EVALUATING PARENTS' INVOLVEMENT ON THE SAVING AND SPENDING HABITS OF YOUNG PEOPLE: EXPLORATORY APPROACH

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ABSTRACT

This study highlights the impact of parental involvement on the financial habits of young people, focusing on saving and spending behaviors. The research aims to determine whether parental involvement in financial education and decision-making processes influences the financial literacy and habits of children as they transition into adulthood. The study employs a mixed-methods approach, combining both qualitative and quantitative data collection and analysis, with a final phase of integration of data through EFA. The collected data were analyzed through individual interviews, focused group discussion from the 200 respondents. A set of 100-item questionnaire was formed and derived from 7 emerging themes of the study which include interactive learning provision, financial discipline practice, role modelling good financial habits, transparent communication skills, financial awareness, financial security and stability, setting of goals. Each factor is represented by its number of items. KMO and Bartlett's Test of Sphericity revealed that factor loadings are adequate for factor analysis. It was found out that emerging themes were very significant and high correlated on the saving and spending habits of young people.

Keywords: *Parental Involvement, Financial Habits, Young People, Saving and Spending Behaviors, Financial Education*

INTRODUCTION

Saving and spending are two sides of a particular coin. Both savings and spending are closely interrelated. Human wants are unlimited. When one want is fulfilled then another want will arise. In early years people spent more on unnecessary items than the necessary items. The youth has emerged with new personality characteristics, which has made them more powerful than ever before. Similarly, the youth have become more spend prudence in their daily routine to satisfy their self-concept and social circle they belong to or wish to move in to.

The transaction from childhood to adulthood can be a tough time for young people. Young; people face the challenges and up the level of leaving their parental home moving into the world of work and beginning to build a family. But for the young people today the challenge for them is even more difficult because they must do all of this in the midst of a struggling economy. The increased pocket allowances and employment opportunities to earn and spent make the youth of this country as one of the most important forces in spending. Spending and saving habit of this youngster not only indicate the economic and lifestyle trends but also larger social trends of the country (Shim, S. et. al., 2015).

To basic characteristic associated with the shopping behavior of the young generation is its preference for shopping online and increasing brand consciousness with information just a click away youngster spend considerable time comparing various products 9 Xiao, J. J., 2014). Parents play important roles in educating their child to behave appropriately in all aspects of life including financial management.

Finally, the role that parents play in predicting young adult behavior is substantially greater than the role played by work experience and high school financial education, since the financial behavior formed in childhood persists into adulthood. Additionally, social and familial influences result in particular financial behavior before children are formally educated (Batty et al., 2015). It is therefore likely that parental financial teaching is more appropriate and effective than general financial education.

FRAMEWORK

According to John C. Mowenand Michael S. Minor consumer behaviour theory is the study of the exchange processes involved in acquiring, consuming and disposing of goods, services, experiences and ideas. It is an exchange process where there is an exchange of services and the exchange of goods. It may be an exchange of experiences or ideas.

The study of consumer behaviour helps in decision making. According to John C. Mowenand Michael S. Minor (2001), during the 1970's and early 1980's researchers focused that consumer are the rational decision makers. With the exchange of the goods and services, there will come across a new behaviour which will be the behaviour of the consumers. The researchers have identified six types of resources that may be exchanged that is goods.

Moreover, this study is anchored to the Social Capital Theory. According to Nguyen and Benet-Martínez (2013), social capital theory is based on interpersonal resources and emphasizes the importance of healthy relationships between younger generations and their parents, as well as strong links to their community and peers. Research suggests that spending time with parents improves children's educational achievement (Nguyen & Benet-Martínez, 2013). According to Avery's thesis, teenagers with better social trust are more likely to share their thoughts with others (Nguyen & Benet-Martínez, 2013). Youth financial knowledge and awareness are lower when resources are less available (Huang, Nam, & Sherraden, 2013).

Lastly, Self-Efficacy Theory of Albert Bandura was anchored in this study. This theory posits that people's financial literacy and financial behavior are influenced by their perception of their ability to manage their finances effectively. This theory is crucial in understanding how financial literacy can be designed to enhance people's confidence in managing their finances.

Research Questions

1. What are the themes that emerged from the interview on parents’ role on their children’s saving and spending habits?

2. What are the underlaying dimensions on parents' role on their children's saving and spending habits?
3. What is the reliability scale of parents' role on their children's saving and spending habits?
4. Based on the finding, what tool is suitable to evaluate parents' role?

METHODS

Research Design

In this study, an exploratory research design was employed. Accordingly, exploratory research was a methodology approach that investigated research questions that had not previously been studied in depth. Moreover, exploratory research was often qualitative in nature but could be quantitative as well if a study with a large sample was conducted using this design. It was also often referred to as interpretive research or a grounded theory approach due to its flexible and open-ended nature. As such, exploratory research was used to investigate a problem that was not clearly defined and was conducted to have a better understanding of the existing problem. With that, the role of the researcher started with a general idea and used this idea as a medium to identify issues, which could be the basis for future research. Specifically, the researcher conducted individual interviews on the identified participants. This data was used to create a rich description about the role of the parents on the savings and spending habits of the students.

