Interparental Financial Communications as Family Financial Socialization Process: Evidence Using Qualitative Approach

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Money is a sensitive and important topic in family communication (Papp et al., 2009, 2018). When financial communication does not go well, and conflicts arise between two partners, couple relationships may also flounder (e.g., diminished marital satisfaction and increased likelihood of divorce; Britt & Huston, 2012; Dew et al., 2012). According to family financial socialization theory and as informed by the still scant body of empirical research, money-related communication between two partners was associated with the two partners' offspring's money management and well-being (Allen et al., 2007; Hancock et al., 2013; Li et al., in press). Specifically, individuals may learn money management by observing how other family members (e.g., their parents) interact about money (Gudmunson & Danes, 2011; LeBaron & Kelley, 2021). Besides, exposure to interparental financial communication—especially conflicts—while growing up can be emotionally charged for the offspring (Ramzan et al., 2021). Emotionally charged money-related experiences can influence beliefs and behavioral patterns related to money management in offspring; these patterns may become deeply ingrained and persist into adulthood, ultimately affecting their well-being. (Britt et al., 2015; Klontz & Britt, 2012; Klontz et al., 2015).

Specifically, when parents expressed hostility against each other as they communicated around money, their young adult offspring were more likely to value money as an avenue of achieving independence and view money with great caution (compared to young adults who witnessed parents collaborate on money issues while growing up) (Allen et al., 2007). Young adults who grew up witnessing money-related conflicts and hostility between parents were also less likely to form healthy money management (Allen et al., 2007; Hancock et al., 2013). Collectively, the family financial socialization theory and prior research have suggested that interparental financial communication is a vital component of the financial socialization process (Allen et al., 2007; Gudmunson & Danes, 2011; Hancock et al., 2013; Li et al., in press).

Yet, it should be noted that the implications of interparental financial communication are complicated. Being involved in interparental financial communication may have allowed young adults to learn “bitter” lessons—but lessons nonetheless—on money management (Chan et al., 2021; Li et al., in press). To further understand the nuances of how interparental financial conflicts were related to young adults’ money management, this study implemented a qualitative approach and collected responses from 159 Hong Kong youths (aged 18-30 years old).

Methods

Participants and Procedures

Institutional review board approval was obtained from Hong Kong Polytechnic University (HSEARS20210716001-01), and informed consent was obtained from all participants. The inclusion criterion was that young adults (a) must have been living in Hong Kong for at least a year (so that participants have some experience and understanding of money management in Hong Kong), and (b) can read Chinese (so they could finish the survey, which was in Chinese). From 2022 September to November, we sent invitations to the qualitative component to 604 participants who participated in the survey study of the large project (details of the survey study can be seen in Khan et al., 2023). Completed qualitative responses were received from 159 young adults in Hong Kong (response rate = 26.3%). Demographic information for the 159 young adults in Hong Kong is in Table 1. As compared to those who did not attend the qualitative component, the 159 young adults in the qualitative component included a larger proportion of females.

To collect qualitative data, we developed a Facebook-embedded Chatbot application. The chatbot started with a probing question ("Based on your experiences during growing up [before turning 18 years old], did your parents have conflicts/disagreements about money?"). Depending on the responses (*yes* versus *no* versus *unsure*), participants were then directed to a particular set of semi-structured questions. The format of semi-structured questions was adopted as it provided the flexibility of certain sequences of questions. It also enabled comparability and provided an opportunity to further enquire about the emerging issues that arose from the respondents' answers. Participants were encouraged to share their understanding and experiences on how interparental financial communication affected their own money management, such as extracting particular examples to enhance the validity of the resulting textual data. The questions were related to the following topics: (i) topics of interparental financial communication; (ii) how parents dealt with conflicting and/or non-conflicting money-related situations; (iii) how these interparental financial communication has influenced young adults; and (iv) what and how youths have learned.

Analytic Plan

The analysis started after collecting the data to organize, group, and interpret the data to determine potential themes and relationships (Marshall & Rossman, 2006). The process of data analysis has different stages (Miles & Huberman, 1994). The data was already in the text format, but in the Chinese language, a native Chinese speaker who was fluent in English first translated the data into English. The translation was then checked by the corresponding author, who was a native Chinese speaker and fluent in English, to verify the meanings and make amendments as required. The second author then started analyzing data.

