benefits of a longitudinal approach, this study opts for a cross-sectional design due to constraints such as time, data accessibility, participant availability, and resource limitations. Conducting a longitudinal study would have demanded an extended duration to gather data from working professionals, posing significant challenges. Also, to ensure the heterogeneity of the sample, data was collected from respondents across India working in major industries.

4.8 Data Collection

The present study employs a survey methodology for data collection. The survey approach entails gathering data through the use of a questionnaire. A survey is a mechanism used to gather individuals' viewpoints and perspectives. The sub-section below discusses the steps recommended by Bryman (2007) for conducting a survey:

4.8.1 Sample Design

4.8.1.1 Sampling frame

The target population for the present study were working professionals in India. Despite a clearly defined sampling frame for the target population, constraints such as cost, time, and limited access to information led to the decision to use a sample. With a complete population list unavailable, probabilistic sampling was not feasible, resulting in the use of purposive sampling instead.

Additionally, in order to improve the sample's representativeness, the respondents were selected based on the sectors in which they were working. As per Hurun India (2021), the top four employment-generating sectors were software and services, financial services, automobile and auto components, and healthcare. Based on the insights, the responses were obtained from the employees of given sectors/industries.

4.8.1.2 Sample size justification

Non-probability sampling approach lacks a standardised method for determining sample size. The decision is usually contingent upon the suggestions of researchers and other factors such as financial constraints, feasibility, etc. (Malhotra, 2010).

To calculate minimum sample size on a-priori basis and avoid Type I and Type II errors (Beck, 2013), an online tool provided by Soper (2023) was used, which was designed by referring the literature on sample requirements for structural equation modelling (Westland, 2010) based on statistical power analysis (Cohen, 2013). As per the results provided by the

tool, a recommended sample size of 460 was necessary for this study based on nine latent variables (excluding one objective variable), 36 observed variables, a power level of 0.8, a probability level less than 0.05 and effect size of 0.2 (Cohen, 2013). Also, according to Hair et al. (2019), at least ten responses must be obtained for every observed variable. The current study has thirty-six observed variables and four additional objective measures. Therefore, a minimum sample size of 360 to 400 must be considered in this case.

Additionally, inclusion criteria were established to improve the identification and consistency of the sample. The eligibility conditions to participate in the survey are as follows: (1) The minimum age to participate in the survey was 25 years, (2) involved in full-time employment in any of the major industries, and (3) a minimum of one year of work experience. Subsequently, a total of 697 responses were received, of which only 542 complete responses were considered for further analysis, which exceeded the lower bound of the sample size requirement.

4.8.2 Mode of administration

The study follows a cross-sectional research design based on the survey collected through a structured questionnaire. The survey was distributed online using purposive sampling to Indian working adults located in Indian Tier-I and Tier-II cities. The study targeted a sample using two distinct recruitment methods. The study targeted a sample using two distinct recruitment methods. Firstly, personal connections and referrals received from other employed individuals within known networks were leveraged. Secondly, employees from organisations located in close proximity were approached with prior authorisation. In both instances, individuals who expressed a willingness to participate were provided with a survey link via popular communication platforms such as WhatsApp and Facebook. These platforms were selected based on their widespread adoption, which facilitated convenient and efficient communication

in both personal and professional settings. The survey description mentioned the study's objective and the survey respondents' inclusion criteria.

4.8.3 Questionnaire generation

The study uses the approach recommended by Churchill and Iacobucci (2006) for developing and validating the questionnaire. According to their perspective, the first stage in creating a questionnaire is to define the necessary information clearly. The study questionnaire is given in Appendix A.

4.8.3.1 Specifying information required

The survey was broadly divided into two sections. One section comprised demographic and personal finance information, while the second consisted of items that measured the participant's perceptions through the observed variables. A questionnaire was prepared accordingly to test the conceptual framework. The primary constructs include financial socialisation through parents, friends, colleagues and media, financial self-efficacy, financial planning propensity, and time perspective: "present hedonism, present fatalism, and future".

4.8.3.2 Questionnaire Type and Administration Method

A structured questionnaire consisting of closed-ended questions was considered suitable for the research. By employing this method, the researcher was able to regulate the length of the questionnaire and ensure that all participants were presented with the same set of questions, resulting in reliable and uniform outcomes. Saunders et al. (2012) recommend two methods of administering the survey, i.e., interviewer-administered and self-administered. The interviewer-administered survey is conducted through face-to-face/telephonic interaction with the respondents. A self-administered survey is sent through mail or the Internet. The present study is primarily self-administered.

4.8.4 Operationalisation of Constructs

The preceding chapter provided the basis and literature background for the current thesis. The conceptual framework and hypotheses were developed based on the existing literature research. Operationalizing the study's variables is essential in order to test the hypotheses and accurately quantify them. Operationalization refers to the transformation of abstract theoretical entities into concrete and quantifiable variables. All the key variables were multi-item scales, as using a single item as a measure has significant drawbacks. The measurement scales used in the study were derived from preexisting literature and subsequently modified to align with the specific setting of the research and Indian conditions. The subsequent sections describe the definitions and the scales used for measuring the constructs.

4.8.4.1 Financial Socialisation

Financial socialisation is defined as “the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviours that contribute to the financial viability and individual well-being.” Individuals acquire and process financial information intentionally or unintentionally from various socialisation agents such as parents, friends, colleagues and media. This process, subsequently, affects their financial decision-making. The different aspects of financial socialisation were captured on a five-point Likert scale ranging from Strongly disagree (1) to Strongly agree (5).

Parental influence. Financial socialisation occurring through parents was measured using the four items as reported in the “National Student Financial Wellness Study” (NSCFW, 2014). The sample item is “My parents or guardians were comfortable talking about money with me”.

Friends and Workplace colleague's influence. These two concepts were measured using a scale provided by Bearden et al. (1989) to capture the Interpersonal influence. The scale was adopted to measure the influence of friends and workplace colleagues on financial behaviour. Sample items include: “I frequently gather information from workplace colleagues before making

financial decisions”, “If I have little experience with a financial planning, I often ask my friends about it”.

Media influence. The three-item scale for media influence was adapted (Rahbar & Wahid, 2011) and modified to capture the influence of media on financial planning behaviour.

4.8.4.2 Financial self-efficacy

Financial self-efficacy is “the perceived ability to manage personal finances”. Financial self-efficacy was measured with six items, adopted from Lown (2011) due to its domain-specific nature. The responses were recorded on the four-point Likert scale (1 - Exactly true, 2 - Moderately true, 3 - Hardly true, 4 - Not at all true).

4.8.4.3 Objective financial knowledge

Financial knowledge can be defined as the understanding and awareness of financial concepts and procedures and the utilisation of this understanding to solve financial problems. The objective financial knowledge measure assesses respondents’ understanding regarding compounding, inflation rate, diversification, and investment (Huston, 2010). It includes four multiple-choice questions with only a single correct answer. Every correct answer was coded as 1, and the rest of the options as 0. Further, a sum of all the correct answers the respondents gave was calculated and consolidated as a single number referred to as the Objective Financial Knowledge (OFK) score.

4.8.4.4 Financial planning propensity

Financial planning propensity is defined as the inclination to set financial goals and plan actions to achieve them. A six-item scale by Lynch et al. (2010) on the propensity to plan for money was used to measure financial planning propensity. The items were recorded on a six-point Likert scale ranging from 1 as Completely Agree to 6 as Completely Disagree and later re-coded to 1 as Completely Disagree to 6 as Completely Agree.

4.8.4.5 Time perspective

Zimbardo and Boyd (1999) define time perspective as “the often-nonconscious process whereby the continual flows of personal and social experiences are assigned to temporal categories, or time frames, that help to give order, coherence, and meaning to those events” (Zimbardo and Boyd 1999). Further, Zimbardo and Boyd (1999) distinguished “time perspective into five dimensions that can be used independently to describe one’s time perspective (i.e., past, present, and future). Individuals may perceive each category in different ways”.

The time perspectives considered for the study are “Present hedonism, Present fatalism and future time perspective”. Present-hedonist time perspective relates to a “hedonist, risk-taking and pleasure-oriented attitude towards life, with high impulsivity and little concern for future consequences of one’s actions”. The characteristics of present hedonist individuals are low impulse control, sensation and novelty seeking. Present-Fatalistic “reveals a belief that the future is predestined and uninfluenced by individual action, whereas the present must be borne with resignation because humans are at the whimsical mercy of fate” (Zimbardo and Boyd 1999). People with present-fatalist characteristics exhibit “low consideration for future consequences, depression and external locus of control”. Finally, Future “relates to a general future orientation, with behaviour dominated by striving for future goals and rewards”.

Each dimension of the time perspective was measured using three items from Zimbardo and Boyd’s (1999) time perspective scale. The items have been measured on a five-point scale ranging from Very uncharacteristic (1) to Very characteristic (5). The sample items of time perspective, “present hedonist, present fatalist and future perspective,” are mentioned in the respective order: “I find myself getting swept up in the excitement of the moment”, “You cannot really plan for the future because things change so much”, “I complete projects on time by making steady progress”.

Demographic variables and Personal Finance Characteristics: Socio-demographic characteristics included age groups (1=25-34; 2=35-44; 3=45-54, 4=55-64), per annum income levels measured in INR (< 5 lakhs, 5 to 10 lakhs, 10 to 15 lakhs, 15 to 20 lakhs, > 20 lakhs per annum), education (1=bachelor's degree, 2 = master's degree and equivalent; 3 =professional degree; 4=PhD), gender (1=male; 2=female), marital status (1=unmarried; 2=married; 3=divorced, 4=widowed). Additionally, specific personal financial characteristics were included, such as general preference for financial instruments (e.g., Fixed deposit, Mutual funds, etc.), investment goals (e.g., children's education, retirement saving, setting up emergency corpus, etc.), access to social security measures (Yes/No), property ownership (Yes/No), and current loan/debt status (Yes/No).

4.8.5 Form of Response

The questionnaire comprised closed-ended scale items, either dichotomous or multichotomous, chosen for their ease of response and efficiency in quantitative analysis. Dichotomous questions primarily covered personal finance and demographics, while multichotomous questions utilized existing scales, simplifying data processing and analysis. The anchors of each scale were as per the existing scales and not on a uniform five-point Likert scale to counter the common method bias issue, as recommended by Podsakoff et al. (2003, 2012).

4.8.6 Question Formulation

An important issue associated with the survey approach is the level of response quality, as there are higher chances of miscomprehending due to inappropriate phrasing and technical jargon. This issue may prompt the respondent to skip a few questions or answer them with less understanding, affecting the research quality. Therefore, although the respondents were educationally qualified, the questions' wording was simplified and comprehensible.

The present study has used existing scales to measure variables. The items were in English, considering the respondents' educational and professional backgrounds. These scales

were selected through a rigorous evaluation process from a range of available options. Although most of them were implemented without modification, several adjustments were needed to align with the specific context. The wordings of financial socialisation through friends and workplace colleagues, media influence and financial planning propensity were modified to suit the financial behaviour setting, while no alterations were made to other scales.

4.8.7 Question Sequence

The questions were divided into well-defined sections. The opening questions regarding the respondent's professional background were kept simple. Further, the questions were presented logically, with each section soliciting responses on one construct. Lastly, the responses to personal finance and demographic information were obtained.

4.8.8 Questionnaire Layout

The online survey was designed using a popular tool – SurveyMonkey. The questionnaires were planned to be distributed in the online mode. In some cases, even though the respondents were approached in person, the online survey link was electronically shared. In other cases, the survey link was distributed through social media platforms.

The initial layout of the survey mentioned the study's objective and the eligibility to participate in the survey. It also comprised the request for consent to participate, and respondents were informed that all the responses were recorded anonymously and no identifying information was collected from them.

4.8.9 Questionnaire Pre-testing: Pilot study

The questionnaire was pretested by presenting it to and discussing it with select working professionals and academicians. This exercise was done to gather feedback and ensure its clarity. The survey received some critical feedback regarding the length of the questionnaire and the simplification of certain item's wordings. Due to the use of well-established scales, the

survey length could not be reduced. Therefore, retaining all items and additional questions was necessary to ensure the reliability of the study constructs.

A pilot study was conducted with 173 working professionals from various sectors to validate the scales further. The statistical analysis was conducted using IBM SPSS version 26 software. The results of the pilot study are discussed further:

The Kaiser–Meyer Olkin (KMO) measure of sample adequacy was 0.816, and a significant Bartlett’s Test of Sphericity indicated that there was a significant difference in the variances ($p < 0.05$) (Table 4.1). This score exceeds the prescribed threshold value, suggesting a significant correlation among the constructs. This satisfied the assumptions of EFA (Bartlett, 1954; Kaiser, 1974).

Table 4.1

KMO and Bartlett’s Test (Pilot study)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett’s Test of Sphericity	Approx. Chi-Square	5146.849
	df	630
	Sig.	.000

Further in factor analysis, the measurement items were extracted using principal axis factoring and varimax rotation, displaying nine distinct factors with eigenvalues higher than 1.0. (Table 4.2). Table 4.3 displays that the extracted nine factors account for 74.196% of the total variance.

Table 4.4 shows that the measurement scales are reliable as Cronbach’s alpha values (Nunnally, 1978) exceed the threshold of 0.70. The Cronbach’s alpha values ranged from 0.878 to 0.969.

Table 4.2*Rotated Component Matrix (Pilot study)*

	Factor								
	1	2	3	4	5	6	7	8	9
PS1					0.804				
PS2					0.865				
PS3					0.849				
PS4					0.807				
FS1				0.848					
FS2				0.869					
FS3				0.880					
FS4				0.782					
WS1		0.870							
WS2		0.895							
WS3		0.900							
WS4		0.897							
MI1									0.785
MI2									0.823
MI3									0.718
FP1			0.676						
FP2			0.691						
FP3			0.782						
FP4			0.741						
FP5			0.786						
FP6			0.737						
SE1	0.785								
SE2	0.863								
SE3	0.820								
SE4	0.886								
SE5	0.771								
SE6	0.818								
TPPH1							0.770		

TPPH2	0.885
TPPH3	0.811
TPPF1	0.857
TPPF2	0.838
TPPF3	0.821
TPF1	0.860
TPF2	0.886
TPF3	0.782
“Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization.”	

Table 4.3

Total Variance Explained (Pilot Study)

Factor	Initial Eigenvalues				Extraction Sums of Squared				Rotation Sums of Squared			
					Loadings				Loadings			
	Total	% of	Cumulative		Total	% of	Cumulative		Total	% of	Cumulative	
		Variance	%			Variance	%			Variance	%	
1	7.283	20.230	20.230		7.100	19.721	19.721		4.213	11.704	11.704	
2	5.076	14.100	34.330		4.790	13.305	33.026		3.638	10.105	21.809	
3	3.570	9.915	44.246		3.306	9.183	42.209		3.403	9.452	31.262	
4	3.434	9.539	53.785		3.131	8.697	50.906		3.389	9.413	40.674	
5	2.960	8.223	62.008		2.672	7.423	58.330		2.873	7.980	48.654	
6	2.329	6.468	68.476		2.074	5.761	64.091		2.442	6.784	55.438	
7	1.794	4.982	73.459		1.629	4.524	68.614		2.317	6.435	61.873	
8	1.431	3.974	77.433		1.207	3.352	71.966		2.296	6.379	68.252	
9	1.014	2.816	80.248		0.803	2.229	74.196		2.140	5.944	74.196	
10	0.601	1.670	81.918									
11	0.563	1.564	83.483									
12	0.511	1.419	84.902									
13	0.485	1.348	86.250									
14	0.440	1.223	87.473									
15	0.403	1.118	88.591									

16	0.376	1.044	89.634
17	0.351	0.976	90.610
18	0.329	0.915	91.525
19	0.317	0.879	92.405
20	0.286	0.793	93.198
21	0.284	0.790	93.987
22	0.241	0.669	94.656
23	0.217	0.602	95.259
24	0.215	0.598	95.857
25	0.206	0.571	96.428
26	0.173	0.479	96.907
27	0.162	0.450	97.358
28	0.158	0.440	97.798
29	0.147	0.409	98.207
30	0.124	0.345	98.552
31	0.112	0.312	98.864
32	0.102	0.282	99.146
33	0.095	0.264	99.410
34	0.084	0.232	99.643
35	0.078	0.218	99.861
36	0.050	0.139	100.000
Extraction Method: Principal Axis Factoring.			

Table 4.4*Construct reliabilities (Pilot study)*

Construct	Cronbach's Alpha (α)
PS	0.903
FS	0.954
WS	0.969
MI	0.878
SE	0.929
FP	0.879
TPPH	0.913
TPPF	0.892
TPF	0.917

4.8.10 Final Data Collection

Approximately 850 survey questionnaires were distributed among the full-time employees belonging to the following industries: Information Technology/Software Services, Banking and Insurance, Manufacturing/Automobile, Education and others. The survey was conducted for approximately nine months.

4.9 Data Preparation for Analysis

The responses received through SurveyMonkey were exported in the Microsoft Excel document. The responses were coded in Microsoft Excel and SPSS. The dataset was checked for missing values. Further, only complete responses were imported to the statistical analysis software for further analysis.

4.10 Data Analysis

This study investigates the relationships between multiple independent and dependent variables. Interrelationships between variables are analysed using multivariate data analysis techniques, such as structural equation modelling (SEM) with mediation and moderation. SEM is considered suitable for testing conceptual frameworks with several hypotheses. SEM consists of a sequence of interrelated procedures such as confirmatory factor analysis, path analysis, etc., enabling inferential data analysis and model estimation. SEM is categorised as “Partial Least Square SEM (PLS-SEM)” and “Covariance-based SEM (CB-SEM)” (Hair et al., 2019). This study utilises CB-SEM for these rationales: CB-SEM is more suitable when the objective of the study is to test theories rather than make predictions. Furthermore, all the underlying constructs are characterised by their reflective nature, which does not necessitate the employment of PLS-SEM. Lastly, the large number of responses with near-normal distribution makes CB-SEM an appropriate method.