On the other hand, exploratory sequential mixed methods, according to Creswell & Plano Clark (2018), was an approach used to combine qualitative and quantitative data collection and analysis in a sequence of phases. Creswell and Plano highlighted that the first phase in the study involved the collection and analysis of qualitative data. The results of this analysis guided the subsequent quantitative phase, which may have involved a survey or another form of quantitative data collection. In other words, the qualitative analysis provided crucial insights for developing specific research questions for the quantitative phase, which included administering a questionnaire, survey, or another type of quantitative data collection. The collected data was then subjected to complex statistical analyses to validate the instrument or the grounded theory being formulated (Creswell & Plano Clark, 2018).

Participants

The parents of public elementary schools in Makilala West District at Makilala, Cotabato, were formed respondents of this study, both in the qualitative and quantitative aspect. The sampling method to be used the stratified simple random sampling. Proportion allocation employed to obtain a sample proportional to the size of each school in Makilala West District.

In the first phase (qualitative phase) of the study, thirteen (13) parents in Makilala West District invited for in-depth interviews (IDP), while seven parents will be participated in a focus group discussion (FGD). The outcomes of the interviews subsequently utilized to identify emerging themes and was used to develop a questionnaire.

For the second phase (quantitative phase) of the study, a total of 200 parents answered the generated quantitative survey for the parent's role on their children's saving and spending habits. After the conduct of 200 questionnaires, an additional 30 parent-participants requested for the reliability testing of developed survey questionnaires.

Moreover, a total of twenty (20) parent-participants will be selected for the qualitative phase, and 200 respondents chosen for the quantitative phase based on their grade level. Specifically, only the parents of grade six pupils included as respondents of the study, while parents who did not meet the inclusion criteria will be excluded from the study.

Data Analysis

During the analysis of the data in this study, two methods were employed: Thematic analysis and Factor analysis.

In the qualitative aspect, the data obtained from in-depth interviews were analyzed using thematic analysis. Thematic analysis was a method employed to analyze the qualitative data by exploring the patterns in given qualitative data in order to identify, analyze, and report recurring themes (Kiger & Varpio, 2020). It entailed describing the data and incorporating interpretation in the selection of codes and development of themes. Furthermore, the process of thematic analysis encompassed six steps: becoming familiar with the data, generating initial codes, identifying themes, reviewing the themes, defining and naming the themes, and producing the report.

In the quantitative data, Factor analysis was used in the study. Factor analysis (FA) enabled the simplification of a set of complex variables or items through statistical procedures to explore the underlying dimensions that explained the relationships between the multiple variables/items (Tavakol & Wetzel, 2020). It also simplified a matrix of correlations, facilitating the researcher's understanding of the relationship between items in a scale and the common underlying factors they might share. In this study, Factor analysis was employed to generate evidence for the construct validity of the measure.

Meanwhile, before conducting Factor analysis, the data had to undergo the KMO (Kaiser-Meyer-Okin measure of sampling adequacy). The Kaiser-Meyer-Olkin (KMO) test was a measure of how suitable the data was for Factor Analysis. The test measured sampling adequacy for each variable in the model and for the complete model. The statistic was a measure of the proportion of variance among variables that could have been common variance. The lower the proportion, the more suitable the data was for Factor Analysis (Reddy & Kulshrestha, 2019).

Once the data had passed the KMO (Kaiser-Meyer-Olkin) test, the next step involved determining the dimensions of the unrotated factors of the data through initial extraction using principal axis factoring of Exploratory Factor Analysis (EFA). The first half of the data was utilized in this phase. Only the variables or items that appeared in the matrix data with a communality value of .40 were included. Afterwards, the factors were rotated using Promax rotation to simplify the factor structure. In this phase, the number of dimensions or factors was determined using the Kaiser rule. Only the extracted factors with eigenvalues greater than or equal to 1 were retained using this method. Additionally, Cattel's scree plot criterion was used, where the eigenvalue of each dimension or factor was graphed.

The scree plot further validated the number of extracted dimensions or factors to be retained. Eigenvalues were defined by factor loading coefficients (factor loading). These factor loadings were the correlation coefficients between the items or variables presented in rows and the factors or dimensions presented in columns, which were labeled as the Factor Rotation Matrix (Carpenter, 2006). This stage answered the underlying latent dimensions of the factors that hindered teachers' instructional effectiveness. The obtained factors or dimensions were labeled according to the common theme of the item cluster.

RESULTS AND DISCUSSION

Emerging Themes of Parent's Role on their Children's Saving and Spending Habits

There are seven themes that emerge from in-depth interview and focus group discussion with selected parents namely: interactive learning provision, financial discipline practice, role modelling good financial habits, transparent communication skills, financial awareness, financial security and stability, and setting of goals.