Using the priori themes, the translated transcripts were coded, which were already used to organize the transcripts (the choices that were guided by the theory and literature). Next, the codes were identified to serve as themes and linked or applied to original scripts as summary markers for future analysis (Cassell & Symon, 2012). Next, data reduction was conducted by choosing, focusing, clarifying, and interpreting the data (Miles & Huberman, 1994). A compilation of codes was gathered, along with a framework that showed common patterns and themes from the textual data (Cassell & Symon, 2012). Subsequently, NVivo software was utilized to re-code and re-examine the coding as necessary and link key concepts together until clear patterns emerged (Fereday & Muir-Cochrane, 2006). Lastly, further analysis was carried out using an iterative process that involved constantly switching between the text, coding, categorizing, linking, and showing the findings (Crabtree & Miller, 2023). Throughout the analysis, the relevant literature was also frequently examined.

Results

On the probing question, “Based on your experiences during growing up [before turning 18 years old], did your parents have conflicts/disagreements about money,” 73 (45.9%) participants reported yes, 38 (23.9%) participants reported no, and 48 (30.2%) participants reported unsure.

Participants Who Witnessed Interparental Financial Conflicts

Topics

The participants most commonly mentioned *household expenditures* (n = 23) (e.g., “Arguing over who is responsible for living expenses.”). *Education expenses* (n = 12) are the second most discussed topics (e.g., “lack of money for my education in university.”). Other topics include *grocery shopping* (n = 11), *lending* and *saving money* (n = 5), *investments* and *property* (n = 4) (e.g., “legal distribution of property”), and *gambling*, *insurance,* and *rent* (n = 2).

How Situation Was Handled

There were different ways in which parents dealt with disputes or, more importantly, reduced escalated situations. *No communication* (n = 7) seems very useful as it may help to decrease quarrels (e.g., "giving each other the silent treatment."). *Open communication and negotiation* (n = 4) also played a vital role in expressing their feelings (e.g., "share their considerations and ideas, and one of them will compromise in the end."). Other ways include *leaving home for some time* (n = 3), *compromising* (n = 1), and *eating separately* (n = 1).

Influences of Interparental Financial Communication

These conflicts have influenced young adults' behaviors and beliefs about money, which included *earning more money* (n = 31; e.g., "want to earn more money because money is used to solve problems."), *have investments and savings* (n = 20) and *spend less money* (n = 7). Besides, parents' conflicts over money may affect young adults' mate selection ideas, and some young adults reported an idea to *look for a (financially) stable partner* (n = 8; e.g., "I will choose someone with a better family background."), *understandable partner* (n = 7), and prefer *not to fall in love* (n = 3).

Overall, the influences of interparental financial conflicts were double-edged. The positive effects included *earning (more) money* (n = 15), *saving (more) money* (n = 10; e.g., "let me understand the importance of managing money and making money."), and *limit their expenses* (n = 6). The negative effects included *poor home atmosphere* (n = 9; e.g., “The relationship between the two broke down, which led to a tense family atmosphere. I have to consider their emotions at home and cannot relax.”) *problems in relationships* (n = 9), *annoyance and tension* (n = 5; e.g., “It will make the relationship in the family very tense.”), and *nervous and depressed feelings* (n = 2).

What and How Young Adults Learnt

Participants have learned from interparental financial conflicts so that they would not repeat their parents’ mistakes in the future. The participants learned *saving more money* (n = 13) because it was the primary cause of disputes between their parents (e.g., “ways to save money are worth learning”). Participants also learned *spending carefully* (n = 11) (e.g., “don’t spend money on unnecessary places.”). Numerous disputes also motivated participants to make (more) money (n = 6). While participants also aimed not to follow in their parent’s footsteps (n = 4). Additional learnings include *looking for help from others* (n = 4) and *avoiding conflicts* and *investments* (n = 3). However, some participants reported *no learning* (n = 12; e.g., “I didn’t learn management methods from conflict”).

Participants Who Reported No Interparental Financial Conflicts

Topics

Many participants mentioned that there was *no money-related discussion between their parents* (n = 17) (e.g., “They seldom talk about money; usually, it’s me who brings up the financial issue.”) Other participants listed *education expenses* (n = 5; e.g., “We talk about tuition fees.”), *household expenses* (n = 5; e.g., “household expenses and my pocket money.”), and *income* (n = 5; e.g., “Yes. They will discuss their income and how they spend their money.”). *Property purchasing* (n = 1), *investment opportunities* (n = 1), and *money savings* (n = 1).