Chapter Summary

The chapter discussed the research methodology utilised for the current study. The chapter outlined the research typology, philosophy, approach and methodological choice considered for this thesis. Also, statistical tools, sample details, and data analysis techniques were elaborated.

CHAPTER 5

DATA ANALYSIS

This chapter presents the outcomes of the statistical investigation conducted on the collected data. The initial section comprises the socio-demographic information and personal finance preferences of the participants, along with descriptive statistics used to assess the normality of the observed data. Subsequently, the chapter elucidates the findings of Exploratory Factor Analysis (EFA), model fit indices, and the evaluation of the structural model, which encompasses the analysis of direct effects, mediation, and moderation.

5.1 Response rate

The responses were collected over nine months between 2022 and 2023. Approximately 850 survey questionnaires were distributed among the full-time employees belonging to the following industries: Information Technology/Software Services, Banking and Insurance, Manufacturing/Automobile, Education and others. A total of 697 responses were received, of which 155 incomplete responses were not considered valid for further analysis. Thus, a total of 542 responses were completed and considered for final data analysis. The response rate was found to be 63.76 per cent. Measuring the response rate is essential as an appropriate level of response rate generates a data sample that closely represents the target population and thereby has higher statistical power. Furthermore, larger sample sizes are commonly regarded as having greater credibility in terms of data and improved reliability in terms of outcomes (Rogelberg & Stanton, 2007).

5.2 Demographic Profile of the Respondents

The final sample size for the study comprised 305 male participants (56.3%) and 237 female participants (43.7%). Among them, 47.2% fell within the age group of 25-34 years, and 52.4% had completed their Bachelor's degree. Approximately 35.1% of the participants reported an annual income level between INR 5 and 10 lakhs. Moreover, 72.7% of the participants were married, and 42.1% had 2-3 individuals financially dependent on them, with an average family size of 4 members. Most respondents (61.6%) worked in the private sector, with a significant proportion (20.8%) employed in the finance and insurance industry. The average reported work experience among the participants was 13.09 years. An overview of the demographic profiles of respondents is given in Table 5.1.

Table 5.1

Demographic profile of the respondents

Characteristics		Frequency (n)	Percentage (%)
Gender	Male	305	56.3%
	Female	237	43.7%
Age	25 - 34	256	47.2%
	35 - 44	151	27.9%
	45 - 54	79	14.6%
	55 - 64	56	10.3%
Type of organisation	Government Organisation/Public Sector Enterprise	208	38.4%
	Private Organisation	334	61.6%
Industry	Software/ IT Services and Data Processing	110	20.3%
	Finance and Insurance	113	20.8%
	Healthcare/Pharmaceuticals	100	18.5%
	Automobile/Manufacturing	131	24.2%
	Education	37	6.8%

	Others	51	9.4%
Education	Bachelor's degree	284	52.4%
	Master's degree and equivalent	186	34.3%
	Professional Degree	59	10.9%
	PhD	13	2.4%
Income (INR, per annum)	< 5 lakhs	101	18.6%
	5 - 10 lakhs	190	35.1%
	10 - 15 lakhs	129	23.8%
	15 - 20 lakhs	52	9.6%
	>20 lakhs	70	12.9%
Marital Status	Unmarried	142	26.2%
	Married	394	72.7%
	Divorced	3	0.6%
	Widowed	3	0.6%
Financial Dependents	Only myself	129	23.8%
	1 person in addition to myself	103	19.0%
	2-3 persons in addition to myself	228	42.1%
	4-5 persons in addition to myself	72	13.3%
	Over 5 persons in addition to myself	10	1.8%

Table 5.2

Personal finance preferences of the respondents

Personal finance preferences		Frequency (<i>n</i>)	Percentage (%)
Debt	Yes	311	57.4%
	No	231	42.6%
Property	Yes	337	62.2%
	No	205	37.8%
Social Security	Yes	467	86.2%

		No	75	13.8%
Financial instrument preference		Fixed/Recurring Deposit	102	18.9%
		National Savings Certificate/National Savings Schemes/Post Office Savings	39	7.2%
		Provident funds	67	12.4%
		Insurance	51	9.4%
		Cryptocurrency	2	0.4%
		Stocks/Shares	92	17.0%
		Mutual funds	128	23.7%
		Gold	25	4.6%
		Others	31	5.7%
		Missing values	5	0.1%
Monthly investment portion		0-10%	3	0.6%
		11-20%	230	42.5%
		21-30%	191	35.3%
		31% and above	82	15.2%
		Missing values	38	7.0%
Investment goals		Tax benefits	91	16.9%
		Savings for retirement	175	32.4%
		Children's education	80	14.8%
		To start your own business	42	7.8%
		To invest in Real Estate	27	5.0%
		Contingency for future/Emergency funds	114	21.1%
		Missing Values	11	2.0%

In addition to collecting demographic information, the study also recorded the personal finance preferences of the participants (Table 5.2). The majority of respondents indicated that they owned a property (62.2%) and were currently servicing a debt (57.4%). Furthermore, a significant proportion of participants reported having access to social security measures provided by their employers (86.2%). Regarding investment preferences, safe options such as

fixed deposits (18.9%) and mutual funds (23.7%) were the respondents' most favoured financial instruments for savings and investment. Conversely, gold emerged as one of the least preferred investment options (4.6%). With respect to major financial goals, saving for retirement (32.4%) and setting an emergency fund (21.1%) were the most favoured investment goals.

Table 5.3

Financial Knowledge Score

		Frequency (<i>n</i>)	Percentage (%)
Objective Financial Knowledge	No correct answer	18	3.3%
	One correct answer	74	13.7%
	Two correct answers	76	14.0%
	Three correct answers	181	33.4%
	All correct answers	193	35.6%

Note. n=542

The Objective Financial Knowledge (OFK) score was computed by adding all the correct answers provided by the respondents (Table 5.3). This aggregate score represents each participant's overall level of objective financial knowledge. The results showed that only 35.6% of the respondents could answer all four questions correctly, while a notable proportion of respondents (17%) answered one or fewer questions accurately. This score was directly used for analysis and excluded while performing EFA and CFA as it is an observed variable, unlike other latent constructs.

5.3 Descriptive Statistics

Descriptive statistics provide information on the data collected from a sample and its several measurements, including mean, standard deviation, skewness and kurtosis. Table 5.4 demonstrates the descriptive statistics of the nine main constructs: *parental influence*, *friend's influence*, *workplace peer's influence*, *media influence*, *financial self-efficacy*, *financial*

planning propensity, and three Time perspective constructs - *present-hedonist*, *present-fatalist* *time perspective and future*. The items were measured on various anchors ranging from a 4-point scale to a 6-point scale to avoid common method bias (Podsakoff et al., 2012).

Table 5.4

Descriptive statistics of the constructs

Codes	Item Statement	Mean	Std. Deviation	Skewness	Kurtosis
<i>Parental Influence</i> (5-point scale)					
PS1	“My parent(s) or guardian(s) are comfortable talking about money with me”.	4.09	1.024	-1.074	0.571
PS2	“My parent(s) or guardian(s) tell me what I need to know about money management”.	3.97	1.040	-1.141	1.018
PS3	“My parent(s) or guardian(s) are role models of sound financial management”.	3.85	1.046	-0.827	0.314
PS4	“I rely on my parents for financial advice”.	3.72	1.003	-0.784	0.54
<i>Friend’s Influence</i> (5-point scale)					
FS1	“I rely on friends for financial advice”.	3.38	1.087	-0.895	0.109
FS2	“If I have little experience with financial planning, I often ask my friends about it”.	3.47	1.107	-0.961	0.196
FS3	“I frequently gather information from friends before taking financial decisions”.	3.51	1.148	-0.871	0.045
FS4	“To make sure I buy the right financial product, I often try to get information about the product when my friends are using it”.	3.68	1.126	-0.95	0.252
<i>Workplace peers influence</i> (5-point scale)					
WS1	“I frequently gather information from workplace colleagues	3.35	1.201	-0.67	-0.538

	before making financial decisions”.				
WS2	“I rely on workplace colleagues for financial advice.”	3.15	1.161	-0.503	-0.638
WS3	“If I have little experience with a financial planning, I often ask my workplace colleagues about it”.	3.21	1.205	-0.567	-0.74
WS4	“To make sure I buy the right financial product, I often try to get information about the product when my workplace colleagues are using it”.	3.33	1.231	-0.608	-0.7
Media Influence (5-point scale)					
MI1	“Media (Such as social media, magazines, newspaper, television) enhances my knowledge about financial planning”.	3.91	1.021	-1.114	1.082
MI2	“I take interest in information about financial products/planning on various media”.	3.91	1.000	-1.141	1.221
MI3	“Financial products advertisements/influencers guide me to making an informed financial decision.”	3.81	0.984	-0.854	0.568
Financial Self-efficacy (4-point scale)					
SE1	“It is hard to stick to my spending plan when unexpected expenses arise”.	2.49	1.022	-0.064	-1.124
SE2	“It is challenging to make progress toward my financial goals”.	2.46	0.996	0.012	-1.052
SE3	“When unexpected expenses occur, I usually have to use credit”.	2.71	1.054	-0.188	-1.205
SE4	“When faced with a financial challenge, I have a hard time figuring out a solution”.	2.63	0.976	-0.103	-0.995
SE5	“I lack confidence in my ability to manage my finances”.	2.86	1.020	-0.349	-1.087

SE6	“I worry about running out of money in future”.	2.76	1.060	-0.221	-1.229
<i>Financial Planning Propensity</i> (6-point scale)					
FP1	“I set financial goals for what I want to achieve with my money”.	5.20	0.844	-1.188	2.391
FP2	“I decide beforehand how my money will be used”.	5.10	0.820	-0.866	1.099
FP3	“I actively consider the steps I need to take to stick to a budget”.	5.11	0.832	-0.957	1.605
FP4	“I consult my budget to see how much money I have left”.	5.09	0.844	-1.136	2.527
FP5	“I look to my budget in order to get a better view as to my spending in the future”.	5.21	0.844	-1.289	2.704
FP6	“I will feel better to have my finances planned out”.	5.31	0.842	-1.408	2.853
<i>Present-Hedonist Time Perspective</i> (5-point scale)					
TPPH1	“I find myself getting swept up in the excitement of the moment”.	2.55	1.041	0.571	-0.269
TPPH2	“Taking risks keeps my life from becoming boring”.	2.55	1.088	0.549	-0.578
TPPH3	“I take risks to put excitement in my life”.	2.50	1.097	0.484	-0.601
<i>Present-Fatalist Time Perspective</i> (5-point scale)					
TPPF1	“You cannot really plan for the future because things change so much”.	2.83	0.962	0.136	-0.554
TPPF2	“My life path is controlled by forces I cannot influence”.	2.85	0.915	0.079	-0.367
TPPF3	“It does not make sense to worry about the future, since there is nothing that I can do about it anyway”.	2.71	0.956	0.279	-0.236
<i>Future Time Perspective</i> (5-point scale)					
TPF1	“I complete projects on time by making steady progress”.	3.85	0.937	-1.091	1.032
TPF2	“I am able to resist temptations when I know that there is work to be done”.	3.83	0.923	-0.938	0.706

TPF3	“I meet my obligations to friends and authorities on time”.	3.81	0.952	-1.127	1.283
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Table 5.4 illustrates that the socialisation constructs – parental influence, friends influence, workplace influence and media influence, had mean values above 3. The mean values of financial self-efficacy, which was measured on a 4-point scale, were above 2. Financial planning propensity items showed higher mean values as all the values were above 5—lastly, the time-perspective constructs displayed mean values greater than 2.5. The standard deviation values of all the items ranged between 0.82 to 1.231. The mean and standard deviation indicate that respondents had positive perceptions about all the variables and almost similar variations in the responses. The given values suggest that responses for socialisation, self-efficacy, planning propensity and time perspective were typically higher than the neutral levels of their respective constructs. The descriptive statistics portray a broader picture, showing that respondents tend to socialise with various agents such as parents, friends, workplace colleagues, and media and intend to engage in financial planning.

The data normality is generally evaluated by examining two statistical measures: skewness and kurtosis. Skewness refers to the lack of symmetry in the normal distribution of the data. Kurtosis is a measure that examines the extent to which the tail differs from a normal distribution, i.e. the extent of peakedness of the data distribution. According to Tabachnick and Fidell (2007), a kurtosis score between ± 3 suggests a distribution that closely resembles a normal distribution. Furthermore, skewness values within the range of ± 1 indicate a slight skewness in the data. In contrast, values within ± 2 indicate a significant skewness, and values within ± 3 indicate a severe skewness, indicating a non-normal distribution of the data (Byrne, 2001; Kline, 2011). The data from the current study exhibits somewhat negative skewness values, ranging from -1.408 to 0.571. The kurtosis values vary from -1.229 to 2.853, indicating a slight deviation from a normal distribution. The possible reason for this deviation could be

acquiescence bias, which is a tendency of respondents to mark mostly affirmative responses to the statements in the questionnaire (Purcell, 2014). Nevertheless, the incidence of non-normality is moderate in nature; therefore, the responses can be considered genuine by nature. While normality is crucial for making inferences, it is not necessary to prove the validity of t-tests and linear regressions until there is a significant deviation from normalcy, which could lead to unreliable outcomes (Kleinbaum et al., 2013).

The following table displays the correlation between all the study variables, along with their means and standard deviations (Table 5.5).

Table 5.5

Bivariate Correlations Matrix

Variable	Mean	Std. Deviation	1	2	3	4	5	6
1. Age	1.88	1.01	--					
2. Education	1.63	0.77	.095*	--				
3. Income	2.63	1.26	.331**	.123**	--			
4. Gender	1.44	0.50	.415**	.116**	0.046	--		
5. Marital Status	1.27	0.45	-.461**	-0.004	-.246**	-0.073	--	
6. PS	3.91	0.90	-.101*	-0.009	-.178**	0.051	.180**	--
7. FS	3.51	1.05	-0.052	-.159**	-.097*	-.119**	-0.005	0.082
8. WS	3.26	1.15	0.084	-.099*	-.108*	-.101*	-.102*	.085*
9. MI	3.88	0.89	-0.068	-0.024	-0.078	-0.069	0.036	.165**
10. FSE	2.65	0.89	0.057	0.012	.178**	0.018	0.007	0.079
11. FP	5.17	0.67	-0.014	-0.022	0.002	-0.014	.096*	.103*
12. TPPF	2.80	0.86	-0.037	0.071	-.115**	-0.062	0.014	-.103*
13. TPPH	2.53	1.00	.101*	0.051	0.045	-.133**	-.110*	-0.038
14. TPF	3.83	0.86	0.054	-0.052	0.048	0.058	-0.021	0.049
Variable	7	8	9	10	11	12	13	14
1. Age								
2. Education								
3. Income								
4. Gender								

5. Marital Status								
6. PS								
7. FS	--							
8. WS	.500**	--						
9. MI	.337**	.332**	--					
10. FSE	-.115**	-0.059	0.073	--				
11. FP	-0.028	-0.025	0.073	.114**	--			
12. TPPF	.107*	.109*	0.005	-.232**	-.153**	--		
13. TPPH	0.056	.121**	.094*	-.092*	-0.054	.165**	--	
14. TPF	0.064	0.028	-0.032	.102*	.121**	-.087*	-.507**	--

Notes. Age groups (1=25-34; 2=35-44; 3=45-54, 4=55-64), per annum income levels in INR (1=< 5 lakhs, 2=5 to 10 lakhs, 3=10 to 15 lakhs, 4=15 to 20 lakhs, 5=> 20 lakhs per annum), education (1=bachelor's degree, 2 = master's degree and equivalent; 3 =professional degree; 4=PhD), gender (1=male; 2=female), marital status (1=unmarried; 2=married);*p < 0.05. ** p < 0.01.

Additionally, a series of one-way ANOVA analyses were conducted to examine differences in various financial behaviours and perceptions across different demographic and socioeconomic groups (Appendix B). The results revealed significant gender differences in financial socialisation, with men being more inclined to socialize with friends and workplace colleagues than women financially. Financial self-efficacy varied significantly across income levels, with post-hoc LSD tests indicating higher financial self-efficacy among individuals with higher incomes. Similarly, significant differences in financial knowledge were observed across income levels, with Games-Howell post-hoc tests highlighting discrepancies between higher and lower income groups. A significant relationship was found between present-fatalism time perspective scores and the percentage of monthly income invested, with Games-Howell posthoc tests revealing that individuals with higher present-fatalist perspectives invested a lower portion of their income. Marital status also influenced financial socialisation patterns; unmarried individuals showed higher parental socialisation, while married individuals had greater financial socialisation with workplace colleagues. Differences in financial socialisation were also noted between public and private sector employees, with public sector employees

engaging in financial socialisation through friends, workplace colleagues, and media. Lastly, education level impacted financial socialisation, as individuals with undergraduate education showed higher scores for workplace and friends' financial socialisation compared to those with higher education.

5.4 Exploratory Factor Analysis

Exploratory factor analysis (EFA) is a dimension reduction technique that is used especially in the scale development process (Burns & Burns, 2008). This study does not attempt to develop new scales but uses well-established scales and adapts them to the study's context. Thus, the use of EFA in this study is to conduct a primary step in performing structural equation modelling. It analyses the features of latent constructs and their relationship with equivalent measured variables (Byrne, 2001). The subsequent step is Confirmatory Factor Analysis (CFA), which confirms the EFA investigation and verifies the structure developed on the basis of theoretical understanding. In addition, Structural Equation Modelling (SEM) is utilised to determine any potential causal links among the variables. Ultimately, in order to determine the quality of the model, calculations are performed to assess the model fit indices.

For the present study, EFA is conducted to confirm the possible structure among the variables. A step-by-step process is followed to conduct EFA as suggested by Osborne (2008), and SPSS version 26 is used to execute the analysis.

