

Sometimes wishing hard is not enough: The role of parents in financial outcomes of their emerging adult children

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In times of ever-looming recession, high inflation, and rising interest rates, it is exceedingly important for people to be proactive in their healthy financial behaviour. For emerging adults, however, this might be particularly difficult as they continue to rely on their parents for financial assistance as they are attaining their financial independence, amassing both work experience and experience in handling their finances, forming their financial identity, and working towards financial well-being that will set them up for favourable future outcomes (e.g., satisfaction with life). Thus, it is important to consider how healthy financial behaviours could be acquired and how financial and psychological processes interplay within families, especially in societies where money is seldom discussed in the public sphere. In the talk, I will present the findings from two (international) projects dealing with financial socialisation of emerging adults and its outcomes (e.g., financial identity, behaviour, well-being, and relationship with parents), emphasising the importance of parents in both aspects. For example, I will discuss emerging adults' motives for saving money which were found to be related to those of their parents. Staying with relatedness to parents, I will present how psychological individuation (autonomy-relatedness) with parents and financial self-efficacy are linked with emerging adults' financial well-being. Finally, using an intergenerational model of financial socialisation and its outcomes that connects parents' and their children's self-perceived financial learning outcomes to satisfaction with financial management and parent-child financial relationships, I will try to show that within families, financial matters go beyond saving some and spending wisely, and should thus not be a topic frowned upon.