How Situation Was Handled

The participants mentioned that their parents enacted money management such as *saving money* (n = 9; e.g., “They save and invest.”), *buy (only) necessary things* (n = 7; e.g., “Pay for necessary expenses first.”), and *properly managing household expenses* (n = 3; e.g., “keeping expenditure within the limits of income.”). They also identified some *differences between parents* in buying necessary things (n = 1; e.g., “mother will only buy the necessary things, and father is just the opposite.”) and *spending money* (n = 1; e.g., “mother spends money for food and accommodation.”). When differences between parents emerged, participants *took sides with father* (n = 2; e.g., “I agree with my father because I want to earn money for myself, and I don’t want to take others.”) or *mother* (n = 2). Also, participants mentioned reasons why their parents did not argue about money, which included *understanding each other* (n = 3; e.g., “Because there are children, we understand each other.”), *not living with each other* (n = 2), and *separate money management* (n = 1).

Influence of Interparental Financial Communication

Participants generally reported positive effects. Some mentioned that they would *use money according to their needs* (n = 6; e.g., “Know how to handle properly the money to have savings and not so many for expenses that don’t need.”), *make a financial plan* (n = 3), *saving money* (n = 3), and *earning (more) money* (n = 2). Other participants reported *neither positive effects* (n = 8) *nor negative effects* (n = 17) from interparental financial conflicts.

What and How Young Adults Learnt

Participants learned to *use money carefully* (n = 6; e.g., “My lifestyle tends to be frugal and practical; I don’t become a scrooge”). They also learned *planning and managing* (n = 5; e.g., “Let me understand basic money knowledge and concepts, and help me manage my own money.”), *saving money* (n = 3; e.g., “saving money is very important in my life.”), and *investment* (n = 2). Additionally, some participants learned the *importance of earning more money* (n = 12; e.g., “I want to earn more money, so I don’t agree with my mother investing money so as not to lose money.”). Participants also learned to *invest in stocks* (n = 9; e.g., “Refer to the failure examples of parents, I won’t make the same investment as them.”). Further, young adults have learned *buying (only) necessary things* (n = 6; e.g., “more aware of what is necessary and what is wanted.”) and *saving money* (n = 4; e.g., “saving more in the bank.”). However, there were also instances where young adults’ beliefs *did not show any change* (n = 5).

Participants Who Were Unsure about Whether Interparental Financial Conflicts Existed

Topics

Participants frequently mentioned that their *parents discussed household expenses* (n = 16). For example, their parents "discuss the basic expenses needed to support life, such as water, electricity, gas, rent, and vegetable prices." *Education expenses* (n = 12) were also normally discussed in their conversations, e.g., "They discuss expenses (tuition fees, textbook fees, insurance)." Other discussion included *income* (n = 5; e.g., "They will also discuss how much they have earned this month, so whether the household income is more or less."), *stocks investment* (n = 5; e.g., "They often talk about stocks. but they don't quarrel over stocks."), and *housing (property)* (n = 4; e.g., "Discussed about buying and selling houses."). However, other participants indicated *no money-related discussion* (n = 14) between their parents.

How Situation Was Handled

The participants mentioned how their parents handled money, which included *managing money carefully* (n = 4; e.g., "Father will be more rigorous and have excel to plan for the future.") and *earning more money* (n = 1). Some participants mentioned behaviors of their *father* (n = 7; e.g., "My dad doesn't mind spending money on things that he likes but might not have a practical purpose, like art."). In contrast, others (n = 6) mentioned behaviors of their *mother* (e.g., "My mum will try not to use any money to replace something as much as possible but will buy things randomly when she feels like it.”). When their parents have different habits, the participants took sides with the *mother* (n = 5; e.g., “My mum, mainly because I choose to get things when I want to have them at the moment.”) or *father* (n = 3; e.g., “Father will maintain effective financial management.”).

Regarding why money may not cause conflicts between their parents, participants have listed some reasons. The participants indicated that their parents *don’t want to get (into any) trouble* (n = 7; e.g., “Do not want to affect the marriage”), *have enough savings* (n = 6; e.g., “we are happy with the wealth we own”), *love each other* (n = 4; e.g., “My father worked hard, my mother take care of the family, and there was love, tolerance, and sacrifice in the family.”), *have stable income* (n = 4; e.g., “Both have stable income”), *having similar values* (n = 3; e.g., “Because life values are same”), and *separating money management* (n = 3; e.g., “It is because my parents’ finances are independent, they each have an account to manage their own asset.”).