Interactive learning provision. Many participants stated that interactive learning provision contributes significantly to the parents' role in their children's saving and spending habits. Parents are enabled to actively connect with their children by providing interactive learning experiences that teach them important lessons about saving and spending habits. This strategy, which incorporates interactive components such as real-life scenarios, educates youngsters and enhances the link between parents and their children, encouraging a more educated and responsible attitude to money management from a young age. These are evident in the following quotes from the participants:

"By using real life scenarios, involve children in real-life financial situation." (IDI 1)
"Use Real-life Scenarios, whenever possible, involved children in real-life financial situations, such as grocery shopping or comparing prices. This helps them understand the value of money and the importance of informed choices." (FGD 4)

"I start teaching my children at their early age. I introduce the concept of money and saving at a young age through simple activities like sorting coins or playing money related." (IDI 8)

"I instill to their mind that saving money will save you in the future." (IDI 4)

"Teach the value of patience and saving long term goals than indulging in immediate desires." (FGD 6)

Research has shown that interactive learning provision can significantly impact children's saving and spending habits. Maldonado's (2021) study demonstrates how such provisions have a major impact on children's saving and spending behaviors. It means that interactive learning systems help to increase parental participation (Palfrey, 2011). These platforms allow parents to actively engage in their child's financial education journey, encouraging a collaborative approach to learning.

Moreover, community activities can also help families improve their financial well-being (Allen, 2010). These projects empower families by offering information, guidance, and assistance to help them make sound financial decisions. Furthermore, including interactive toys into the home setting has been established as a beneficial method (Mubin 2015). Such toys not only make learning pleasant, but also allow for hands-on experiences, which are essential for cementing financial ideas.

Financial discipline practice. Many participants stated that financial discipline practice also contributes significantly to the parents' role in their children’s saving and spending habits. Financial discipline practice refers to the habits, routines, and behaviors that individuals use to manage their finances appropriately. Participants underlined the need of financial discipline in shaping children's saving and spending behaviors. Parents who practice financial discipline serve as role models for their children, demonstrating the value of budgeting, saving, and making educated spending decisions. Parents that exercise disciplined financial habits teach their children essential skills such as delayed gratification, choosing necessities over wants, and creating financial objectives. These habits are frequently reinforced by persistent acts, such as sticking to a household budget, saving for future bills or emergencies, and avoiding impulse purchases. Children learn the principles of financial responsibility and build the skills required to make healthy financial decisions as they grow older. Furthermore, parents who freely discuss their financial decisions and engage their children in family budgeting conversations stress the necessity of financial discipline while also instilling in their children a feeling of financial knowledge and responsibility. Thus, financial discipline practice has a substantial impact on children's saving and spending habits by providing them with realistic examples and advice for efficient money management. These are evident in the following quotes from the participants:

“Demonstrating good saving habits include setting a budget, saving a percentage of income, and investing in long-term savings accounts or retirement funds.” (FGD 1)

“Save together, encourage your children to save money by saving together as a family. For example, you can have a saving jars or a joint saving account where everyone contributes portion of their earnings or allowances.” (FGD 2)

“I also have a piggy bank for my savings, because I want to become a role model to my children in saving money and I want shows the importance of saving money than spending.” (IDI 1)

“Open saving accounts, help your children in the process of comparison shopping. Explain how researching prices and finding the best deal can help save money.” (FGD 3)

"Encourage entrepreneurship to your children to earn money through small entrepreneurial ventures. This teaches them to value of hard work, earnings towards a goal." (FGD 5)

"By providing piggy bank and giving the challenges and encouragement to save more money than spending more." (IDI 3)

"Budget allocates specific amounts for saving each month prioritizing savings as a non-negotiable expense." (IDI 4)

Research consistently shows that parents' financial discipline practices significantly influence their children's saving and spending habits. A multitude of studies, including those by Webley (2006), Manfrè (2019), Adi (2017), Claus (2018), Sadeghi (2015), Bucciol (2014), Trzcińska (2018), and Grinstein-Weiss (2011), consistently highlight this relationship. According to them, discussing financial matters, providing pocket money, and teaching saving lessons not only provide children with necessary financial skills, but also instill values critical for responsible money management, such as delayed gratification, distinguishing between needs and wants, and setting financial goals.

The impact of these parental practices is amplified when parents involve their children in open talks about family finances (Webley, 2006). By incorporating children in these discussions, parents give them with significant insights into financial decision-making processes, promoting a greater awareness of financial ideas and responsibilities from an early age.

Importantly, the impacts of these practices persist far beyond infancy, with long-term consequences into adulthood. Grinstein-Weiss (2011) discovered that children who get extensive financial instruction and advice from their parents throughout childhood have better financial results later in life. This highlights the essential role that parents play in building the groundwork for their children's financial well-being. Lastly, the study emphasizes the significance of parents' financial discipline techniques in influencing their children's financial attitudes, actions, and results. By actively participating in financial education and modeling appropriate financial habits, parents may equip their children to negotiate the complexity of personal money with confidence and competence throughout their lives.

Role modelling good financial habits. Many participants also stated that role modelling good financial habits also contributes significantly to the parents' role in their children's saving and spending habits. Role modeling healthy financial habits is critical for developing children's saving and spending habits. Parents are important role models who have a significant impact on their children's financial habits and views. When children see their parents making sound financial decisions, budgeting properly, saving for the future, and avoiding excessive debt, they are more likely to mimic similar habits.