Step 1: The initial stage in performing Exploratory Factor Analysis (EFA) entails choosing the suitable extraction method. This process, termed 'extraction', involves deriving latent variables from observed variables by assessing their correlations or covariations. Generally, Principal Component Analysis or Common Factor Analysis are common extraction methods. The primary objective of Principal Component Analysis is reducing a set of variables into a minimum number of factors. At the same time, Common Factor Analysis identifies latent variables represented in the observed variables. There is considerable debate over which

extraction method is appropriate; however, Hair et al. (2019) state that if the number of variables exceeds 30, both methods arrive at similar results. Next, Principal Axis Factoring is suitable for over-extraction and solutions with few indicators per factor. Thus, Principal Axis Factoring is used, as the measurement scales are fewer for each latent construct. This process results in an unrotated rotated factor matrix containing factor loadings that are correlated between each variable and its allied factor. Factor loadings indicate the correspondence between the observed variables and their respective factor, where higher loadings imply higher factor representation.

Step 2: In the second phase, the necessary number of factors to be derived is established. This determination can be made through a combination of theoretical considerations and statistical techniques, namely, latent root criterion or scree plot. After a detailed understanding of the literature on the focal constructs and employing latent root criterion with a cut-off value of 1.0 of the eigenvalue, six factors were retained.

Step 3: The above method is sufficient for deriving the number of factors to be retained; however, unrotated factor solutions arrived in Step 1 may not provide adequate information for adequate interpretation of observed variables under examination. Therefore, rotational methods assist in achieving simple and theoretically meaningful factor solutions. Here, the rotation implies turning the reference axes of the factors about origin till it reaches some other position. Factor rotation reduces the ambiguity accompanied by unrotated factor solutions. The two forms of factor rotation are orthogonal and oblique rotation. In orthogonal rotation, the axes are rotated at 90 degrees; in oblique rotation, the reference axes are not constrained to 90 degrees. Orthogonal factor rotation methods are more widely used than oblique rotation methods, as analytical procedures for oblique methods are yet to develop and might be controversial (Hair et al., 2019). Hence, in this step, a popular orthogonal rotation approach called Varimax is utilised, as it maximises factor variance, amplifies higher factor loadings and

minimises lower loadings.

Step 4: The last step is to run the EFA. The interpretations are further elaborated upon.

5.4.1 Exploratory Factor Analysis Results

The outcomes of EFA are interpreted through key findings and results, namely, Kaiser Meyer Olkin (KMO) and Bartlett test criteria, total variance explained, communalities and rotated component matrix. For the hypothesised model, the process of EFA included conducting Principal Axis Factoring, with subsequent Varimax on 36 items completed by 542 respondents who were employed in various industries. The questionnaire items were related to the study's focal constructs: parental influence, friend's influence, workplace peer's influence, media influence, financial self-efficacy, financial planning propensity, and three Time perspective constructs - present-hedonist, present-fatalist and future perspective. The results of the EFA are discussed further.

5.4.2 Data Adequacy

Table 5.6 depicts the results of the KMO and Bartlett's tests. The Kaiser–Meyer Olkin (KMO) Test measures sample adequacy, and a preferable threshold for this should exceed 0.5 prior to proceeding with additional analysis. The KMO value is 0.863, which is beyond the minimum criteria, suggesting significant correlations between underlying constructs; hence, the data is suitable for further investigation.

Table 5.6

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy				.863
Bartlett's Sphericity	Test	of	Approx. Chi-Square	15640.809
			df	630
			Sig.	.000

5.4.3 Communalities

Communalities are referred to as the degree of variance in the observed variables explained by common factors. The communalities for a variable are calculated by taking the sum of the squared loadings for that particular variable. The desirable values are close to one, indicating that the higher the value, the more variance the model explains in those variables (Field, 2013). The value of communalities of all the variables is given in Table 5.7.

Table 5.7

Communalities

	Initial	Extraction
PS1	.612	.648
PS2	.709	.794
PS3	.645	.705
PS4	.616	.665
FS1	.810	.839
FS2	.833	.870
FS3	.835	.876
FS4	.796	.803
WS1	.855	.877
WS2	.886	.906
WS3	.895	.917
WS4	.874	.889
MI1	.645	.740
MI2	.651	.786
MI3	.494	.536
FSE1	.664	.677
FSE2	.683	.706
FSE3	.676	.707
FSE4	.700	.737
FSE5	.715	.725
FSE6	.702	.718

FP1	.489	.522
FP2	.471	.499
FP3	.533	.588
FP4	.505	.551
FP5	.560	.594
FP6	.584	.652
TPPH1	.696	.743
TPPH2	.766	.875
TPPH3	.699	.754
TPPF1	.662	.764
TPPF2	.671	.755
TPPF3	.632	.707
TPF1	.717	.800
TPF2	.712	.804
TPF3	.669	.732
Extraction Method: Principal Axis Factoring.		

The communalities values of all the items of variables – parent’s influence, friend’s influence, workplace influence and media influence fall in the range of 0.648 to 0.705, 0.839 to 0.876, 0.877 to 0.917, and 0.536 to 0.786, respectively. The highest communalities were observed within “workplace influence” variables. All the items of “financial self-efficacy” have communalities values above 0.677. The “financial planning propensity” values were comparatively lower than other variable values, starting from 0.499. The time perspective variables, “present-hedonist”, “present-fatalist”, and “future perspective” displayed decent values between 0.707 and 0.875.

5.4.4 Total Variance Explained

The total variance explained result describes all the possible components extracted from the analysis, along with respective eigenvalues, the variance percentage attributed to each factor and the cumulative variance of the factor and preceding factors. Table 5.8 shows the total

variance explained for the present model. Nine factors with eigenvalues above one are retained per Kaiser's rule (Kaiser, 1974). These nine factors contribute to 73.501 per cent of the total variance.

Table 5.8

Total Variance Explained

Total Variance Explained										
Factor	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared			
	Loadings			Loadings			Loadings			
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	6.343	17.62	17.62	6.168	17.132	17.132	4.305	11.959	11.959	
2	5.399	14.996	32.616	5.116	14.212	31.344	3.588	9.966	21.925	
3	3.759	10.441	43.057	3.504	9.734	41.078	3.419	9.497	31.422	
4	3.517	9.77	52.826	3.17	8.804	49.882	3.375	9.374	40.796	
5	2.889	8.025	60.851	2.585	7.181	57.063	2.813	7.813	48.61	
6	2.106	5.85	66.702	1.847	5.13	62.193	2.354	6.539	55.149	
7	1.829	5.082	71.783	1.682	4.672	66.865	2.346	6.518	61.667	
8	1.663	4.619	76.403	1.395	3.876	70.741	2.2	6.11	67.778	
9	1.207	3.353	79.755	0.994	2.76	73.501	2.06	5.723	73.501	
10	0.53	1.471	81.226							
11	0.526	1.462	82.688							
12	0.464	1.289	83.978							
13	0.436	1.211	85.189							
14	0.421	1.169	86.358							
15	0.398	1.107	87.465							
16	0.382	1.06	88.524							
17	0.346	0.962	89.486							
18	0.326	0.905	90.391							
19	0.299	0.829	91.22							
20	0.275	0.764	91.985							
21	0.27	0.749	92.734							

22	0.257	0.715	93.449
23	0.254	0.705	94.154
24	0.236	0.656	94.81
25	0.224	0.623	95.433
26	0.217	0.602	96.035
27	0.21	0.584	96.619
28	0.191	0.529	97.148
29	0.189	0.525	97.673
30	0.16	0.445	98.119
31	0.155	0.43	98.549
32	0.138	0.382	98.932
33	0.116	0.322	99.253
34	0.112	0.311	99.564
35	0.091	0.253	99.817
36	0.066	0.183	100
Extraction Method: Principal Axis Factoring.			

5.4.5 Rotated Component Matrix

Factor rotation was executed using Varimax rotation. Rotation is primarily used to improve the factor solution's interpretability by rotating the factors so that variables with smaller and larger loadings are appropriately differentiated. The rotated factor solutions are achieved by rotating the axes till the optimal factor structure is achieved. The values of the factor loadings fall in the desirable level of above 0.7 (Hair et al., 2019). Table 5.9 exhibits the nine distinct factors that have been used for analysis.

Table 5.9

Rotated Component Matrix

	Factor								
	1	2	3	4	5	6	7	8	9
PS1					0.789				
PS2					0.885				

PS3		0.830
PS4		0.806
FS1		0.867
FS2		0.889
FS3		0.882
FS4		0.843
WS1	0.887	
WS2	0.905	
WS3	0.911	
WS4	0.901	
MI1		0.818
MI2		0.852
MI3		0.691
SE1	0.815	
SE2	0.836	
SE3	0.830	
SE4	0.850	
SE5	0.833	
SE6	0.836	
FP1	0.712	
FP2	0.691	
FP3	0.764	
FP4	0.736	
FP5	0.764	
FP6	0.796	
TPPH1		0.800
TPPH2		0.894
TPPH3		0.826
TPPF1		0.858
TPPF2		0.843
TPPF3		0.808
TPF1		0.849

TPF2	0.859
TPF3	0.803
“Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.”	

5.5 Confirmatory Factor Analysis (CFA)

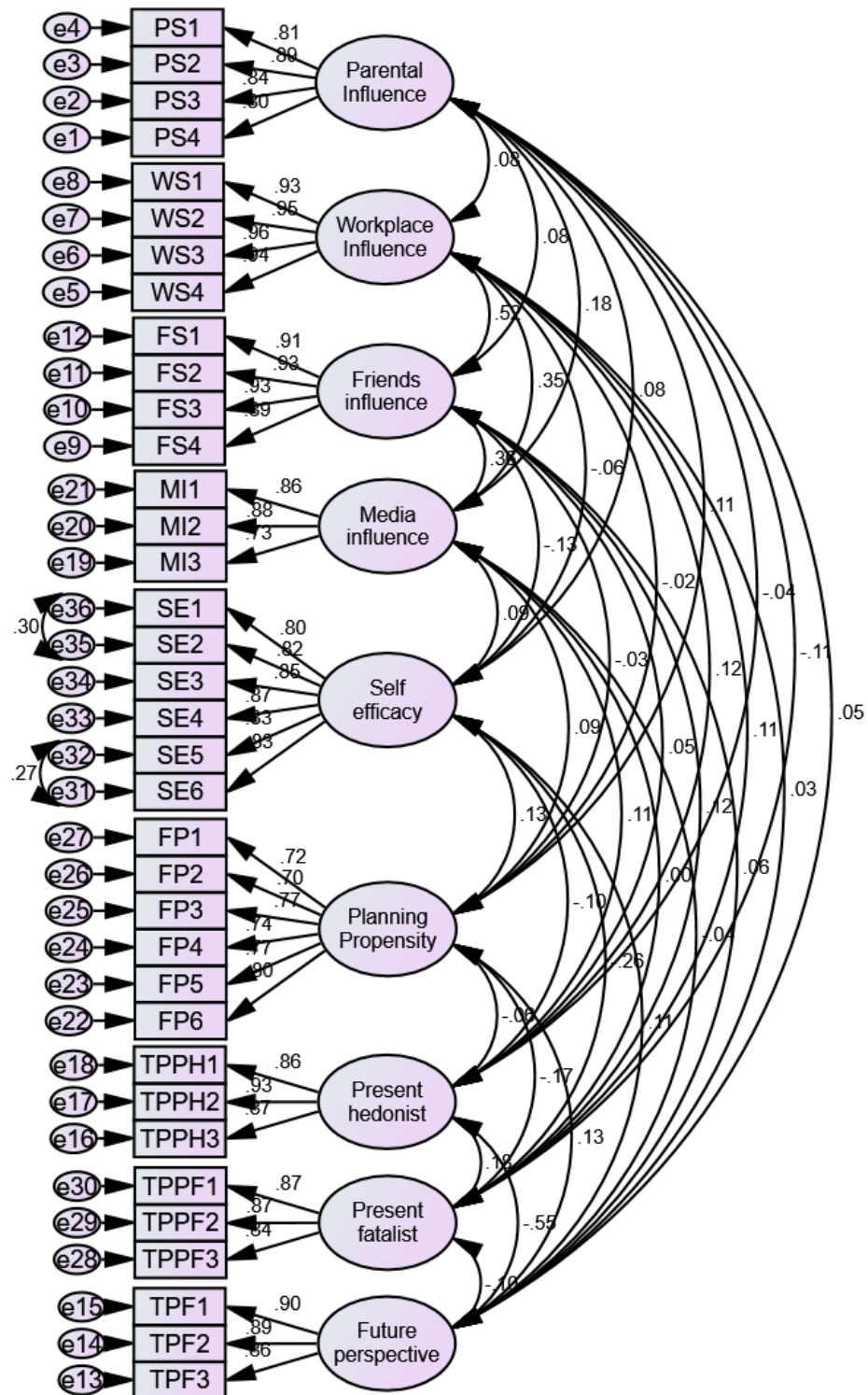
CFA, an integral part of SEM, evaluates measurement models by analysing the connection between observed and latent variables. It confirms scale validity, checks construct consistency and assesses measurement invariance. In the graphical depiction of the theoretical model, observed variables are represented as squares and latent variables as ovals, connected by covariance and regression paths. Specification includes the proposed measurement model, hypothesised factor relationships, indicator number and patterns, and individual factor loadings. The present study has used AMOS version 24 to perform CFA and SEM. Figure 5.1 shows the measurement model proposed by this study.

The Confirmatory Factor Analysis (CFA) is a method used to assess the reliability and validity of a measurement model. Reliability concerns the consistency and accuracy of a measure, while validity evaluates its capability and appropriateness in measuring the intended construct. In quantitative research, reliability measures gauge the consistency of study outcomes, while validity guarantees the trustworthiness of the study’s results (Bryman et al., 2007). The study’s constructs are evaluated for internal reliability and validity with the following tests:

1. Reliability
2. Discriminant and Convergent validity
3. Model fit indices

Figure 5.1

Measurement Model



5.5.1 Reliability

Reliability is the consistency and uniformity of findings, enabling their replicability. Cronbach's Alpha is a commonly used method to measure internal reliability, assuming all scale items measure the same construct. This method matches the reliability of the full test, calculated by extending features of one unit p times. Ideally, Cronbach's Alpha values should be greater than 0.7 for adequate reliability (Nunnally, 1978). Cronbach's alpha can be calculated using the reliability analysis option in SPSS. The Cronbach's alpha values ranged between 0.862 and 0.971, indicating desirable reliability levels. Table 5.10 displays the internal reliabilities of the study's constructs.

Table 5.10

Construct Reliabilities

Construct	Cronbach's Alpha (α)
PS	0.9
FS	0.955
WS	0.971
MI	0.862
SE	0.935
FP	0.884
TPPH	0.916
TPPF	0.892
TPF	0.912

The measurement model's validity depends on:

- Demonstrating construct validity through assessing convergent and discriminant validity.
- Achieving sufficient goodness-of-fit levels

5.5.2 Convergent and Discriminant Validity

Convergent validity, also known as congruent validity, is concerned with providing evidence for construct validity. It is the extent to which responses on an instrument display a strong relationship with responses on theoretically similar instruments. Discriminant validity is the degree to which the measure does not correlate with or diverges from other measures whose underlying construct is theoretically unrelated to it (Chin & Yao, 2014).

Convergent validity assesses the extent to which the items in a scale come together to form a construct and have the highest amount of shared variance. Convergent validity of the measurement model is established by assessing Composite Reliability (CR) and Average Variance Extracted (AVE) (Fornell & Larcker, 1981).

Composite reliability refers to the degree of internal consistency among measurement items that are associated with a particular construct (Netemeyer et al., 2003). Composite reliability, in the context of a model estimate, prioritises the indicators and calculates reliability values based on the factor loadings of items. The composite reliability distinguishes itself from Cronbach alpha by utilising the item covariance matrix (Cronbach, 1951). The values for CR greater than 0.7 are deemed desirable (Hair et al., 2019).

The Average Variance Extracted (AVE) quantifies the proportion of variance attributed to a construct relative to the variance caused by measurement error. The minimum acceptable values for AVE are 0.50 or above (Fornell & Larcker, 1981). The AVE (Average Variance Extracted) for each construct is computed by summing the squares of the standardised factor

loadings and dividing it by the total of the derived values plus the sum of the error variances of the scale items for that construct.

Table 5.11 displays the CR and AVE values of all the constructs. The CR values range between 0.865 and 0.972, which lie in the acceptable levels. The AVE values reported were also lesser than CR values, thus proving convergent validity.

Table 5.11

Results of Convergent Validity Test

Constructs	CR	AVE	MSV	Convergent Reliability
PS	0.901	0.695	0.033	Validated
FS	0.955	0.842	0.269	Validated
WS	0.972	0.895	0.269	Validated
MI	0.865	0.682	0.130	Validated
SE	0.932	0.695	0.068	Validated
FP	0.884	0.560	0.029	Validated
TPPH	0.917	0.787	0.301	Validated
TPPF	0.892	0.734	0.068	Validated
TPF	0.912	0.776	0.301	Validated

Note. “For convergent validity: $CR > 0.7$; $AVE \geq 0.5$; $CR > AVE$ ”

Discriminant validity is “the degree to which two conceptually similar concepts are distinct”. Discriminant validity serves the objective of verifying that reflective constructs exhibit stronger associations with their indicators in comparison to the indicators of other constructs considered in the study (Hair et al., 2019).

To assess the discriminant validity, the thresholds outlined by Fornell-Larcker (1981) are adhered to. According to these thresholds, “the square root of each construct’s average variance extracted (AVE) should be greater than its correlation with other constructs”. Table

5.12 shows inter-construct correlations among the study constructs and AVE's square root values. As per the prescribed threshold, square root values of AVE are greater than the inter-construct correlation values, thus exhibiting acceptable discriminant validity.

Table 5.12

Discriminant Validity Test Results

Constructs	PS	FS	WS	MI	SE	FP	TPPH	TPPF	TPF
PS	0.833								
FS	0.082	0.918							
WS	0.084	0.519	0.946						
MI	0.181	0.360	0.354	0.826					
SE	0.083	-0.125	-0.065	0.091	0.833				
FP	0.114	-0.028	-0.024	0.095	0.126	0.748			
TPPH	-0.039	0.054	0.122	0.111	-0.095	-0.058	0.887		
TPPF	-0.106	0.116	0.115	-0.002	-0.260	-0.170	0.176	0.857	
TPF	0.046	0.065	0.031	-0.038	0.107	0.127	-0.549	-0.096	0.881

5.5.3 Model Fit Indices

The goodness of fit denotes the extent to which the observed and the estimated covariance matrix display similarity. It suggests how appropriately the specified measurement model fits a set of observations on the basis of an observed covariance matrix.