Influence of Interparental Financial Communication

The influences were also double-edged. Positive effects included *learning to improve economic conditions* (n = 8; e.g., “Economic conditions improve, I can freely participate in different activities.”), *understanding about saving money* (n = 6; e.g., “Understand the need for saving money.”), *thinking about earning more money* (n = 4; e.g., “Money that is invested well in property and money generated from their companies are a good learning environment to see the do's and don'ts in earning money."), *thinking about their future* (n = 3), and *thinking about investment* (n = 2). While some participants mentioned *no positive effects* (n = 15).

There were also negative effects. Some participants mentioned *nervous feelings* (n = 9; e.g., "Every time I listen to my parents talking about how to pay tuition fees, I feel nervous and feel that I can't help."), *stressful and anxiety* (n = 7; e.g., "I am afraid that I will become a burden to them, and that they will not have enough money because of me."), *wasting their money* (n = 3; e.g., "Invisible pressure. I can't spend money casually because the money spent on me is enough to buy a house") and *having a bad mood* (n = 2). Some participants also indicated *no negative effects* (n = 21).

What and How Young Adults Learnt

Overall, participants have learned about money management through interparental financial communication. Some participants would *follow their parents as they are* (n = 14; e.g., "My way of managing money is mainly followed by my parents' way, coupled with my personal habits; they are also willing to hand over the money to me."). Young adults also learned to *save for the future* (n = 11; e.g., "They opened a bank account for me when I was young, and the pocket money will be deposited in the bank every year. I have good savings habits now.") and *how to spend money* (n = 5; e.g., "Their conversation made me more aware of how money should be spent.").

Additionally, young adults learned *investments* (n = 2; e.g., “I have learned some financial management skills and will make investments based on their opinions.”). However, some participants reported *no learning* (n = 11).

Discussion

Several limitations should be noted. First, we used a chatbot to administer the open-ended questions, and the responses were generally brief. To obtain a more in-depth understanding, semi-structured interviews are still needed. Second, we relied on the memory and recollection of young adults (18-30) and their experiences while growing up (before 18 years of age), and forgetfulness may be an issue. That said, this study provided preliminary evidence of interparental financial communication and how it was related to young adults’ money management, and an important extension has been made to family financial socialization theory.

Specifically, the family is the earliest and most influential setting in which individuals learn money management (Gudmunson & Danes, 2011; LeBaron & Kelley, 2021). In addition to parental financial socialization—how parents teach their offspring about money—family interactions and relationships should also be associated with the younger generation’s formation and development of financial beliefs and behaviors (Gudmunson & Danes, 2011; LeBaron & Kelley, 2021). Interparental financial communication can be considered financial socialization because, as we found, interparental financial communication can set an example for managing and discussing money with others. Additionally, interparental financial communication can be part of experiential learning because offspring may have to take sides as parents handle money-related issues.

Connecting family financial socialization theory to our study, the younger generation may learn financial norms and anticipate how they will handle money after observing or being involved in interparental financial communication. Informed by the current study, future researchers and practitioners include interparental financial communication as study constructs in their work on how to facilitate young adults’ financial management and well-being.

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Table 1

Sample Characteristics of Participants

Variables	Count	Valid Percent
Gender		
Female	98	61.6%
Male	61	38.4%
Age (in years)		
18 - 20	30	18.9%
21 - 23	36	22.6%
24 - 26	41	25.8%
27 - 30	52	32.7%
Highest degree		
High school (grade 7-12/13)	23	14.5%
Yijin Diploma or equivalent	5	3.1%
Associate	27	17%
Bachelor	94	59.1%
Master's or equivalent	10	6.3%
Monthly income (in HKD)		
prefer not to answer	1	0.6%
no income	5	3.1%
1 - 9,999	30	18.9%
10,000 - 19,999	49	30.8%
20,000 - 29,999	40	25.2%
30,000 - 39,999	16	10.1%
40,000 - 49,999	9	5.7%
50,000 - 59,999	7	4.4%
60,000 or more	2	1.3%