Moreover, the notion of observational learning implies that infants learn by seeing and mimicking the actions of others, particularly key authority figures such as parents. As a result, when parents model good financial habits and behaviors, they present children with practical examples to emulate and absorb. Furthermore, role modeling healthy financial habits entails more than just observation; it also includes clear communication and explanations of financial judgments. When parents freely share their financial decisions with their children, they provide them significant insights into the reasoning behind those choices. This debate helps youngsters get a better knowledge of financial ideas and decision-making processes, allowing them to make more informed decisions in the future. These are evident in the following quotes from the participants:

"As a mother, I modeled myself in good financial habits also I will teach them to be wise in spending money, spend only if they really need it." (IDI 1)

"By demonstrating responsible financial behaviors and openly discussing money matters with them." (IDI 5)

"I always teach them the importance of saving for their bright financial future." (IDI 6)

"I discuss the importance of mindful spending, encouraging thoughtful spending, encouraging thoughtful consideration before making purchases to prevent unnecessary expenses." (IDI 10)

"As a parent we can influence our children's financial habits, teaching money management skills, and having open discussions about finances." (FGD 1)

"Teach by examples, discussing financial matters openly, and providing opportunities for the children to manage money." (FGD 3)

"Teach child at an early age to make sensible financial decisions; you are creating good habits for life." (IDI 6)

"Responsibly, teaching them to be accountable for their financial decision and actions." (IDI 7)

Several research studies continually demonstrate the importance of parental involvement in influencing children's financial habits and actions. Tang (2015), Koh (2010), Adi (2017), Sharif (2020), Serido (2016), Alshebami (2022), and Kurniasari (2023) have all reported on this association. Parents, in particular, play an important role in encouraging children's financial literacy and behavior development by modeling healthy financial habits such as smart decision-making, budgeting, and saving. When parents actively exhibit and explain beneficial financial habits to their children, they provide practical examples and insights that assist them in internalizing essential financial ideas (Tang, 2015). This modeling technique gives youngsters a realistic foundation for understanding and implementing financial topics in their daily lives.

Transparent communication skills. Many participants also stated that transparent communication skills also contribute significantly to the parents' role in their children's saving and spending habits. Transparent communication skills are extremely important in developing children's saving and spending habits. When parents freely talk finances with their children, they teach them the value of saving, budgeting, and spending responsibly. Parents who are open about their personal financial decisions can act as role models for their children and teach them valuable money management skills.

Furthermore, effective communication is addressing family money openly and honestly, explaining the logic behind financial decisions, establishing clear expectations, and inviting questions and conversations. This transparency teaches youngsters the value of money, the implications of their financial decisions, and the significance of planning for the future. Lastly, open communication promotes trust and enhances the parent-child bond. When children feel engaged in financial talks and decisions, they are more likely to develop beneficial saving and spending habits, as well as the confidence to make responsible financial decisions as they mature. These are evident in the following quotes from the participants:

“Discuss consequences, talk about the consequences of different spending choices, both positive and negative.” (IDI 10)
“Open communication provides financial education.” (IDI 1)

“I talked to them again and educate that I give extra money for saving not for spending.” (IDI 5)

“Financial conversation, I will assess the quality and depth of conversations about money to my children.” (IDI 5)

“Offering advice and setting limits during shopping to teach them about budgeting and making conscious spending choices.” (FGD 7)

Transparent communication skills play a crucial role in shaping children's saving and spending habits. Scheinholtz (2011) underlines the importance of this feature, particularly throughout the early years of primary school (Adi, 2017). According to Allen (2008), by encouraging open and honest talks about family economics, parents may teach essential lessons about the value of money and the significance of long-term planning. Furthermore, such transparency allows parents to serve as role models for their children, creating trust and strong ties (Pankow, 2009).

However, the decision to disclose financial information to children is impacted by a variety of variables, including privacy concerns and perceived hazards (Romo, 2014, 2011). Despite these factors, initiatives to improve children's financial literacy through educational programs have been demonstrated to be helpful in enhancing their grasp of money management (Nanda, 2023). Furthermore, research shows that a strong foundation in financial education supplied by parents throughout infancy is associated with improved financial results in adulthood (Grinstein-Weiss, 2011). As a result, open conversation about money from a young age can have a substantial long-term influence on a child's financial stability.

Financial Awareness. Many participants also stated that financial awareness also contribute significantly to the parents' role in their children’s saving and spending habits. Financial awareness is vital for parents to instill in their children in order to cultivate good saving and spending habits. Parents may inculcate essential life skills in their children by being financially conscious and actively including them in talks about money. Parents may raise their children's financial awareness by educating them about budgeting, saving, investing, and the significance of staying out of debt. They can include their children in household financial choices including budgeting, establishing goals, and addressing the family's financial objectives.