Model fit indices quantify the differences between the estimated covariance matrix, obtained from the theoretical framework, and the observed covariance matrix, produced from the observed indicators. If the values denote higher similarity, then it advocates perfect theory development (Hair et al., 2019), suggesting that higher similarity in the matrix values denotes a better model fit.

The subsequent fit indices are provided for both the assessment of measurement and the structural model. “Absolute fit indices measure the accuracy of a model in replicating data, such as Normed Chi-square (CMIN/df), Goodness-of-fit (GFI), and Root Mean Square Error

of Approximation (RMSEA). Incremental fit indices assess the degree of fit between a specified model and a baseline model, typically the null model. Common incremental fit indices include Comparative Fit Index (CFI), Normed Fit Index (NFI), and Tucker Lewis Index (TLI). Parsimonious fit indices quantify the model's complexity and determine it from a set of predetermined alternative models, such as the Adjusted Goodness-of-fit Index (AGFI)".

The present study applies the maximum likelihood method to estimate the fit of the measurement model (Collier, 2020). Table 5.13 depicts the model fit indices for this study's model and the desirable threshold criteria. Bentler & Bonett (1980) and Hair et al. (2010) have laid out a set of criteria for evaluating the model fit, i.e., " $\chi^2/df < 3$, $CFI \geq 0.95$, $GFI \geq 0.90$, $AGFI \geq 0.8$, $NFI > 0.90$, $RMSEA \leq 0.05$, $TLI \geq 0.95$ ". The model fit indices values fall within the recommended cut-off, i.e., $CMIN/DF=1.33$, $GFI = 0.930$, $CFI = 0.988$, $NFI=0.954$, $TLI=0.986$, $AGFI=0.916$, $RMSEA = 0.025$.

Table 5.13

Model Fit Indices - CFA

Structural model	Fit statistics
CMIN/DF	1.33
P-Value	0.00
CFI	0.988
GFI	0.93
NFI	0.954
TLI	0.986
AGFI	0.916
RMSEA	0.025

5.6 Common Method Bias

The current study adopts a cross-sectional research design; thus, the data were collected at a single point in time. The data was collected from a self-reported questionnaire and belongs to

a single context that is prone to socially desirable responses. Therefore, there is a possibility of common method bias (CMB) affecting the overall results due to item context effects, common rater effects and measurement context effects (Podsakoff et al., 2003). To confirm this possibility, Harman's single-factor test (Harman, 1967) and CFA marker variable approach (Williams et al., 2010) were used to check the existence of common method bias.

Harman single-factor test "is performing an unrotated EFA that includes all the indicators in order to obtain a single component with significant variance" (Podsakoff et al., 2012). The single factor variance is denoted by "eigenvalue, which acts as a measure of CMB and attests to the absence of CMB when the single factor variance is found to be less than 50 percent" (Harman, 1967). The single-factor test accounted for only 17.620 per cent of the variance, which is "significantly less than a threshold of 50 per cent, thus indicating the minute possibility of CMB confounding the results" (Podsakoff et al., 2003) (Table 5.14).

Table 5.14

Result of Harman Single Factor test

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.343	17.620	17.620	6.343	17.620	17.620
2	5.399	14.996	32.616			
3	3.759	10.441	43.057			
4	3.517	9.770	52.826			
5	2.889	8.025	60.851			
6	2.106	5.850	66.702			
7	1.829	5.082	71.783			
8	1.663	4.619	76.403			
9	1.207	3.353	79.755			
10	.530	1.471	81.226			
11	.526	1.462	82.688			
12	.464	1.289	83.978			
13	.436	1.211	85.189			
14	.421	1.169	86.358			

15	.398	1.107	87.465
16	.382	1.060	88.524
17	.346	.962	89.486
18	.326	.905	90.391
19	.299	.829	91.220
20	.275	.764	91.985
21	.270	.749	92.734
22	.257	.715	93.449
23	.254	.705	94.154
24	.236	.656	94.810
25	.224	.623	95.433
26	.217	.602	96.035
27	.210	.584	96.619
28	.191	.529	97.148
29	.189	.525	97.673
30	.160	.445	98.119
31	.155	.430	98.549
32	.138	.382	98.932
33	.116	.322	99.253
34	.112	.311	99.564
35	.091	.253	99.817
36	.066	.183	100.000
Extraction Method: Principal Component Analysis.			

Another method, the *CFA marker variable technique*, is one of the approaches to testing common method bias present in the observed model. This technique involves the use of marker variable in CFA to account for common method variance. The marker variable is used to control for the method effects in the CFA model. Method effects refer to the influence of measurement procedures or extraneous influence on the relationships among variables. An ideal marker variable, i.e., Attitude toward the blue colour (Miller & Simmering, 2023), was chosen on the assumption that it should not be correlated to substantial variables (Lindell & Whitney, 2001). The marker variable, Attitude toward the blue colour, was measured using a

7-point scale (1-Strongly disagree to 7-Strongly agree). The scale consisted of 7 items; a sample measurement item is “Blue is a beautiful colour”.

As per the CFA marker variable approach, Williams et al. (2010) suggest estimating four models, namely, 1. Baseline model; 2. Model-C; 3. Model-U; and 4. Model-R consists of substantial variables and marker variable in the CFA model. (Table 5.15)

Table 5.15

Model comparison test – CFA marker variable approach

Model	CMIN	DF	CFI	GFI	RMSEA	Comparison	p-value
Initial Model	1218.45	813	0.978	0.906	0.3		
Baseline Model	1244.7	834	0.978	0.905	0.3		
Model-C	1241.53	833	0.978	0.905	0.3	Baseline vs Model-C	0.075
Model-U	1181.64	799	0.979	0.909	0.3	Model-C vs Model-U	0.004
Model-R	1182.31	835	0.981	0.909	0.028	Model-U vs Model-R	1.000

The purpose of Model-C is to determine the effect of the marker variable on the factor loading. Model-U finds whether the marker variable has an equal impact on all measurement items. Model-R detects the effect of the marker variable on the correlation among the constructs. The model fit values of each model are compared with the subsequent model and are performed to detect the presence and influence of common method variance on the hypothesised relationships. The comparison is based on the chi-square distribution tests where the ideal p-value should be above 0.05. The p-values of Baseline vs. Model-C and Model-C vs Model-U suggest that the presence of method variance and the impact of method factor loadings are unequal. However, the final comparison between Model-U and Model-R reveals

that the marker variable did not affect the observed variables. Thus, the results ensure that data is immune from common method bias.

5.7 Structural Model Evaluation

Structural Equation Modelling (SEM) is a popular statistical technique that examines multiple direct and indirect relationships through a single model. It consists of a measurement model and a structural model and is based on a confirmatory approach. Its primary purpose is to measure relationships between latent and observed variables, which are not directly observable but are connected to observed variables (Civelek, 2018).

SEM can account for the relationship between unobservable constructs and observable or manifest variables. Thus, it gives a scope to measure certain constructs which cannot be measured directly. Another advantage of SEM is its ability to account for measurement error while evaluating the observed variables.

The distinguishing features of SEM are as follows:

- Potential to estimate the dependence relationships among multiple constructs
- Ability to generate a structure to represent the set of relationships
- Integrate theoretical concepts in the given set of relationships and simultaneously account for measurement error

To conclude, SEM tests the multiple, discrete and interdependent relationships concurrently by hypothesising a structural model derived from the theory, research objectives, observations, and experiences of the researcher. SEM is a statistical technique used to estimate the relationships between a set of independent and dependent variables. In SEM, the dependent variable can also serve as an independent variable in the following interactions. Apart from the distinction between latent construct and observed variables, variables can be understood through two groups: exogenous and endogenous. Exogenous variables are independent variables that explain other variables. Endogenous variables are typically dependent variables

that are explained by other variables. In this study, the exogenous variables are various Financial Socialisation dimensions, while financial knowledge, financial self-efficacy, and financial planning propensity are endogenous variables.

The employed estimate method is the Maximum Likelihood estimate (MLE), which is known for producing reliable and consistent outcomes, even when working with a relatively small sample size of 50. In this scenario, the parameter measurement is estimated by utilising the observed data and combining the likelihood of the parameter with the provided data. Additionally, the study utilised data that was gathered by responses on the Likert scale (Breckler, 1990). The present study utilises the Maximum Likelihood Estimation (MLE) approach to assess whether the proposed model fits the observed data.

Structural model evaluation consists of path analysis for assessing the relationships between latent constructs, which includes reporting regression coefficients and statistical significance for testing the study's hypotheses. Further, the theorised covariance model and observed covariance matrix are compared to check the model fit (Hair et al., 2019). Three types of estimates are considered from the analysis reports: fit indices, squared multiple correlations (R^2) and path coefficients to assess the model fit.

Two sets of models were tested – first, the full mediation model and second, a partial mediation model; and their model fits were compared. The full mediation model did not involve direct paths between the independent and dependent variables. The full mediation model displays a good fit with the data: $\chi^2/df = 1.541$, GFI=0.936, TLI =0.983, CFI =0.985 and RMSEA = 0.032.

The subsequent model – the partial mediation model (Figure 5.2), has direct paths from independent variables to a dependent variable. This model exhibited a better model fit than the full mediation model: $\chi^2/df = 1.534$, GFI=0.937, TLI=0.983, CFI=0.985 and RMSEA = 0.031. Thus, partial mediation model results were used for reporting and interpretation purposes (Table 5.16). The values of model fit indices reveal a satisfactory fit of the conceptual model, as these values fall within the recommended limits. SEM analysis was performed using AMOS v24, and the structural model of the study is given in Figure 5.2.

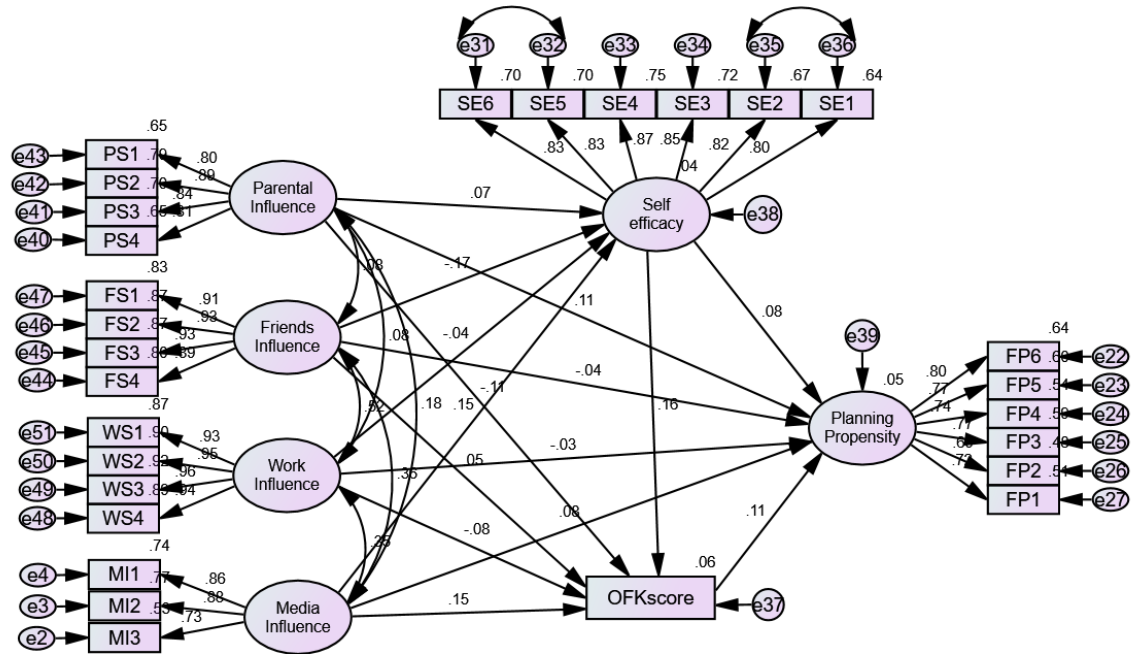
Table 5.16

Model Fit indices - SEM

Structural model	Fit statistics	Recommended cut-off value
CMIN/DF	1.534	< 3
P-Value	0.00	≥ 0.05
CFI	0.985	≥ 0.95
GFI	0.937	≥ 0.90
NFI	0.959	> 0.90
TLI	0.983	≥ 0.95
AGFI	0.922	≥ 0.80
RMSEA	0.031	≤ 0.05
<i>Note. "Reported fit indices indicate adequate model fit."</i>		

Figure 5.2

Structural Equation Model



To test the direct and indirect effects of financial socialisation factors on financial planning propensity and to examine the mediating effect of “financial self-efficacy” and “financial knowledge”, a bootstrapped method with 5000 sample iterations was used (Hayes, 2022) with 95 percent bias-corrected confidence intervals for the path estimates. The user-defined estimands function was used to estimate parameters of the direct and indirect effects as it simplifies the calculation of complicated functions. The estimates and the significance values from the bootstrapping results are reported in Table 5.17 and Table 5.18.

The model estimation output provided path coefficients or direct effects, path significances, and variance explained (R^2) values. The unstandardised estimates and lower-level (LLCI) and upper-level confidence interval (ULCI) levels of observed variables are analysed to check their significance.

Table 5.17*Results of direct effects*

Exogenous construct	Endogenous Construct	Estimate	LLCI	ULCI	p-value	Interpretation
Parents influence	Financial planning propensity	0.89	0.013	0.183	0.023	Significant
Friends influence	Financial planning propensity	-0.028	-0.105	-0.054	0.501	Not significant
Workplace influence	Financial planning propensity	-0.018	-0.076	0.049	0.603	Not significant
Media influence	Financial planning propensity	0.060	-0.020	0.150	0.145	Not significant

The findings concerning the direct effects (Table 5.17) reveal that only parental influence ($\beta=0.89$, $p<0.05$) significantly and positively impacted financial planning propensity. In contrast, the remaining socialisation factors demonstrated insignificant relationships with planning propensity.

The results of the unstandardised estimates from independent variables to mediators and mediators to the dependent variable (Table 5.18) revealed that media exhibited a positive and significant relationship with financial self-efficacy ($\beta=0.152$, $p<0.05$), supporting hypothesis H1d, while friend's influence displayed a negatively significant association ($\beta=-0.146$, $p<0.05$), in line with hypothesis H1b. However, the effects of parents ($\beta=0.080$, $p<0.149$) and workplace colleagues ($\beta=-0.029$, $p<0.68$) on financial self-efficacy were non-significant; as a result, hypotheses H1a and H1c did not find support.

Regarding financial knowledge, media displayed a positively significant influence ($\beta=0.202$, $p<0.05$), supporting hypothesis H2d, while parents had a negative and significant effect ($\beta=-0.152$, $p<0.05$), in alignment with hypothesis H2a. Conversely, the other financial socialisation factors, friends ($\beta=0.022$, $p<0.675$) and workplace colleagues ($\beta=-0.087$,

$p<0.064$), showed no significant effects on financial knowledge. Consequently, hypotheses H2b and H2c were not supported.

Moreover, a positive relationship between financial self-efficacy and financial knowledge was observed ($\beta=0.207$, $p<0.001$), thus supporting hypothesis H3. However, both financial self-efficacy ($\beta=0.064$, $p<0.108$) and financial knowledge ($\beta=0.067$, $p<0.065$) were found to have insignificant effects on financial planning propensity. Thus, hypotheses H4a and H4b did not receive empirical support.

Overall, the results underscore the unique influences of parental influence and media on financial planning propensity and the important mediating role of financial self-efficacy in explaining the relationships between specific socialisation factors and financial knowledge. Additionally, the study reveals the lack of direct effects of “financial self-efficacy” and “financial knowledge” on financial planning propensity.

Table 5.18

Results of Hypotheses Testing

Hypotheses	Exogenous construct	Endogenous Construct	Estimate	LLCI	ULCI	p-value	Interpretation
H1a	Parents influence	Self-efficacy	0.80	-0.03	0.193	0.149	Not significant
H1b	Friends influence	Self-efficacy	-0.146	-0.241	-0.046	0.004	Significant
H1c	Workplace influence	Self-efficacy	-0.029	-0.108	0.053	0.489	Not significant
H1d	Media influence	Self-efficacy	0.152	0.037	0.267	0.010	Significant
H2a	Parents influence	Objective financial knowledge	-0.152	-0.272	-0.016	0.025	Significant
H2b	Friends influence	Objective financial knowledge	0.053	-0.063	0.178	0.350	Not significant

H2c	Workplace influence	Objective financial knowledge	-0.080	-0.176	0.013	0.099	Not significant
H2d	Media influence	Objective financial knowledge	0.202	0.064	0.343	0.002	Significant
H3	Self-efficacy	Objective financial knowledge	0.207	0.088	0.328	0	Significant
H4a	Self-efficacy	Financial Planning Propensity	0.064	-0.014	0.138	0.108	Not significant
H4b	Objective financial knowledge	Financial Planning Propensity	0.067	-0.003	0.150	0.065	Not significant

Additionally, the analysis reported R^2 values, also known as the coefficient of determination. These values are generated through multiple regression analysis of hypothesised relationships between exogenous and endogenous variables. It indicates the proportion of variation in the dependent variable that is explained by independent variables. The R^2 values are given in Table 5.19.

Table 5.19

Squared Multiple Correlations

	Estimate (R^2)
Objective financial knowledge	.058
Financial self-efficacy	.043
Financial Planning Propensity	.047

The output indicates that financial socialisation factors accounted for a 5.8% variance in financial knowledge, 4.3% in financial self-efficacy and 4.7% in financial planning propensity.