Furthermore, parents may teach their children about money in everyday situations, such as grocery shopping, bill paying, and financial decisions. By exposing their children to real-life financial problems and encouraging them to ask questions and participate in conversations, parents may help them acquire a better knowledge of financial concepts and practices. Financial awareness also entails teaching youngsters about the larger economic environment, such as inflation, interest rates, and how economic variables affect personal money. By sharing this information, parents may assist their children in navigating the intricacies of the financial world and making sound financial decisions. These are evident in the following quotes from the participants:

“Discussing them the importance of saving than spending.” (IDI 1)

“Discuss them the important concept of saving, budgeting, and goals.” (IDI 3)

“Teach your child at an early age to make sensible financial decisions.” (FGD 6)

“I teach them in their early age to make sensible financial decisions.” (IDI 6)

“Pay attention to how your children handle money in their daily lives. Observe whether they prioritize saving, budget effectively, and make thoughtful spending decision.” (FGD 4)

“I discuss the importance of thinking carefully before making purchases.” (IDI 9)

"You can explain how your decision align with long-term goals such as saving for education, emergencies.” (FGD 2)

Research has consistently highlighted the importance of financial awareness in children, with age being a significant factor in the development of financial literacy as highlighted by Clercq (2009). Scheinholtz (2011) emphasizes the need of understanding children's cognitive skills while developing effective financial education programs. Early childhood financial education, particularly when paired with social and character education, creates a solid basis for financial literacy abilities, according to Birbili (2015).

According to Abrahamson (2010), the family, particularly parents, plays an important role in teaching youngsters about money. However, there is a noticeable disparity in factual financial education supplied by parents to their children, indicating that this area need development (Abrahamson, 2010). This gap is especially important for low-income households, where insufficient financial literacy can provide major obstacles, as Grabova (2018) discovered.

As a result, Pankow (2009) emphasizes the need of parents actively engaging their children in financial talks and choices, as well as providing them with positive learning experiences to support the development of money management skills. Parents may make a substantial contribution to their children's financial literacy and general well-being, regardless of socioeconomic situation.

Financial security and stability. Many participants also stated that financial security and stability also contribute significantly to the parents' role in their children's saving and spending habits. Financial security and stability are important factors in determining parents' capacity to influence their children's saving and spending habits. When parents feel financially comfortable and stable, they are more likely to have the means, time, and motivation to actively teach their children about money management.

For example, financially successful parents may be able to offer their children with allowances or money prizes for chores, which can serve as valuable lessons in earning and budgeting. They may also have the option of investing in instructional products or experiences that encourage financial literacy, such as books, games, or even family excursions centered on budgeting and saving.

Furthermore, financially successful parents are less anxious about money, which might improve their capacity to talk honestly and efficiently with their children about finances. This communication may include conversations about budgeting, saving for objectives, and the repercussions of overspending.

In contrast, parents who are struggling financially may find it more difficult to prioritize teaching their children about money management. They may be consumed with current financial worries, such as bill payment or living expenses, leaving little time or energy for financial education. As a result, providing parents with financial security and stability benefits not just their personal well-being but also their children's financial education and future financial habits. Policies and initiatives that help families achieve financial security can have a long-term positive impact on both generations' financial health and stability. These are evident in the following quotes from the participants:

"By giving them a sense of control and responsibility, they become more engaged in the learning process" (IDI 9)

"Observing their financial decision and by monitoring what they are buying online shops." (IDI 1)

"Monitoring on their financial decision." (IDI 3)

"Observing how they manage their finances, such as whether they prioritize saving for future goals." (FGD 2)

The study of Lusardi (2003) emphasizes that financial security and stability are important factors in parents' abilities to affect their children's saving and spending habits. While economic security programs can help low-income families improve their children's emotional and cognitive development, they still struggle to manage their finances, according to Sherman (2017) and Kunovskaya (2013).

However, as Banerjee (2017) points out, many people struggle to obtain work and save money. Despite these challenges, Hamilton (2012) suggests that parents' financial practices and expectations can be significant motivators for their children to avoid similar financial troubles. Additionally, Svynarenko (2019) investigates how belief systems and family environment impact the decision to offer parental financial support, which frequently comes at the price of retirement savings. Interventions targeted at improving financial education, such as addressing executive function in early children, can have considerable results, according to Drever (2015).

Setting of Goals. Many participants also stated that setting of goals also contribute significantly to the parents' role in their children's saving and spending habits. Setting objectives does, in fact, have a substantial impact on how parents influence their children's saving and spending habits. When parents set specific financial goals and engage their children in the goal-setting process, they provide a disciplined framework for teaching crucial money management skills.

In addition, parents may instill a feeling of ownership and responsibility in their children by including them in the creation of financial objectives. Whether it's saving for a specific item, such as a toy or a gadget, or working toward a long-term goal, such as funding further education or a family trip, goal-setting teaches the importance of planning, patience, and delayed gratification. Similarly, parents may also utilize goal-setting to teach crucial financial principles like budgeting, saving, and investing. Children can gain confidence in their abilities to handle money efficiently by breaking down bigger goals into smaller, more reachable milestones.

Furthermore, defining and accomplishing financial objectives promotes open communication within the family. Parents may utilize goal-setting as a forum to discuss financial principles, expectations, and tactics for achieving common goals. This collaborative method not only enhances family relationships, but it also emphasizes the value of teamwork and cooperation in attaining financial success. Lastly, setting goals is an effective strategy for parents to help their children develop good saving and spending habits. By incorporating children in the goal-setting process, parents can teach essential lessons about financial responsibility, decision-making, and teamwork, building the groundwork for a lifetime of financial success. These are evident in the following quotes from the participants:

"Set clear goals, plan for financial resources make more informed decisions about how to save and spend their money." (IDI 2)

"By setting their financial goals. They are setting their goals in achieving success." (IDI 7)

"Instilling the habit of planning for the future and setting financial goals." (FGD 3)

Setting precise financial goals and including children in the goal-setting process may have a major influence on their saving and spending behaviors, as demonstrated by Bird (2014) and Latham (2016). Children who actively participate in goal-setting acquire a feeling of ownership and responsibility, as well as important money management abilities.

Dimensions of Parent's Role on their Children's Saving and Spending Habits Scale

Testing a 100-item Parent's Role on their Children's Saving and Spending Habits scale. To ensure that the construct can be tested for factor analysis, the Kaiser Meyer-Olkin Measure (KMO) of Sampling Adequacy and Bartlett's test of sphericity were performed. It can be gleaned in Table 1 that KMO value is .810 which is above recommended value of .5, which indicates that the sample is meritorious and adequate factor analysis. Kaiser (1974) recommends accepting values greater than .5 are acceptable. Furthermore, Kaiser stated that values .5 to .7 are considered mediocre, values between .7 to .8 are good, and the values between .8 to .9 are superb.

Table 1

KMO and Bartlett's Test		
Kaiiser-Meyer-Olkin Measure of Sampling Adequacy.		.810
Bartlett's Test of Sphericity	Approx. Chi-Square	12344.803
	Df	4950
	Sig.	.000

As shown in the preliminary analysis, it can be generalized that the 100-item parent's role on their children's saving and spending habits is suitable and adequate for extraction of factors, and thus, ready for factor analysis.

Derivation of the Number of Factor Structure. The derivation of factor structure was determined through a priori results of qualitative data analysis wherein there are seven dimensions on parent's role on their children's saving and spending habits. Hence, the factor model exhibits clean patterns as shown in Table 2.

The factor loading below .4 are diminish from the model and based on the results only 42 items where accepted and passed the criteria then subjected for rotation and analysis. After which, the 42 – item construct is then subjected for rotation. The promax rotation was used since the factors seem to be correlated with a coefficient above .50 which reflects that the data is not assumed as orthogonal.

The Table 3 shows the pattern matrix using Principal Axis factoring with a Promax rotation method of Promax with Kaiser Normalization. It can be observed in the results the loading of items in the seven dimensions are above .4. Filed (2005) supports the notion that.4 is both suggested and required to get the desired results. Furthermore, there is no item cross-loading or no loading at all, indicating that the items accurately reflect their components. It is highlighted that loadings show the degree of congruence between the variable and the factor, with larger loadings indicating that the variable represents the factor (Hair et al., 1998).

Table 2

Pattern Matrix Three Factor Model

		Factor						
		1	2	3	4	5	6	7
1	I believe that practical engagement is key in fostering financial literacy in children, as it allows them to learn through hands-on experiences such as setting saving goals and using piggy banks or saving jars.			.503				
2	I believe that introducing money concepts early through simple activities such as coin sorting or providing piggy banks lays a strong foundation for financial understanding in children.			.501				
3	I believe that parents play a vital role in teaching financial literacy by modeling responsible behavior, openly discussing saving and spending decisions, and providing children with real-life examples to learn from.			.603				
4	I believe that incentivizing saving habits through rewards or matching contributions reinforces the habit of saving for the future.					.576		
5	I believe that setting clear saving goals is essential in teaching children the purpose of saving and instilling discipline in managing their finances.			.609				
6	I believe that managing allowances can be a valuable tool in teaching children budgeting and prioritization skills, as it encourages them to allocate funds for spending, saving, and giving.			.545				
7	I believe that being patient and consistent, rewarding responsible behavior, and teaching the value of patience in saving for long-term goals are crucial aspects of guiding children in financial literacy.							
8	I believe that emphasizing needs versus wants and prioritizing spending			.688				

	on necessities teaches children responsible financial management.	
9	I believe that setting limits on spending and teaching the consequences of overspending helps children understand the importance of living within their means.	.548
10	I believe that modeling responsible financial behavior, openly discussing saving and spending decisions, helps children learn by observing adults.	.619
11	I believe that saving together as a family fosters a sense of teamwork and responsibility, encouraging children to understand the value of contributing to long-term financial goals.	
12	I believe that opening saving accounts for children and involving them in comparison shopping educates them about the importance of researching prices and making informed purchasing decisions.	
13	I believe that sharing personal stories about the benefits of saving money helps children understand the real-life impact of financial decisions and motivates them to prioritize saving.	
14	I believe that encouraging entrepreneurship in children instills the values of hard work and goal-oriented earnings, fostering independence and financial responsibility.	
15	I believe that openly discussing spending choices with children teaches them about needs versus wants, budgeting, and making informed financial decisions.	
16	I believe that viewing financial mistakes as learning opportunities helps children develop resilience and problem-solving skills, preparing them for future financial challenges.	
17	I believe that modeling responsible spending behavior and involving	