5.7.1 Control Variables Analysis

It is plausible that several socio-demographic factors may exert an influence on the dependent variable; therefore, a control variable analysis was conducted. The control variables considered in the study encompassed gender, education, age, income level, and marital status (Ameer & Khan, 2020; S. T. Lee & Kim, 2020). Additionally, specific personal financial characteristics were included, such as access to social security measures, property ownership, and current loan/debt status.

The data pertaining to socio-demographic variables were transformed into an ordinal scale due to their categorical nature. Meanwhile, the personal finance characteristics were recorded as dummy variables. Subsequently, the control variables were subjected to regression analysis against the dependent variable to assess their impact on financial planning propensity.

The outcomes of the regression analysis indicated that control variables did not exhibit a significant association with the dependent variable. Consequently, these control variables were deemed non-influential and subsequently excluded from further analysis (Table 5.20).

Table 5.20

Control Variables Analysis

Dependent variable:	Estimate	S.E.	C.R.	p-value
Financial Planning Propensity				
Loan/debt status	-.050	.067	-.736	.462
Age	.038	.037	1.029	.303
Property ownership status	-.056	.077	-.723	.470
Education	-.023	.040	-.562	.574
Access to Social Security	.045	.094	.476	.634
Gender	.067	.065	1.032	.302
Income	-.004	.028	-.142	.887
Marital Status	-.122	.082	-1.485	.137

5.8 Mediation Analysis

Mediation refers to a process through which the relationship between two variables may be intervened by a third variable called a mediator while creating an indirect effect.

The study consists of two mediators – “financial self-efficacy and financial knowledge”. The influence of parents, friends, workplace colleagues and media is hypothesised to be transmitted through these two mediators to the dependent variable – financial planning propensity. Table 5.21 illustrates the results of indirect effects accompanied by lower-level and upper-level confidence levels and p-values.

Table 5.21

Indirect effects with confidence intervals

Hypotheses	Paths	Estimate	LLCI	ULCI	p-value	Interpretation
H5a	PS→FSE→FP	.005	-.001	.021	.117	Not significant
H5b	FS→FSE→FP	-.009	-.027	.000	.060	Not significant
H5c	WS→FSE→FP	-.002	-.012	.002	.305	Not significant
H5d	MI→FSE→FP	.010	.000	.030	.064	Not significant
H6a	PS→OFK→FP	-.010	-.032	.000	.044	Significant
H6b	FS→OFK→FP	.004	-.003	.019	.217	Not significant
H6c	WS→OFK→FP	-.005	-.022	.000	.076	Not significant
H6d	MI→OFK→FP	.013	.000	.040	.045	Significant
H7	FSE→OFK→FP	.014	.001	.038	.038	Significant

Notes. PS: Parental socialisation, FI: Friend’s influence, WI: Workplace influence, MI: Media influence, OFK: Objective financial knowledge, FSE: Financial self-efficacy, FP: Financial planning propensity

Initially, the investigation delved into the potential mediating role of financial self-efficacy in the association between socialisation factors and financial planning propensity. The

results revealed that financial self-efficacy did not mediate between the four socialisation variables and financial planning propensity, as all indirect path estimates yielded statistically insignificant outcomes. Consequently, all sub-hypotheses (H5) pertaining to this mediation were not supported.

Subsequent exploration of the data revealed a positive impact of media influence on financial planning propensity through the fully mediating effect of financial knowledge ($\beta=0.013$, $p<0.05$). On the other hand, the indirect effect of financial knowledge between parental influence and financial planning intention demonstrated partial mediation ($\beta=-0.01$, $p<0.05$). As a result, hypotheses H6a and H6d were supported. Consequently, the indirect effects of friends' influence and workplace colleagues' influence on financial planning propensity through financial knowledge were deemed insignificant. Thus, the results did not lend support to hypotheses H6b and H6c.

Furthermore, the study found that financial knowledge fully mediated the relationship between financial self-efficacy and financial planning propensity ($\beta=0.014$, $p<0.05$), thus lending support to hypothesis H7. It indicates that the impact of an individual's financial self-efficacy on their propensity to engage in financial planning activities is entirely explained by their level of financial knowledge.

5.8.1 Serial Mediation

The study employed a serial mediation analysis to investigate the mediating role of both "financial self-efficacy" and "financial knowledge" in the relationship between four socialisation factors and individuals' propensity for financial planning. The findings of the serial mediation analysis demonstrated significant indirect effects of friend's influence ($\beta = -0.002$, $p<0.05$) and media influence ($\beta=0.002$, $p < 0.05$) on financial planning propensity through the mediating pathways of "financial self-efficacy" and "financial knowledge", thus providing support for hypotheses H8b and H8d.

In contrast, the results revealed that the two mediators, “financial self-efficacy” and “financial knowledge”, did not mediate the relationship between parents’ influence and workplace influence, leading to the lack of support for hypotheses H8a and H8c (Table 5.22).

Table 5.22

Indirect effects with confidence intervals

Hypotheses	Paths	Estimate	LLCI	ULCI	p-value	Interpretation
H8a	PS→FSE→OFK→FP	.001	.000	.006	.085	Not significant
H8b	FS→FSE→OFK→FP	-.002	-.007	.000	.025	Significant
H8c	WS→FSE→OFK→FP	.000	-.003	.000	.264	Not significant
H8d	MI→FSE→OFK→FP	.002	.000	.008	.029	Significant

Notes. PS: Parental socialisation, FS: Friend’s influence, WS: Workplace influence, MI: Media influence, OFK: Objective financial knowledge, FSE: Financial self-efficacy, FP: Financial planning propensity.

5.9 Moderation Analysis

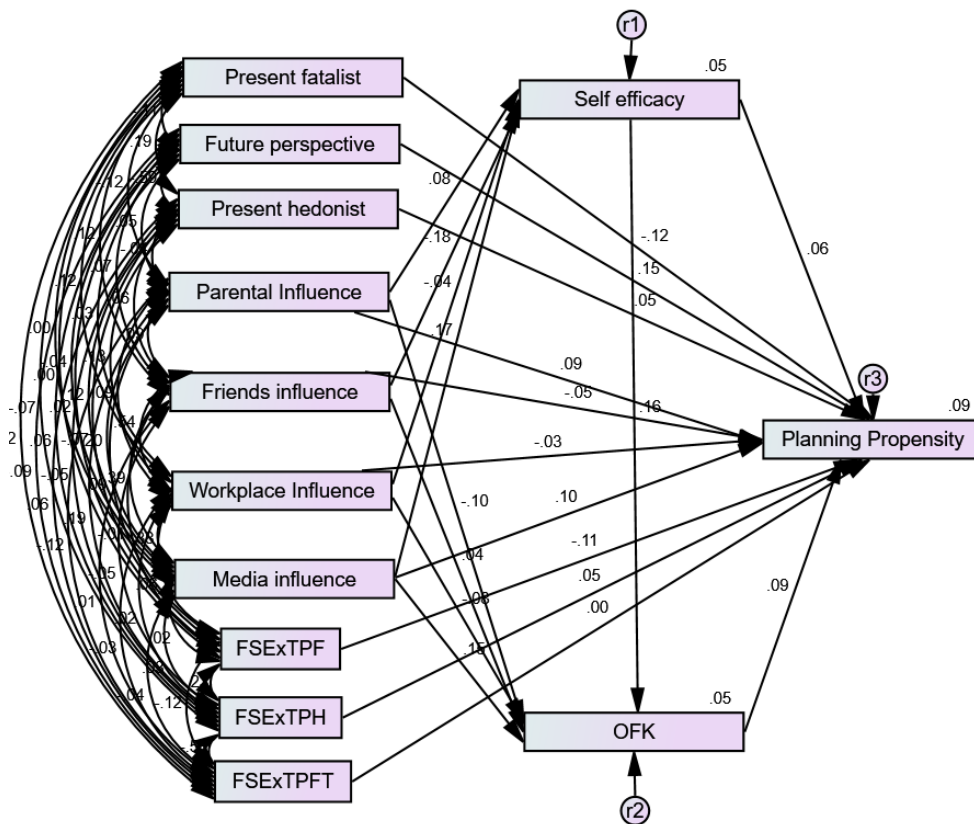
A moderator, also referred to as W, is a variable that impacts the direct relationship between an independent variable (IV) and a dependent variable (DV). The presence of this factor can change the strength of the link between the two variables as it interacts with the predictor variable to evaluate its impact on the criterion variable. The interaction term, which is the product of the moderator and the independent variable, is formed based on the inherent characteristics of the moderator. Understanding the moderating effect helps define boundary conditions, which can be positive or negative, high or low, present or absent. The effect of a moderating variable can be evaluated in three ways: enhancement, buffering, and antagonistic. In the enhancement effect, an increase in W increases the influence of the independent variable on the dependent variable; a buffer effect reduces the effect of IV on DV, while an antagonistic effect reverses the effect of IV on DV.

In order to examine the moderation effect, it is crucial to establish an interaction between X and W and determine if this interaction has a substantial impact on predicting Y. The moderating effect is deemed significant when variations in the value of W alter the relationship between X and Y. The procedure involves including an interaction effect in the model and subsequently assessing the significance of this interaction effect. The current study uses IBM AMOS version 24 for moderation analysis. First, latent factor scores were imputed using the data imputation function in AMOS. Next, the latent factor scores were converted to standardised variables, i.e., z scores. These standardised variables derived from each construct were used to create a structural model in AMOS.

Z-score values are often used as an alternative to the mean centre approach to counter the multicollinearity issue between an independent and moderating variable (Collier, 2020). The moderators considered for this study are the three dimensions of the Time perspective construct – present hedonist (TPPH), present fatalist (TPPF), and future perspective (TPF) with Hypotheses H9a to H9c, respectively. The moderation effects of the given variables are tested in relation to financial self-efficacy and financial planning propensity. Interaction terms have been formed by calculating the product of the z-score of financial self-efficacy and the three moderating variables. The path diagram of the model representing the interaction term is displayed in Figure 5.3. The results and interpretation of the output are discussed further.

Figure 5.3

Model for Moderation Analysis



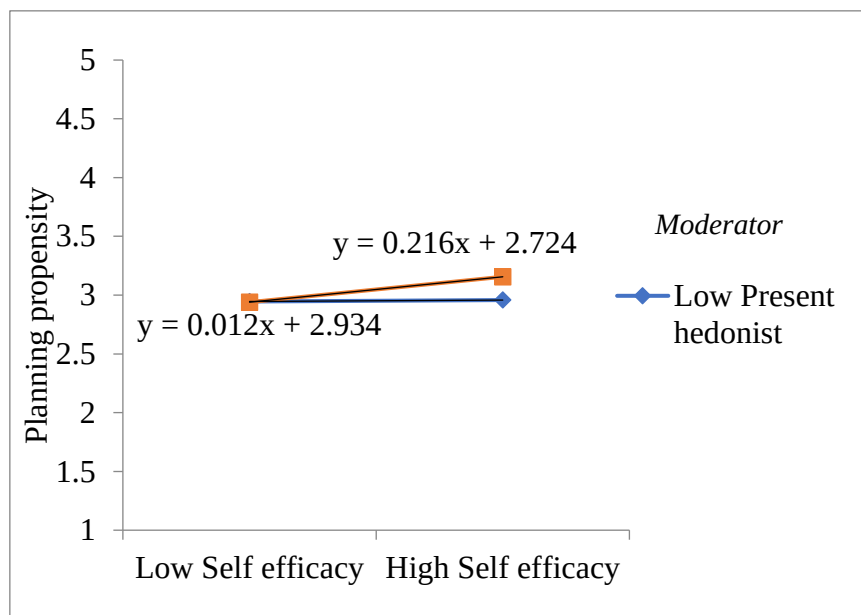
5.9.1 Interaction Effect of present hedonist time perspective and financial self-efficacy on financial planning propensity

The main effects of financial self-efficacy on financial planning propensity are positive and insignificant ($\beta = 0.057$, $p < 0.179$). In contrast, similar results were reported for the influence of the present hedonist time perspective on financial planning propensity ($\beta = 0.048$, $p < 0.357$). The interaction effect was also found to be positive and insignificant ($\beta = 0.051$, $p = 0.302$). The results do not support hypothesis H9a regarding the moderating role of the present hedonist time perspective (TPPH) between financial self-efficacy and financial planning propensity (Table 5.23, Figure 5.4).

Table 5.23*Moderating Effect of TPPH on FSE-FP Relationship*

Hypothesis	Direct and interaction path	Estimate	C.R.	p-value
	FSE → FP	0.057	1.343	0.239
	TPPH → FP	0.048	0.922	0.357
H9a	FSE*TPPH → FP	0.051	1.031	0.299
R	0.1576			
R ²	0.0248			
R ² change	0.0033			0.1796

Notes. FSE: Financial self-efficacy, FP: Financial planning propensity, TPPH: Present-hedonist

Figure 5.4*Interaction Plot of FSE and TPPH Effects on FP*

5.9.2 Interaction Effect of present fatalist time perspective and financial self-efficacy on financial planning propensity

The results support Hypothesis H9b and demonstrate that the present fatalist time perspective dampens the effect between financial self-efficacy and financial planning propensity ($\beta = -0.122$, $p < 0.05$). The direct or main effect between the present fatalist time perspective and financial planning propensity is also negative and significant ($\beta = -0.105$, $p < 0.05$).

The upward slope at the low level of the present fatalist time perspective suggests that the relationship between financial self-efficacy and financial planning propensity is positive when the moderator is at a low level. Thus, as the FSE increases, the FP also tends to increase, but this effect is stronger when the TPPF is at its lower values. The downward slope at the high level of the TPPF suggests that the relationship between the FSE and FP is negative when the TPPF is at a high level. In other words, as the FSE increases, the FP tends to decrease, but this effect is stronger when the TPPF is at its higher values (Table 5.24, Figure 5.5).

Table 5.24

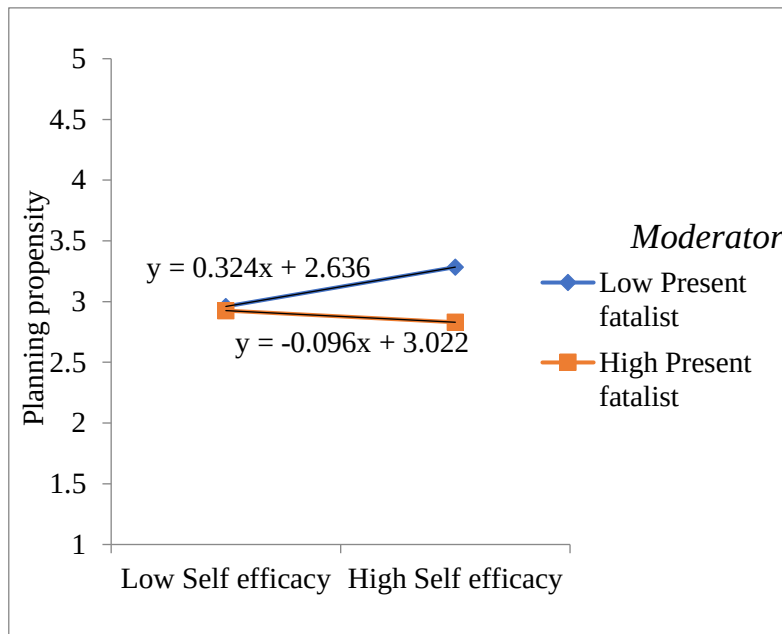
Moderating Effect of TPPF on FSE-FP Relationship

Hypothesis	Direct and interaction path	Estimate	C.R.	p-value
	FSE → FP	0.057	1.343	0.239
	TPPF → FP	-0.122	-2.885	0.004
H9b	FSE*TPPF → FP	-0.105	-2.564	0.025
R	0.227			
R ²	0.0515			
R ² change	0.0081			0.0330

Notes. FSE: Financial self-efficacy, FP: Financial planning propensity, TPPF: Present-fatalist

Figure 5.5

Interaction Plot of FSE and TPPF Effects on FP



5.9.3 Interaction effect of future time perspective and financial self-efficacy on financial planning propensity

The main effects of financial self-efficacy on financial planning propensity are positive and insignificant ($\beta=0.057$, $p<0.179$); however, future time perspective is positively related to financial planning propensity ($\beta=0.151$, $p<0.01$). The interaction effect was found to be negative and insignificant ($\beta=-0.003$, $p<0.940$). Thus, results do not lend support to hypothesis H9c regarding the moderating role of future time perspective (TPF) between financial self-efficacy and financial planning propensity (Table 5.25, Figure 5.6).

Table 5.25

Moderating Effect of TPF on FSE-FP Relationship

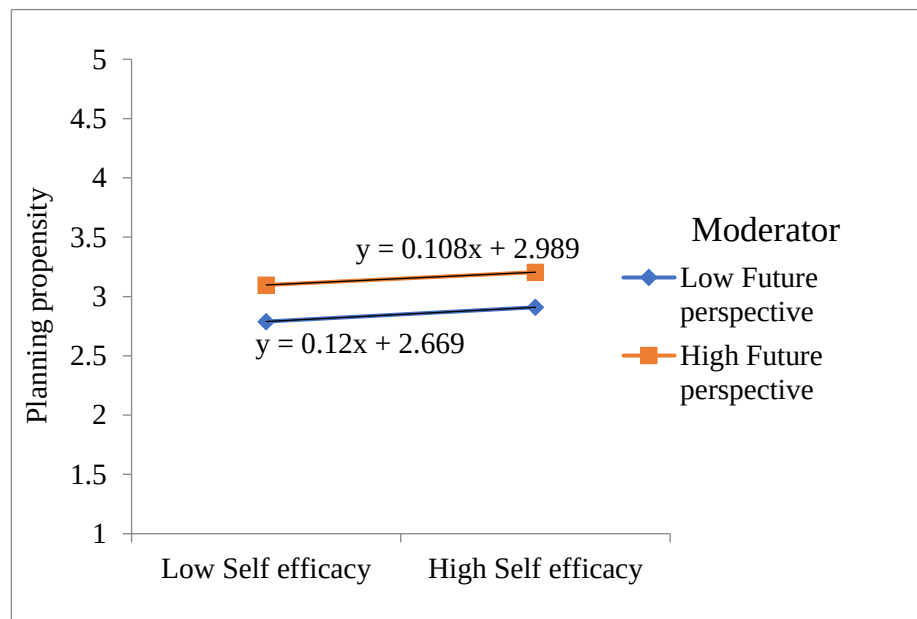
Hypothesis	Direct and Interaction path	Estimate	C.R.	p-value
	FSE → FP	0.057	1.343	0.239
	TPF →FP	0.151	2.943	0.003
H9c	FSE*TPF → FP	-0.003	-0.054	0.940

R	0.1885	
R ²	0.0355	
R ² change	0.0010	0.4583

Notes. FSE: Financial self-efficacy, FP: Financial planning propensity, TPF: Future perspective

Figure 5.6

Interaction Plot of FSE and TPF Effects on FP



Chapter Summary

The data analysis chapter presented the detailed results and their interpretations. The chapter discussed the demographic profiles and personal finance preferences of the respondents. The descriptive statistics include the measures of central tendency and dispersion along with normality tests. The chapter then elucidates the results of EFA, CFA and SEM analysis. The SEM analysis measured the direct effects, indirect effects, and moderation effects of the model.