	children in family financial discussions empower them to develop financial literacy and decision-making skills for their own future.		
18	I believe that as parents, we wield significant influence over our children's financial habits by imparting money management skills and engaging in open discussions about finances from an early age.		
19	I aim to guide my children by providing them with information and advice.		
20	I firmly believe in teaching by example, openly discussing financial matters, and creating opportunities for my children to take charge of managing finances.		.576
21	I believe that as a parent, leading by example through responsible financial practices and transparent discussions about money is paramount in shaping our children's financial attitudes and behaviors.		
22	I recognize the importance of providing hands-on experiences for my children to manage money, emphasizing the value of saving over impulsive spending.		
23	I believe that setting a positive example through my own financial habits carries more weight than merely offering advice when it comes to instilling lifelong principles of financial independence.		
24	I believe that by instilling habits of responsible saving and spending, we empower our children to make sound financial decisions that align with their long-term goals and aspirations.		
25	I believe that teaching effective pocket money management, including saving and wise spending, equips our children with practical skills for managing their allowances	.527	

	responsibly and planning for their financial future.	
26	I believe that providing guidance on financial decisions, encouraging savings habits, and prioritizing prudent spending over impulsive purchases are crucial steps in nurturing our children's financial independence.	.773
27	I believe that limited financial resources may discourage children from saving, leading to frustration and apathy.	
28	I believe that by debunking misconceptions surrounding financial responsibility, children can embrace saving as a rewarding and empowering habit.	.652
29	I believe that even with limited financial resources, children can cultivate resilience by learning to set achievable saving goals.	
30	I believe that fostering a consistent and positive environment for financial discussions within the family can empower children to develop clear financial values and goals.	.786
31	I believe that nurturing a long-term perspective in children can help them appreciate the benefits of saving.	
32	I believe that nurturing children's sense of independence while providing guidance on financial matters can instill confidence and self-reliance.	.553
33	I believe that by fostering a supportive peer environment and promoting positive societal norms around saving and responsible spending, children can feel empowered to make smart financial choices that align with their values.	
34	I believe that even in households with limited income, children can develop resilience by learning the importance of budgeting, setting priorities, and	

	finding creative ways to save and invest in their future.	
35	I believe that by serving as positive role models and providing consistent encouragement and support, parents can instill in children a strong foundation of financial literacy and resilience.	.539
36	I demonstrate saving habits and set clear goals for saving money to my children.	.553
37	I create visual aids like piggy banks or saving jars to make saving tangible to my children.	
38	I offer incentives or rewards for reaching saving goals.	
39	I involve children in decision-making about how to use saved money.	
40	I start introducing the concept of money and saving through simple activities to my children.	
41	I provide tools like piggy banks to help my children understand the value of saving.	.596
42	I model responsible financial behavior by openly discussing saving and spending decisions.	.657
43	I believe that children learn best by observing adults, so lead by example.	.767
44	I involve children in real-life financial situations like grocery shopping to teach them the value of money and informed choices.	
45	I help my children understand the purpose of saving by setting clear goals.	
46	I give my children allowance and encourage them to divide it into spending, saving, and giving to teach budgeting and prioritization skills.	
47	I provide incentives for saving, such as matching their savings or offering rewards for reaching goals.	.698
48	I discuss needs versus wants, set budgets, and encourage comparison shopping.	.712

49	I set limits on spending to help children understand consequences and benefits.	
50	I differentiate between needs and wants to help children prioritize spending wisely.	.669
51	I acknowledge and reward responsible spending behavior to reinforce positive habits.	
52	I teach the value of patience and saving for long-term goals over immediate desires.	.720
53	I offer guidance in saving and spending habits to help children make informed financial decisions.	
54	I believe that demonstrating good saving habits through budgeting, saving a percentage of income, and investing in long-term savings accounts or retirement funds.	.723
55	I encourage children to save money as a family by using saving jars or joint savings accounts where everyone contributes a portion of their earnings or allowances.	.653
56	I believe that teaching children to open savings accounts and compare prices to find the best deals, emphasizing the importance of research in saving money.	.516
57	I share personal anecdotes about how saving money has paid off, whether for purchases, avoiding debt, or building an emergency fund, to make financial lessons more relatable and memorable.	
58	I encourage children to engage in small entrepreneurial ventures to learn the value of hard work and earning towards goals.	.530
59	I discuss trade-offs when making financial decisions, illustrating what could be done with money in different scenarios to help children understand the impact of their choices.	

60	I use visual aids like vacation saving trackers to represent saving goals, updating progress regularly, and celebrating milestones together as a family.				
61	I explain spending choices to children, highlighting needs, budgeting, saving goals, and informed financial decisions.				
62	I use financial mistakes as learning opportunities by openly acknowledging them and discussing alternative actions for developing critical thinking skills.				
63	I model responsible spending habits by demonstrating restraint and thoughtful consideration before making purchases.				.775
64	I discuss major purchases as a family and considering everyone's input before making decisions.				
65	I involve children in financial discussions to teach responsible spending and empower them to understand the impact of choices on family finances.				
66	I explain expenditures to children to avoid confusion about why money is spent on certain items.	.521			
67	I foster open and honest discussions about spending choices with children to instill responsible financial habits.				
68	I discuss reasons behind financial decisions to emphasize responsible money management and future planning.				
69	I explain how financial decisions align with long-term goals such as education savings or emergency funds.				
70	I involve children in family financial discussions to enhance their understanding of responsible money management.				
71	I help children develop financial literacy and decision-making skills				