CHAPTER 6

DISCUSSION AND CONCLUSION

The concluding chapter of the thesis presents an overview of the study's endeavour. The chapter discusses the findings in greater detail to assess whether the defined research problem and objectives are realised. The chapter also sheds light on the implications for researchers, financial counsellors, educators and policymakers while providing limitations of the study and scope for future research.

6.1 Discussion

The rapid advancements in technology and the increased availability of information through various socialisation channels have highlighted their significant impact on shaping an individual's day-to-day decisions, particularly in the personal finance domain. In light of this context, the main objective of this study was to examine the influence of socialisation factors on individuals' intentions to engage in financial planning, as well as the underlying mechanisms at play. The study investigated four main socialisation agents, specifically parents, friends, workplace colleagues, and media, that are thought to have a substantial impact on financial decision-making. Deriving from the theoretical underpinning of the social cognitive theory (Bandura, 1986), the theory of planned behaviour (Ajzen, 1991) and the financial socialisation theory (Gudmunson et al., 2016; Gudmunson & Danes, 2011), the study hypothesised that these socialisation agents could enhance or diminish an individual's financial self-efficacy and financial knowledge, which, in turn, may shape their financial planning behaviours. To the best of information, previous research has paid limited attention to the impact of multiple social channels on the financial decision-making of employed individuals.

The findings of the study reveal that parental influence significantly influences financial planning propensity, supporting the family financial socialisation theory, as it positively influences individuals' tendency to plan, which is indicated by preliminary analysis (Gudmunson & Danes, 2011). Parents play a crucial role in influencing children's financial attitudes and behaviour through direct instructions and learning through observations. This aligns with existing literature highlighting the positive role of parental socialisation in financial planning and behaviour. Children who communicate directly with parents are likely to be involved in financial practices (J. Kim & Chatterjee, 2013). Conversely, financial planning propensity is not significantly influenced by friends, colleagues, or media (Palaci et al., 2017; Shim et al., 2015; Zhao & Zhang, 2020). Therefore, efforts to enhance financial literacy and planning should also target parents and emphasise the importance of positive financial role modelling.

In the following sections, further findings are positioned as per the study's research objectives to get a clear picture of the study's contribution.

6.1.1 Influence of socialisation factors on “financial self-efficacy” and “financial knowledge”

Objective 1: “To examine the dynamics of the relationship between financial socialisation, financial self-efficacy and knowledge among working professionals”.

The primary aim of the study was to “investigate the impact of socialisation agents on individuals' financial knowledge and financial self-efficacy”. Further, the relationship between financial self-efficacy and financial knowledge was also tested. Supporting the idea of social cognitive theory (Bandura, 1986), the effect of media displayed a positive effect on financial self-efficacy as well as financial knowledge. Conversely, the findings of the study highlight that the impact of friend's influence on financial self-efficacy was found to be significant and

negative. Also, neither parental influence (H1a) nor workplace colleagues (H1c) exhibited a significant impact on financial self-efficacy.

With respect to financial knowledge, parental socialisation displayed a negative effect on the financial knowledge levels of working individuals. The possible explanation for this finding could be attributed to multiple factors. First, parents of some working professionals may not have the necessary financial skills to impart financial knowledge effectively to their children (Zhu, 2018). Additionally, the parental socialisation scale may not fully capture the parents' efforts to inculcate financial understanding among their children (Jorgensen & Savla, 2010). Gutter et al. (2010) revealed that though the parents and family play a vital role in the formative years of children, their impact may diminish as peers and media become influential in adulthood.

The influence of friends was found to lower individuals' confidence in their financial abilities, suggesting that social interactions with friends may not always foster a sense of financial competence among individuals. This finding aligns with prior research indicating that the financial behaviours shown by peers may not always serve as positive role models (Ullah & Yusheng, 2020). Additionally, peer influence has been shown to adversely impact expenditure patterns, potentially promoting materialism and consumption behaviours at the expense of prudent saving practices (Flouri, 1999; LeBaron-Black, Kelley, et al., 2022).

The study found no significant influence of workplace colleagues on financial self-efficacy and financial knowledge, suggesting that interactions with workplace colleagues do not substantially affect individuals' confidence in managing their finances. This result indicates that the workplace may not be a primary source of financial influence for most individuals.

Further, the media emerged as a crucial factor in enhancing both "financial self-efficacy" and "financial knowledge". These results suggest that media channels (such as television, social media, newspapers, internet) play an essential role in disseminating financial

information and building one's perceived financial capability. This finding is consistent with previous research highlighting the role of media in shaping financial knowledge and attitudes, underscoring the potential of media-based financial education programs to improve financial planning behaviours (Loibl & Hira, 2005). This outcome is supported by the Groww Survey, which highlighted the growing influence of friends and media on investment behaviour and the diminishing influence of family and agents (Financial Express, 2021).

Further, financial self-efficacy positively and significantly influenced financial knowledge (H3). This finding aligns with the existing literature that has emphasised the importance of psychological factors (including self-efficacy) on financial literacy (Goyal et al., 2023; Riaz et al., 2022). Individuals with higher perceived financial capability could have higher motivation to acquire financial knowledge. Their belief in handling financial matters can lead to the effective use of financial knowledge, making them more likely to seek out financial information such as reading financial newspapers or taking courses. Another plausible explanation for the findings could be that financial self-efficacy enhances confidence in applying already-known financial concepts. For instance, a person who is confident in their ability to manage finances is likely to create a financial budget, invest or plan for retirement. In this process, they may enhance their practical financial knowledge.

6.1.2 Role of socialisation agents, financial self-efficacy and knowledge on financial planning propensity

Objective 2: “To assess the effectiveness of socialisation agents in enhancing financial self-efficacy and knowledge to encourage engagement in financial planning”.

The study investigated the “indirect effect of financial socialisation on financial planning propensity through financial self-efficacy and financial knowledge”. The study also assessed the impact of “financial self-efficacy and financial knowledge on financial planning

propensity”. The outcomes revealed limited direct effects of financial self-efficacy (H4a) and financial knowledge (H4b) on financial planning propensity, as the results were found to be insignificant. A previous line of literature has also showcased an insignificant effect of financial self-efficacy on tendencies to plan (Hoffmann & Plotkina, 2021). Further, the results displayed that the mediating effect of financial self-efficacy had no significant impact on financial planning propensity (H5a-d). This could be possible because other unexplored factors, such as personality traits, cultural factors, or situational variables, may also influence financial planning behaviour.

Based on the social cognitive and financial socialisation theory, the mediating effect of financial knowledge was explored. The results highlight that financial knowledge significantly mediated the relationship between parental (H6a) and media influence (H6d) and propensity to plan. However, parental socialisation had a negative effect, while the media displayed a positive effect. In the case of parental socialisation, a line of literature suggests that parental modelling can positively or negatively affect children’s financial behaviour, as it referred to parental socialisation as a “double-edged sword” (Khan et al., 2023; Li et al., 2021). On the contrary, media plays a critical role in developing financial knowledge for financial decision-making.

The results find the desired mediating effects of financial knowledge between financial self-efficacy and financial planning propensity (H7). The findings indicate that individuals’ financial knowledge plays a central role in translating their perceived financial competence into actual planning behaviours. The rationale is that individuals with higher financial self-efficacy tend to acquire more information on financial planning and, at times, seek the help of professionals as they feel that they can make positive use of their knowledge. Higher financial self-efficacy may help people deal with the challenge of financial planning rather than avoiding it because it may seem impossible or complicated to manage. The more individuals believe in

their financial capabilities, the more responsible their financial behaviour will be. On the other hand, individuals with lower self-efficacy may doubt their skills in managing their finances.

6.1.3 “Sequential role of financial self-efficacy and financial knowledge between socialisation and financial planning propensity”

Objective 3: “To investigate the impact of financial socialisation on financial planning propensity, taking into account the influences of financial self-efficacy and financial knowledge.”

The present study is one of the initial studies that tested the sequential mediating role of “financial self-efficacy” and “financial knowledge” in explaining the relationships between socialisation factors and financial outcomes. The results revealed a serial mediation effect involving friends’ influence and media influence on individuals’ financial planning intention through the mediating pathways of “financial self-efficacy” and “financial knowledge”. The serial mediation results displayed a negative indirect effect of friends’ influence on financial planning intention, mediated sequentially through reduced financial self-efficacy and subsequent limited application of financial knowledge (H8b). Conversely, the serial mediation analysis showed a positive indirect effect of media influence on financial planning intention, mediated sequentially through the enhancement of financial self-efficacy and subsequent improvement in financial knowledge (H8d).

When individuals perceive a higher level of friends’ influence on their financial decision-making, it correlates with lower financial self-efficacy. To clarify, while the beta coefficient of the serial mediation is negative, it does not imply an actual reduction in financial knowledge. This negative serial mediation effect suggests that peers’ influence, if negative or misinformed, could lead to diminished financial self-confidence and subsequently hamper the accumulation of adequate financial knowledge needed for effective financial planning.

On the other hand, the positive serial mediation effect involving media influence suggests that exposure to financial information through various media channels can enhance individuals' financial self-efficacy. Increased financial self-efficacy then contributes to an improvement in their financial knowledge. As a result, individuals exposed to media messages promoting financial awareness and competence are more likely to possess higher financial self-efficacy beliefs, which subsequently translates into greater financial knowledge acquisition. Improved financial knowledge, in turn, encourages higher financial planning intention among individuals.

Drawing on the theory of planned behaviour (Ajzen, 1991), the findings of the serial mediation analysis highlight the distinct effects of peers' influence and media exposure on individuals' propensity to plan, mediated by the sequential roles of "financial self-efficacy" and "financial knowledge". These results emphasize the importance of addressing social influences and media exposure in designing effective financial education interventions to promote positive financial behaviours and planning intentions.

6.1.4 Influence of time perspective on financial planning propensity

Objective 4: "To explore whether an interaction effect exists between financial self-efficacy and time perspective factors in predicting an individual's inclination toward financial planning".

The final objective of the study was to understand the moderating role of time perspective on the relationship between financial self-efficacy and financial planning propensity. The study has considered three distinct time perspective factors, namely, present hedonist time perspective (TPPH), present fatalist time perspective (TPPF), and future time perspective (TPF). A study by Ponchio et al. (2019) that considered all three time perspectives noted that present-fatalism and present hedonism positively influenced money management stress and

negatively influenced perceived future financial security. However, future-oriented individuals tend to experience lesser current money management stress and more expected financial security.

Regarding the influence of the present hedonist time perspective (TPPH), the study showed that this time perspective factor did not yield significant main effects on financial self-efficacy or planning propensity. Conversely, other studies reported significant and adverse effects of present-time orientation on financial behaviour (Aydin & Akben Selcuk, 2019; Ponchio et al., 2019). The interaction effect between financial self-efficacy and TPPH was non-significant (H9a). Thus, the outcome does not lend support to the hypothesis suggesting a moderating role of the present hedonist time perspective in the relationship between financial self-efficacy and financial planning propensity.

The findings supported the hypothesis concerning the moderating influence of the present fatalist time perspective (TPPF) (H9b). The negative moderation effect suggests that higher levels of the present fatalist time perspective weaken the impact of financial self-efficacy on financial planning propensity. This implies that individuals who hold a stronger belief in present fatalism might experience a reduced translation of their financial self-efficacy into actual financial planning activities. This finding implies that the relationship between financial self-efficacy and propensity to plan becomes notably stronger when the present fatalist time perspective is lower. It also suggests that higher levels of financial self-efficacy tend to have a more pronounced positive impact on financial planning propensity when individuals possess a less fatalistic view of the present.

Furthermore, the future time perspective was significantly related to increased financial planning propensity. However, the effect of the interaction between financial self-efficacy and future time perspective did not achieve statistical significance (H9c). Thus, the results do not provide evidence to support the hypothesis positing the moderating role of future time

perspective in the relationship between financial self-efficacy and financial planning propensity.

As per the current body of literature, these moderating effects have not been researched previously. The study's findings underscore the nuanced interplay of financial self-efficacy, time perspective factors, and financial planning propensity. While the present hedonist time perspective did not exhibit a notable moderating effect, the present fatalist time perspective emerged as a crucial moderator, influencing the translation of financial self-efficacy into financial planning activities. These insights have implications for targeted financial education strategies that consider individuals' temporal orientations when designing interventions to enhance financial planning behaviours.

6.2 Theoretical Contributions of the Study

The present study constitutes a significant advancement in the financial socialisation literature, contributing in multiple ways. It explores the interrelationships between various constructs such as parental socialisation, friends' influence, workplace colleagues' influence, and media influence on financial planning propensity, including key influencer variables like financial self-efficacy, financial knowledge, and time perspective, which supplements this exploration.

The study's conceptual model draws from several theoretical underpinnings, including the "Theory of Planned Behaviour" (Ajzen, 1991), Consumer Socialisation Theory (Moschis & Churchill, 1978), and Social Cognitive Theory (Bandura, 1986). This study extends these theoretical perspectives to discover the potential influence of socialisation factors on the formation of financial attitudes, subsequently shaping individuals' intentions through the mediation of knowledge and efficacy enhancements.

A distinctive feature of this study resides in its theoretical integration that harmoniously merges diverse theoretical perspectives. These theories collectively explain the predictors of financial planning propensity, demonstrating a symbiotic relationship where assumptions of

one theory illustrate novel perspectives within the premises of another. This integrative approach highlights the underlying predictors' interplay, thereby enhancing the theoretical understanding of financial planning behaviours.

Applying the lens of “Consumer Socialisation Theory”, this study stresses the pivotal role of media as a potent agent in the process of consumer socialisation (Moschis & Churchill, 1978). By elucidating media's influence in enhancing financial knowledge and boosting financial self-efficacy, this research substantiates media's potency in stimulating financial planning tendencies among employed adults. It is worth noting that prior investigations have predominantly examined financial knowledge and self-efficacy as parallel mediators or antecedents in financial behaviour or financial well-being. In contrast, the current study augments the existing scholarly discourse by exploring the novel relationship that unfolds from financial self-efficacy to financial knowledge through serial mediation. It extends comprehension of a distinctive facet of financial behaviour, precisely the propensity to plan (Lynch et al., 2010), through the elaborate relationship of both parallel and serial mediation mechanisms.

The research notably bridges critical research gaps as identified within the extant literature. This study attempts to strategically weave social, psychological, and temporal dimensions to examine behavioural intentions. In addition to the social factors, the study thoughtfully incorporates cognitive and psychological elements, wherein time perspective assumes significance.

The focus of prior studies has centred on parental influence, predominantly in adolescents, young adults, and emerging individuals. It addresses the dearth of understanding with respect to the effects of financial socialisation within the context of working adults. This study fills an existing gap in the literature by studying a demographic that has received relatively scarce attention. The outcomes of this study underline variance in the influences

employed by a diverse set of socialisation factors, aligning with a discrete section of the personal finance literature, as some outcomes diverge from commonly reported findings. Notably, insignificance in some hypothesised relationships might stem from respondents' familiarity with certain item statements.

6.3 Implication for Policymakers, Educators and Personal Finance Professionals

The significant impact of financial socialisation on various facets of financial decision-making, including investing, saving, and budgeting, is of considerable importance for researchers, educators, policymakers, and personal finance professionals alike.

6.3.1 Implications for Policymakers

Policymakers devise strategies to enhance financial literacy programs, yet a frequently overlooked aspect is the influence of social interactions. Dholakia et al. (2016) argue that providing factual information about personal finance, as is typically done in traditional financial literacy programmes, may not be enough. In contrast, imparting habits conducive to consistent saving and cultivating a savings-oriented lifestyle is essential. This insight underscores the importance of focusing financial education initiatives on cultivating interpersonal skills instead of solely acquiring objective financial knowledge pertaining to risk and inflation, as emphasised by Fernandes et al. (2014).

In this context, social interactions possess the potential to strengthen the positive impacts of financial literacy programs and strategies; in this case, financial socialisation can be leveraged for a larger interest. Crafting family-oriented programs grounded in fundamental personal finance principles could bridge the knowledge gap for parents who may not possess an extensive financial background (Van Campenhout, 2015). Thus, harnessing the power of social interactions could substantially aid individuals in making more prudent financial decisions, provided their social circle also observes sound financial choices. Conversely, there

exists a hidden risk of compromising a sound financial plan or behaviour by conforming to ill-informed societal norms. Therefore, combining social interactions with targeted financial literacy initiatives appears as an optimal approach.

Financial education programs should augment their focus on building perceived financial capabilities to address the current imbalance, complementing the traditional information dissemination approach. This involves highlighting role models that individuals can identify with and offering practical examples for imitation. Additionally, incentivising the drafting of budgets could promote self-monitoring and heightened financial awareness among consumers, ultimately fostering greater self-control and sound financial behaviours (Hoffmann & Plotkina, 2020). Capitalising on the power of peer communities to cultivate mutual commitment towards financial budgeting can significantly reinforce individuals' intentions and translate them into tangible actions.