	through involvement in family finances.	
72	I encourage children to set their own saving goals and providing opportunities for earning and managing money for practical experience.	
73	I teach children from an early age to make sensible financial decisions for their future well-being.	.5 26
74	I openly discuss financial matters with children to cultivate responsible financial habits and readiness for managing their own finances independently in the future.	
75	I instill values like saving, budgeting, needs vs. wants, debt avoidance, wise investing, and charitable giving.	
76	I emphasize the importance of hard work and earning money through diligence and perseverance.	
77	I cultivate habits of setting financial goals and planning for the future.	.6 15
78	I provide education on various financial concepts to enhance their understanding.	.5 78
79	I teach the significance of giving back and contributing to the community through charitable actions.	
80	I encourage responsible saving and spending practices.	
81	I offer advice, setting limits, monitoring financial decisions, guiding online purchases, and teaching budgeting skills.	
82	I promote saving portions of allowances to instill a savings mindset.	
83	I help children prioritize saving over spending to build financial discipline.	
84	I ensure safe and responsible online spending habits through supervision.	.7 54
85	I address false beliefs about money management.	
86	I encourage long-term financial perspectives.	.6 02

87	I navigate external pressures on spending habits.			
88	I foster open dialogue for financial education.			
89	I maintain a steady approach to reinforce habits.			
90	I discuss the impact of impulsive spending decisions.			
91	I engage children in financial decisions gradually.			
92	I introduce rewards to encourage saving behaviors.		.510	
93	I monitor savings habits, discussing financial topics, observing financial decisions, and assessing money management skills are key indicators of financial literacy progress in children.			
94	I monitor the consistent achievement of savings goals helps gauge financial discipline and commitment to saving.			
95	I observe behavioral changes like thoughtful spending decisions and increased interest in saving over impulse buying signifies a positive shift in financial behavior.			
96	I look for positive changes in behavior, ensuring goal attainment, evaluating financial responsibility, and assessing decision-making skills are crucial aspects of financial literacy development.			.763
97	I monitor consistent goal achievement, fostering ownership through budgeting, and encouraging responsible money management contribute to financial independence.	.545		
98	I assess children's ability to make sound financial decisions independently, especially as they grow older, is essential for fostering financial independence.			
99	I observe children making thoughtful spending decisions and showing interest in saving rather than impulse buying reflects a growing	.539		

	understanding of financial responsibility.
100	I deal with limited financial means.

The item loadings of each item to their factor indicate sufficient correlation between factors and variables, and thus, can be considered as component of the factor. By using the EFA, the seven-factor model of on parent's role on their children's saving and spending habits with 42 items was developed as shown in Table 3.

Reliability Test of the Scale to Measure Parent's Role on their Children's Saving and Spending Habits. Reliability test was conducted to determine the reliability index of the survey questionnaire. This was pilot tested to 30 respondents in order to drive out the internal consistency of the items. Table 4 shows the results of the reliability score of the 6 factors. The overall reliability of the instrument is excellent with Cronbach alpha value of .863. This means, with the values generated in the test, the scale has good level of reliability.

Table 3
Reliability Statistics

Cronbach's Alpha	N of Items
.863	42

Final Version of the Parent's Role on their Children's Saving and Spending Habits Scale. The final version of the instrument, which is the output of this study. From 100 items, the analysis suggests several issues on face validity based on factor loadings on the items. Items that have small coefficient less than .40 are removed. This is supported by Hair et al. (2010) that those items having no sense and not reflective with the factor can be removed in the model. Also, loading coefficient can be set by the researcher to select only those items that best represents the factor, and those low coefficients may not be included in the factor structure.

By using EFA, on parent's role on their children's saving and spending habits questionnaire was developed. This tool consists of 42 items which consists of seven themes. These seven themes were obtained from the qualitative results. A total of seven themes were developed which are interactive learning provision with 18 items, financial discipline practice with 9 items, role modelling good financial habits with 9 items, transparent communication skills with 2 items, financial awareness with two items, and financial security and stability with 2 items. However, no items were resulted to the last theme which is setting of goals. Thus, the final version of parent's role on their children's saving and spending habits questionnaire was consisting of six factors. The 5-point Likert-scale from 5-strongly agree to 1-strongly disagree is shown below.

CONCLUSION AND RECOMMENDATION

In the light of the study, the following conclusions were drawn:

1. The emerging themes highlight the new approaches of parent's role on their children's saving and spending habits which put emphasis on interactive learning provision, financial discipline practice, role modelling good financial habits, transparent communication skills, financial awareness, financial security and stability, and setting of goals.
2. The result derived from factor analysis indicates that parent's role on their children's saving and spending habits has seven factors that includes interactive learning provision, financial discipline practice, role modelling good financial habits, transparent communication skills, financial awareness, financial security and stability, and setting of goals.
3. The overall reliability of the instrument is excellent with Cronbach alpha value of .863. This means, with the values generated in the test, the scale has good level of reliability.
4. The parent's role on their children's saving and spending habits questionnaire with 42 items was develop to measure the parent's role on their children's saving and spending habits.

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