Policymakers should encourage systematic financial planning for personal finance, simplifying practical financial problems to build problem-solving skills. This will assist in building positive money attitudes leading to financial well-being. Effective communication strategies should highlight the advantages of savings, expense tracking, and judicious financial practices while focusing on financial literacy programs that emphasize financial information and problem-solving skills.

6.3.2 Implications for Educators

Incorporating parental engagement into financial education program design emerges as a promising avenue. Financial educators can seamlessly integrate financial discussions and communications between parents and students, casting these interactions as essential homework components. They can play a pivotal role by advocating the significance of intergenerational dialogues on financial subjects, affirming the constructive impact of such interactions on financial well-being. Moreover, this form of communication can potentially

support the marketing of financial services by promoting the continuity of prudent financial behaviours across generations, nurturing customer loyalty and retention.

Financial educators should consider integrating exercises into curricula that sensitise youth and emerging adults to recognise and counter materialistic and compulsive messaging from media and peer influences. Recognising the potential influence of region-specific values on financial learning and behaviours, educators may tailor their approach accordingly to resonate with local perspectives. Collaborating with pre-existing peer groups also holds promise as a conduit for sharing and imbibing sound financial practices, considering that close friends and parents significantly shape individuals' social learning dynamics. Both these avenues merit careful consideration while conceptualising and implementing financial education programs as they may avert the negative peer influence on financial behaviour. Positive financial behaviour can be achieved when consumers are confident about their financial capabilities.

Effective media campaigns, both by private organisations and government entities, can serve as facilitators to promote financial planning and related products by highlighting their features and benefits. According to Nikolova et al. (2016), a persuasive appeal that targets significant personal achievements, such as completing a college education, purchasing a house, or becoming a parent, can lead to improved behaviour. Rational marketing campaigns focusing on short-term incentives may incentivise money management (Guzman et al., 2019).

Comprehensive support ranging from counselling, mentorship, and scholarships can significantly improve overall well-being. Incorporating experiential learning on personal finance management in curricula may empower young adults with essential financial literacy skills and the confidence to manage their finances effectively (LeBaron et al., 2019). Programmes such as student-run banks or credit unions, saving programmes, etc., can be part of experiential learning practices.

Also, financial education initiatives should be designed to be inclusive and accessible to diverse populations, including individuals from different socio-economic backgrounds, cultural groups, and age cohorts. Particular attention should be given to reaching vulnerable populations who may face unique challenges in accessing financial education resources.

To measure the effectiveness of financial education interventions, it is essential to conduct long-term impact assessments. Tracking individuals' financial behaviours and planning over time can provide valuable insights into the sustained effects of financial education programs and help identify areas for improvement.

6.3.3 Managerial Implications for Personal Finance Professionals

The study underscores various managerial implications for enhancing financial literacy and planning behaviours. Beyond traditional stakeholders like parents and educators, personal finance professionals such as advisors and influencers wield significant influence in financial education. They can facilitate better decision-making through tailored guidance and purposive role modelling. Attention should be paid to individuals with self-control challenges, providing personalized support to enhance their financial acumen.

Understanding client's socio-economic backgrounds and past financial experiences is crucial for effective guidance. For example, advisors can tailor recommendations for risk-averse female clients and those from lower socio-economic backgrounds, potentially by increasing interaction frequency to build trust and enhance decision-making skills. While social media influencers play a rising role, their advice may lack customization, necessitating critical analysis by consumers.

The study highlights the impact of time perspectives on financial self-efficacy and planning propensity. Acknowledging individuals' diverse psychological orientations, organizations should tailor financial interventions accordingly. Aligning financial education programs with individuals' time preferences can enhance their effectiveness.

Financial practitioners can contribute by providing workshops to empower parents to educate their children about finances at home. Collaborations with schools, community organizations, and employers can extend the reach of financial education efforts, fostering collective improvement in financial literacy and planning behaviours.

In conclusion, the findings of the study offer valuable insights into the factors influencing financial planning propensity and the mechanisms through which these factors operate. By incorporating the managerial implications mentioned above, financial educators and policymakers can design effective financial education programs that empower individuals to make informed financial decisions and achieve financial freedom in the long run. Ultimately, these efforts contribute to building a financially capable and resilient society.

6.4 Limitations and Future Research

While this study adds to the existing literature, it is essential to acknowledge its limitations. The sample considered in this study is limited to employed individuals working in major cities of India. The study was conducted in the Indian context, where the social, psychological and temporal factors change in every region, state, culture and religion. It would be interesting to observe if there are any variations in the nature of results when the research model is tested on a diverse sample in different national, occupational, social, and cultural contexts. Since the information collected is based on self-reported answers, caution should be taken while generalising the results. Future studies can employ a random sampling method for sample selection using existing employee databases to reduce the bias occurring through purposive sampling.

To expand this study, longitudinal and intervention-based research can be conducted to test the variations in socialisation occurring over a period of time, unlike the cross-sectional nature of this study. Further, the effectiveness of such financial education programmes that leverage financial socialisation mechanisms can be evaluated through impact assessment.

Similarly, research that considers the overview of the entire life cycle has yet to materialise. This perspective may acknowledge the crucial transformations that occur in emotional, social, cognitive, and biological growth throughout infancy, adolescence, and maturity. These life phases are pivotal periods for cultivating financial aptitude, attitudes, conduct, and self-reliance.

Additionally, behavioural experiments in a laboratory can test psycho-social antecedents to financial planning. Future studies can be conducted to examine the role of financial education and experiential learning programmes. Also, with a surge in consumption of FinTech applications for financial transactions, it would be encouraging to study their consequential effect on financial behaviour.

Current research has primarily concentrated on parent-child pairs to investigate the facets of financial socialisation. However, there has been a lack of focus on other factors that can affect relationships, such as romantic partners/spouses, grandparents, and siblings. Further, the results of the study suggested limited effects of workplace colleagues on behavioural outcomes. Further exploration can shed light on the role of workplace colleagues in financial behaviour.

Gathering data from various sources can offer insight into interpersonal dynamics, which are crucial for comprehending the socialisation process. Alternatively, employing a mixed methods approach can be advantageous for capturing these diverse perspectives. Similarly, additional mediating and moderating factors such as self-control, materialism, and risk tolerance can be tested to improve the robustness of the model. Future studies can also consider the influence of macroeconomic factors such as inflation and the implication of tax rates on financial planning.

Apart from being primary socialisation agents, parents also play a crucial role in promoting financial independence. Understanding their involvement in building financial

autonomy to build financial identities to avert economic uncertainty is essential. Further, the wake of health crises such as recent COVID-19 occurrences may have affected the socialisation experiences. Exploring the interaction of health and economic uncertainties or financial distress would be interesting in order to understand their impact on financial well-being.

Lastly, there is a scarcity of literature focusing on financial socialisation among low-income families and their financial knowledge and self-efficacy levels. This may provide additional insights into how socialisation affects financially vulnerable segments.

6.5 Conclusion

The research has provided valuable insights into financial socialisation, self-efficacy, knowledge, and planning. It explores the relationships among socialisation agents and their influence on financial decision-making. The findings highlight the significant role of socialisation agents in shaping financial self-efficacy and knowledge, which in turn promotes active financial planning. The study demonstrates that financial socialisation, especially media and peers, strongly impacts financial planning, mediated by self-efficacy and knowledge.

Additionally, the research examines how financial self-efficacy interacts with time perspective factors, enhancing our understanding of financial planning. By identifying moderating factors, the study clarifies how psychological attributes and temporal orientations influence financial planning.

In summary, the research meets its objectives, contributing to theoretical knowledge and offering practical implications for financial education and counselling. The findings can inform interventions that promote financial literacy and responsible financial planning, empowering individuals to make informed financial decisions for their future well-being.

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APPENDICES

Appendix A: Questionnaire

Survey on Financial Planning Behaviour

Dear Respondent,

I'm a Doctoral Scholar at School of Management Studies, University of Hyderabad, and I am conducting a survey to understand financial planning behaviour among working adults.

To be eligible, you need to have work experience of minimum 1 year and age above 25 years

- The survey should take approximately 15 minutes to complete.
- The survey collects no identifying information.
- All the responses will be recorded anonymously.

By completing and submitting this survey, you are indicating your consent to participate in the study.

I hope you spare your valuable time and give your honest feedback. If you have any questions or concerns you may contact me at radnyi.uoh@gmail.com.

Radnyi Godase

Demographic and Personal Finance Information

1. In which sector are you employed?

- a) Government organisation/Public Sector Enterprise
- b) Private Organisation

2. Which of the following categories best describes the industry you primarily work in (irrespective of the role or position)?

- a) Software/ IT Services and Data Processing
- b) Finance and Insurance
- c) Healthcare/Pharmaceuticals
- d) Automobile
- e) Education
- f) Manufacturing
- g) Other

3. Work experience (in years) _____

4. Job Location _____

5. Which is the highest level of education that you have completed?

- a) Bachelor's degree
- b) Master's degree and equivalent
- c) Professional degree

- d) PhD
- 6. What is your annual income (including all sources such as rental income, trading, and investment)?
 - a) Less than 5 lakhs per annum
 - b) between 5 and 10 lakhs per annum
 - c) Between 10 and 15 lakhs per annum
 - d) Between 15 and 20 lakhs per annum
 - e) More than 20 lakhs per annum
- 7. What is your marital status?
 - a) Unmarried
 - b) Married
 - c) Divorced
 - d) Widowed
- 8. How many people are you financially dependent on you?
 - a) Only myself
 - b) 1 person in addition to myself
 - c) 2-3 persons in addition to myself
 - d) 4-5 persons in addition to myself
 - e) Over 5 persons in addition to myself
- 9. Do you have any liability/debt/loan?
 - a) Yes
 - b) No
- 10. Do you own a property?
 - a) Yes
 - b) No
- 11. Do you have Social Security measures such as insurance/Medical claims from your employer?
 - a) Yes
 - b) No
- 12. Number of Family Members _____
- 13. Which financial instrument/product do you purchase generally?
 - a) Fixed/Recurring deposit
 - b) National Savings Certificate/National Savings Schemes/Post Office Savings
 - c) Provident funds
 - d) Insurance
 - e) Cryptocurrency
 - f) Stocks/Shares
 - g) Mutual funds
 - h) Gold

- i) Others ____
- j) None

14. In a month, how much portion of your income do you invest in financial products/instruments?

- a) 0-10%
- b) 11-20%
- c) 21-30%
- d) 31% and above

15. What is the purpose of your investments?

- a) Tax benefits
- b) Savings for retirement
- c) Children's education
- d) To start your own business
- e) To invest in Real Estate
- f) Contingency for future/Emergency funds
- g) Any other purpose

16. Gender

- a) Male
- b) Female

17. Age

- a) 25-34
- b) 35-44
- c) 45-54
- d) 55- 64

18. Do you plan to retire early (before retirement age of 60 or 65 whichever applies to you)?

- a) Yes
- b) No

Please select the options that most appeal to you. There are no right or wrong answers.

I. *Parental Socialisation*

(Response Categories: 1 - Strongly disagree; 2 - Somewhat disagree; 3 - Neither disagree, nor agree; 4 - Somewhat agree; 5 - Strongly agree)

- 1) My parent(s) or guardian(s) are comfortable talking about money with me.
- 2) My parent(s) or guardian(s) tell me what I need to know about money management.
- 3) My parent(s) or guardian(s) are role models of sound financial management.
- 4) I rely on my parents for financial advice.

II. *Friends Influence*

(Response Categories: 1 - Strongly disagree; 2 - Somewhat disagree; 3 - Neither disagree, nor agree; 4 - Somewhat agree; 5 - Strongly agree)

- 1) If I have little experience with a financial planning, I often ask my friends about it
- 2) I frequently gather information from friends before taking financial decisions
- 3) To make sure I buy the right financial product, I often try to get information about the product when my friends are using it.
- 4) I rely on friends for financial advice.

III. *Workplace Influence*

(Response Categories: 1 - Strongly disagree; 2 - Somewhat disagree; 3 - Neither disagree, nor agree; 4 - Somewhat agree; 5 - Strongly agree)

- 1) I frequently gather information from workplace colleagues before taking financial decisions
- 2) I rely on workplace colleagues for financial advice.
- 3) If I have little experience with a financial planning, I often ask my workplace colleagues about it.
- 4) To make sure I buy the right financial product, I often try to get information about the product when my workplace colleagues are using it.

IV. *Media Influence*

(Response Categories: 1 - Strongly disagree; 2 - Somewhat disagree; 3 - Neither disagree, nor agree; 4 - Somewhat agree; 5 - Strongly agree)

- 1) Media (Such as social media, magazines, newspaper, television) enhances my knowledge about financial planning.
- 2) I take interest in information about financial products/planning on various media platforms.
- 3) Financial products advertisements/influencers guide me to making an informed financial decision.

V. *Financial Self-efficacy*

(Response Categories: 1 - Exactly true; 2 - Moderately true; 3 - Hardly true; 4 - Not at all true)

- 1) It is hard to stick to my spending plan when unexpected expenses arise.
- 2) It is challenging to make progress toward my financial goals.
- 3) When unexpected expenses occur, I usually have to use credit.
- 4) When faced with a financial challenge, I have a hard time figuring out a solution.
- 5) I lack confidence in my ability to manage my finances.
- 6) I worry about running out of money in future.

VI. Objective Financial Knowledge

A. Suppose you had Rs. 100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

1. More than Rs. 102
2. Exactly Rs. 102
3. Less than Rs. 102
4. Don't know

B. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, would you be able to buy more than, exactly the same as, or less than today with the money in this account?

1. More than today
2. Exactly the same
3. Less than today
4. Don't know

C. When an investor spreads his or her money among different assets, does the risk of losing a lot of money increase, decrease, or stay the same?

1. Increase
2. Decrease
3. Stay the same
4. Don't know

D. Considering a long time period (for example 10 or 20 years), which asset described below normally gives the highest return?

1. Savings accounts
2. Bonds
3. Stocks
4. Don't know

VII. Financial Planning Propensity

(Response Categories: 1 - Completely Agree; 2 - Mostly Agree; 3 - Slightly Agree; 4 - Slightly Disagree; 5 - Mostly Disagree; 6 - Completely Disagree)

- 1) I set financial goals for what I want to achieve with my money.
- 2) I decide beforehand how my money will be used.
- 3) I actively consider the steps I need to take to stick to a budget.
- 4) I consult my budget to see how much money I have left.
- 5) I look to my budget in order to get a better view as to my spending in the future.
- 6) I will feel better to have my finances planned out.

VIII. *Time Perspective*

(*Response Categories*: 1- Very uncharacteristic; 2 – Uncharacteristic; 3 – Neutral; 4 – Characteristic; 5 – Very characteristic)

A. Present Hedonist Time Perspective

- 1) I find myself getting swept up in the excitement of the moment.
- 2) Taking risks keeps my life from becoming boring.
- 3) I take risks to put excitement in my life.

B. Present Fatalist Time Perspective

- 1) You cannot really plan for the future because things change so much.
- 2) My life path is controlled by forces I cannot influence.
- 3) It does not make sense to worry about the future, since there is nothing that I can do about it anyway.

C. Future Time Perspective

- 1) I complete projects on time by making steady progress.
- 2) I am able to resist temptations when I know that there is work to be done.
- 3) I meet my obligations to friends and authorities on time.

IX. *Marker Variable – Attitude Towards Colour Blue*

(*Response variable*: 1 – Strongly disagree; 2 –Disagree; 3 – Somewhat disagree; 4 – Neither agree or disagree; 5 –Somewhat agree; 6 –Agree; 7 –Strongly agree)

- 1) Blue is a beautiful colour
- 2) Blue is a lovely colour
- 3) Blue is a pleasant colour
- 4) The colour blue is wonderful
- 5) Blue is a nice colour
- 6) I think blue is a pretty colour
- 7) I like the colour blue

APPENDIX B: Comparative Analysis using One-way ANOVA

Table B1. Financial socialisation and Gender

		Report			
Gender		PS	FS	WS	MI
Female	Mean	3.9589	3.3692	3.1297	3.8073
	N	237	237	237	237
	Std. Deviation	.85007	1.10194	1.17386	.91488
Male	Mean	3.8664	3.6197	3.3639	3.9301
	N	305	305	305	305
	Std. Deviation	.94023	.99382	1.12442	.86192
Total	Mean	3.9068	3.5101	3.2615	3.8764
	N	542	542	542	542
	Std. Deviation	.90227	1.04889	1.15112	.88673

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
PS	Between Groups	1.140	1	1.140	1.402	.237
	Within Groups	439.279	540	.813		
	Total	440.420	541			
FS	Between Groups	8.367	1	8.367	7.699	.006
	Within Groups	586.827	540	1.087		
	Total	595.194	541			
WS	Between Groups	7.314	1	7.314	5.567	.019
	Within Groups	709.551	540	1.314		
	Total	716.865	541			
MI	Between Groups	2.009	1	2.009	2.563	.110
	Within Groups	423.375	540	.784		
	Total	425.384	541			

Table B2. Financial Self-efficacy (FSE) and Income

Report			
FSE			
Income	Mean	N	Std. Deviation
Less than 5 lakhs per annum	2.4736	101	.84615
between 5 and 10 lakhs per annum	2.5219	190	.91027
Between 10 and 15 lakhs per annum	2.7506	129	.87850

Between 15 and 20 lakhs per annum	2.8686	52	.86592
More than 20 lakhs per annum	2.9071	70	.81927
Total	2.6504	542	.88760

ANOVA

FSE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.679	4	3.670	4.789	.001
Within Groups	411.538	537	.766		
Total	426.217	541			

Multiple Comparisons

Dependent Variable: FSE

LSD

(I) Income	(J) Income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 5 lakhs per annum	between 5 and 10 lakhs per annum	-.04833	.10780	.654	-.2601	.1634
	Between 10 and 15 lakhs per annum	-.27705*	.11631	.018	-.5055	-.0486
	Between 15 and 20 lakhs per annum	-.39499*	.14942	.008	-.6885	-.1015
	More than 20 lakhs per annum	-.43355*	.13615	.002	-.7010	-.1661
between 5 and 10 lakhs per annum	Less than 5 lakhs per annum	.04833	.10780	.654	-.1634	.2601
	Between 10 and 15 lakhs per annum	-.22872*	.09987	.022	-.4249	-.0325
	Between 15 and 20 lakhs per annum	-.34666*	.13701	.012	-.6158	-.0775
	More than 20 lakhs per annum	-.38521*	.12240	.002	-.6257	-.1448
Between 10 and 15 lakhs per annum	Less than 5 lakhs per annum	.27705*	.11631	.018	.0486	.5055
	between 5 and 10 lakhs per annum	.22872*	.09987	.022	.0325	.4249

	Between 15 and 20 lakhs per annum	-.11794	.14380	.412	-.4004	.1645
	More than 20 lakhs per annum	-.15650	.12996	.229	-.4118	.0988
Between 15 and 20 lakhs per annum	Less than 5 lakhs per annum	.39499*	.14942	.008	.1015	.6885
	between 5 and 10 lakhs per annum	.34666*	.13701	.012	.0775	.6158
	Between 10 and 15 lakhs per annum	.11794	.14380	.412	-.1645	.4004
	More than 20 lakhs per annum	-.03855	.16027	.810	-.3534	.2763
More than 20 lakhs per annum	Less than 5 lakhs per annum	.43355*	.13615	.002	.1661	.7010
	between 5 and 10 lakhs per annum	.38521*	.12240	.002	.1448	.6257
	Between 10 and 15 lakhs per annum	.15650	.12996	.229	-.0988	.4118
	Between 15 and 20 lakhs per annum	.03855	.16027	.810	-.2763	.3534

*. The mean difference is significant at the 0.05 level.

Table B3. Objective Financial Knowledge (OFK) and Income

Report			
Total OFK score			
Income	Mean	N	Std. Deviation
Less than 5 lakhs per annum	2.36	101	1.197
between 5 and 10 lakhs per annum	2.73	190	1.144
Between 10 and 15 lakhs per annum	2.99	129	1.135
Between 15 and 20 lakhs per annum	3.27	52	.888
More than 20 lakhs per annum	3.26	70	.988
Total	2.84	542	1.149

ANOVA

Total OFK score					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	50.596	4	12.649	10.244	.000
Within Groups	663.073	537	1.235		
Total	713.670	541			

Multiple Comparisons						
Dependent Variable: Total OFK score						
Games-Howell						
(I)	(J) Income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
	Income				Lower Bound	Upper Bound
Less than 5 lakhs per annum	between 5 and 10 lakhs per annum	-.375	.145	.077	-.77	.02
	Between 10 and 15 lakhs per annum	-.636*	.155	.001	-1.06	-.21
	Between 15 and 20 lakhs per annum	-.913*	.171	.000	-1.39	-.44
	More than 20 lakhs per annum	-.901*	.168	.000	-1.36	-.44
between 5 and 10 lakhs per annum	Less than 5 lakhs per annum	.375	.145	.077	-.02	.77
	Between 10 and 15 lakhs per annum	-.261	.130	.266	-.62	.10
	Between 15 and 20 lakhs per annum	-.538*	.149	.004	-.95	-.13
	More than 20 lakhs per annum	-.526*	.144	.003	-.92	-.13
Between 10 and 15 lakhs per annum	Less than 5 lakhs per annum	.636*	.155	.001	.21	1.06
	between 5 and 10 lakhs per annum	.261	.130	.266	-.10	.62
	Between 15 and 20 lakhs per annum	-.277	.159	.410	-.72	.16
	More than 20 lakhs per annum	-.265	.155	.430	-.69	.16
Between 15 and 20	Less than 5 lakhs per annum	.913*	.171	.000	.44	1.39

lakhs per annum	between 5 and 10 lakhs per annum	.538*	.149	.004	.13	.95
	Between 10 and 15 lakhs per annum	.277	.159	.410	-.16	.72
	More than 20 lakhs per annum	.012	.171	1.000	-.46	.48
More than 20 lakhs per annum	Less than 5 lakhs per annum	.901*	.168	.000	.44	1.36
	between 5 and 10 lakhs per annum	.526*	.144	.003	.13	.92
	Between 10 and 15 lakhs per annum	.265	.155	.430	-.16	.69
	Between 15 and 20 lakhs per annum	-.012	.171	1.000	-.48	.46

*. The mean difference is significant at the 0.05 level.

Table B4. Present Fatalist Time Perspective (TPPF) and Monthly investment portion

Report					
TPPF					
Monthly investment portion	Mean	N	Std. Deviation		
0-10%	2.9043	230	.85000		
11-20%	2.7714	191	.86759		
21-30%	2.7236	82	.78882		
31% and above	2.4298	38	.89345		
Total	2.7967	541	.85715		
ANOVA					
TPPF					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.341	3	2.780	3.844	.010
Within Groups	388.404	537	.723		
Total	396.745	540			
Multiple Comparisons					
Dependent Variable: TPPF					
Games-Howell					
			Std. Error	Sig.	95% Confidence Interval

(I) Monthly investment portion	(J) Monthly investment portion	Mean Difference (I-J)			Lower Bound	Upper Bound
0-10%	11-20%	.13297	.08416	.391	-.0841	.3501
	21-30%	.18077	.10358	.304	-.0883	.4498
	31% and above	.47452*	.15540	.019	.0612	.8879
11-20%	0-10%	-.13297	.08416	.391	-.3501	.0841
	21-30%	.04780	.10737	.970	-.2308	.3264
	31% and above	.34155	.15795	.147	-.0777	.7608
21-30%	0-10%	-.18077	.10358	.304	-.4498	.0883
	11-20%	-.04780	.10737	.970	-.3264	.2308
	31% and above	.29375	.16910	.313	-.1522	.7397
31% and above	0-10%	-.47452*	.15540	.019	-.8879	-.0612
	11-20%	-.34155	.15795	.147	-.7608	.0777
	21-30%	-.29375	.16910	.313	-.7397	.1522

*. The mean difference is significant at the 0.05 level.

Table B5. Financial Socialisation and Marital status

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
PS	Between Groups	14.348	1	14.348	18.185	.000
	Within Groups	426.072	540	.789		
	Total	440.420	541			
FS	Between Groups	.015	1	.015	.013	.909
	Within Groups	595.180	540	1.102		
	Total	595.194	541			
WS	Between Groups	7.395	1	7.395	5.629	.018
	Within Groups	709.470	540	1.314		
	Total	716.865	541			
MI	Between Groups	.541	1	.541	.688	.407
	Within Groups	424.843	540	.787		
	Total	425.384	541			

Report					
Marital Status		PS	FS	WS	MI
Married	Mean	3.8071	3.5133	3.3331	3.8570
	N	394	394	394	394
	Std. Deviation	.92494	1.06439	1.12720	.89425
Unmarried	Mean	4.1723	3.5017	3.0709	3.9279

	N	148	148	148	148
	Std. Deviation	.78184	1.00994	1.19560	.86726
Total	Mean	3.9068	3.5101	3.2615	3.8764
	N	542	542	542	542
	Std. Deviation	.90227	1.04889	1.15112	.88673

Table B6. Financial socialisation and Sector

		Report				
Type of organisation		PS	FS	WS	MI	
Government organisation/Public Sector Enterprise	Mean	3.9050	3.6466	3.5433	3.9856	
	N	208	208	208	208	
	Std. Deviation	.81112	.96441	1.06375	.85019	
Private Organisation	Mean	3.9079	3.4251	3.0861	3.8084	
	N	334	334	334	334	
	Std. Deviation	.95583	1.09102	1.16999	.90334	
Total	Mean	3.9068	3.5101	3.2615	3.8764	
	N	542	542	542	542	
	Std. Deviation	.90227	1.04889	1.15112	.88673	
		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
PS	Between Groups	.001	1	.001	.001	.971
	Within Groups	440.419	540	.816		
	Total	440.420	541			
FS	Between Groups	6.288	1	6.288	5.766	.017
	Within Groups	588.906	540	1.091		
	Total	595.194	541			
WS	Between Groups	26.792	1	26.792	20.965	.000
	Within Groups	690.073	540	1.278		
	Total	716.865	541			
MI	Between Groups	4.024	1	4.024	5.158	.024
	Within Groups	421.360	540	.780		
	Total	425.384	541			

Table B7. Financial socialisation and Education

Report					
Education		PS	FS	WS	MI
Bachelor's degree	Mean	3.8671	3.6866	3.4261	3.9085
	N	284	284	284	284
	Std. Deviation	.93148	.97470	1.10344	.93414
Master's degree and equivalent	Mean	4.0430	3.3280	3.0040	3.8172
	N	186	186	186	186
	Std. Deviation	.85276	1.11621	1.19782	.86162
Professional degree	Mean	3.6780	3.2924	3.3136	3.9379
	N	59	59	59	59
	Std. Deviation	.91096	1.05163	1.09917	.74400
PhD	Mean	3.8654	3.2500	3.1154	3.7436
	N	13	13	13	13
	Std. Deviation	.65840	1.04083	1.16644	.79529
Total	Mean	3.9068	3.5101	3.2615	3.8764
	N	542	542	542	542
	Std. Deviation	.90227	1.04889	1.15112	.88673

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
PS	Between Groups	7.011	3	2.337	2.901	.034
	Within Groups	433.409	538	.806		
	Total	440.420	541			
FS	Between Groups	18.696	3	6.232	5.816	.001
	Within Groups	576.498	538	1.072		
	Total	595.194	541			
WS	Between Groups	20.458	3	6.819	5.268	.001
	Within Groups	696.408	538	1.294		
	Total	716.865	541			
MI	Between Groups	1.396	3	.465	.590	.622
	Within Groups	423.989	538	.788		
	Total	425.384	541			

Multiple Comparisons							
Games-Howell							
Dependent Variable	(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
PS	Bachelor's degree	Master's degree and equivalent	-.17593	.08346	.152	-.3912	.0393
		Professional degree	.18911	.13084	.475	-.1538	.5320
		PhD	.00169	.19079	1.000	-.5514	.5548
	Master's degree and equivalent	Bachelor's degree	.17593	.08346	.152	-.0393	.3912
		Professional degree	.36504*	.13407	.038	.0143	.7158
		PhD	.17763	.19302	.795	-.3788	.7341
	Professional degree	Bachelor's degree	-.18911	.13084	.475	-.5320	.1538
		Master's degree and equivalent	-.36504*	.13407	.038	-.7158	-.0143
		PhD	-.18742	.21774	.825	-.7892	.4144
	PhD	Bachelor's degree	-.00169	.19079	1.000	-.5548	.5514
		Master's degree and equivalent	-.17763	.19302	.795	-.7341	.3788
		Professional degree	.18742	.21774	.825	-.4144	.7892
FS	Bachelor's degree	Master's degree and equivalent	.35866*	.10022	.002	.1000	.6173
		Professional degree	.39425*	.14863	.047	.0043	.7842
		PhD	.43662	.29441	.474	-.4277	1.3009
		Bachelor's degree	-.35866*	.10022	.002	-.6173	-.1000

	Master's degree and equivalent	Professional degree	.03558	.15951	.996	-.3810	.4522
		PhD	.07796	.30005	.994	-.7942	.9501
	Professional degree	Bachelor's degree	-.39425*	.14863	.047	-.7842	-.0043
		Master's degree and equivalent	-.03558	.15951	.996	-.4522	.3810
		PhD	.04237	.31950	.999	-.8615	.9463
	PhD	Bachelor's degree	-.43662	.29441	.474	- 1.3009	.4277
		Master's degree and equivalent	-.07796	.30005	.994	-.9501	.7942
		Professional degree	-.04237	.31950	.999	-.9463	.8615
	WS	Master's degree and equivalent	.42202*	.10955	.001	.1393	.7047
		Professional degree	.11250	.15737	.891	-.3000	.5250
		PhD	.31067	.33007	.784	-.6581	1.2794
	Master's degree and equivalent	Bachelor's degree	-.42202*	.10955	.001	-.7047	-.1393
		Professional degree	-.30953	.16790	.259	-.7478	.1288
		PhD	-.11135	.33522	.987	- 1.0872	.8645
	Professional degree	Bachelor's degree	-.11250	.15737	.891	-.5250	.3000
		Master's degree and equivalent	.30953	.16790	.259	-.1288	.7478
		PhD	.19817	.35375	.942	-.8072	1.2036
	PhD	Bachelor's degree	-.31067	.33007	.784	- 1.2794	.6581
		Master's degree and equivalent	.11135	.33522	.987	-.8645	1.0872

MI	Bachelor's degree	Professional degree	-.19817	.35375	.942	-1.2036	.8072
		Master's degree and equivalent	.09125	.08405	.699	-.1255	.3080
		Professional degree	-.02940	.11160	.994	-.3210	.2622
		PhD	.16486	.22743	.885	-.4989	.8286
	Master's degree and equivalent	Bachelor's degree	-.09125	.08405	.699	-.3080	.1255
		Professional degree	-.12065	.11564	.724	-.4223	.1810
		PhD	.07361	.22944	.988	-.5930	.7402
	Professional degree	Bachelor's degree	.02940	.11160	.994	-.2622	.3210
		Master's degree and equivalent	.12065	.11564	.724	-.1810	.4223
		PhD	.19426	.24090	.851	-.4908	.8793
	PhD	Bachelor's degree	-.16486	.22743	.885	-.8286	.4989
		Master's degree and equivalent	-.07361	.22944	.988	-.7402	.5930
		Professional degree	-.19426	.24090	.851	-.8793	.4908

*. The mean difference is significant at the 0.05 level.

APPENDIX C: PUBLICATIONS

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Financial planning propensity in working adults: exploring the role of media

Radnyi Godase, Jyothi P and M. Lalitha Supriya
University of Hyderabad, Hyderabad, India

Financial
planning
propensity

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Abstract

Purpose – The study aims to explore the role of media in enhancing financial knowledge, financial self-efficacy, and financial planning propensity among working adults in India.

Design/methodology/approach – Primary survey-based data ($n = 542$) were analyzed using covariance based-structural equation modeling.

Findings – Media has a positive impact on financial knowledge. Financial knowledge positively mediates the relationship between media usage and financial self-efficacy and financial planning propensity. Also, financial knowledge and financial self-efficacy positively mediate the relationship between media usage and financial planning propensity.

Originality/value – The role of media as a significant agent of consumer socialization is an under-researched area. The authors contribute to the existing literature by demonstrating the role of media in improving financial knowledge and financial self-efficacy to promote financial planning propensity among working adults.

Keywords Media influence, Financial planning, Financial knowledge, Working adults

Paper type Research paper

Introduction

In recent times, the proliferation of development initiatives has resulted in an improved economic environment, enabling individuals to maintain a satisfactory standard of living. The attainment of overall well-being and sound financial health are critical components in fulfilling an individual's life goals. Successful financial outcomes in a person's life are a result of their propensity to plan (Ameriks *et al.*, 2003; Lusardi and Mitchell, 2011; Lynch *et al.*, 2010; Scholz *et al.*, 2007). An individual's financial planning propensity is a money management skill and an indicator of their financial capability. Individuals with a higher propensity spend more time creating financial plans (Ameriks *et al.*, 2003). Most previous studies show that financial propensity to plan leads to financial well-being (Fan and Park, 2021; Lee and Kim, 2020; Xiao and O'Neill, 2018). However, the statistical data present an alternative perspective. Globally, only 48.8% of adults had a formal financial plan, according to a 2020 OECD/INFE survey (OECD, 2020). In India, according to India's Life Goals Preparedness Survey 2023, only 40% have financial plans in place [1]. This lower score may indicate that many Indians are not actively practicing financial planning. This shows that individuals are more concerned with taking care of their immediate financial requirements than making long-term plans. In earlier generations, there was limited understanding of the significance of financial planning. However, with increased access to information and changing socio-economic conditions, people have started to realize the importance of financial planning. Additionally, with the global downturn, decreasing savings rate, and increasing health expenditures, financial management has become necessary for individuals to achieve financial well-being.

In order to engage in responsible financial management behavior, specially financial planning, it is crucial to possess both financial knowledge and a favorable financial attitude. Individuals who are planners, goal-oriented, and frugal with their spending are more likely to save money and have enough saved up for emergencies and retirement than those who are not planners. Future planning and goal-setting are associated with various positive financial



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Impact of Educational Intervention on Women Empowerment: Experimental Evidence from South India

P Jyothi* and Radnyi Godase**

This paper examines the impact of multiple educational interventions on various empowerment indicators—economic, social, and psychological. The primary objective of the intervention was to empower women holistically, while developing their entrepreneurial skills to enable them to start their micro-enterprises. Fifty women from five self-help groups participated in the five staged intervention program. Respondent's empowerment levels were assessed through a single group pre-post research design. The intended outcome was achieved as a considerable number of women saved to invest in income-generating activities and felt confident enough to put forth ideas or opinions without hesitation, start their income-generating activities, and experienced enhanced autonomy.

Key Words: Educational Intervention, Entrepreneurship, Microfinance, Quasi-experiment, Women Empowerment

INTRODUCTION

A nation's overall socioeconomic development relies on inclusive economic participation from all sections of the society (Cabeza-García *et al.*, 2019; Cremin and Nakabugo, 2012; Rehman, 2020). Governments have taken several efforts to uplift the weaker sections, including women to bolster social and economic growth (Pathania, 2020). However, in several countries, women are yet to attain their full economic potential. This not only affects women but also the sustainable development of the economy in the long run (Wodon and De La Briere, 2018). It is estimated that gender gaps could cost 15% of GDP in the OECD countries, while in developing countries, the rate is substantially higher (Cuberes and Teignier, 2016).

* Professor, School of Management Studies, University of Hyderabad, Telangana 500046, India.
E-mail: pjbsp02@gmail.com

** Research Scholar, School of Management Studies, University of Hyderabad, Telangana 500046, India.
E-mail: radnyi.p.godase@gmail.com

APPENDIX D: CONFERENCE PRESENTATIONS





Financial Socialization and Pathways to Financial Planning Propensity for Working Professionals

by Radnyi Godase



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