

The Socialization of Financial Giving: A Multigenerational Exploration

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Background & Purpose

Previous research has found that family socialization influences financial giving behaviors (Kim et al., 2011) and that financial giving predicts personal wellbeing (Smith & Davidson, 2014). However, little research since the early 1980s has explored this phenomenon, and virtually none of the research has been qualitative in nature.

As part of the *Whats and Hows of Family Financial Socialization* project (LeBaron et al., 2018), this study employs a diverse, multi-site, multigenerational sample ($N = 115$) to qualitatively explore the following research question: **how do children learn about financial giving from their parents?** In other words, **how is financial giving transmitted across generations?**

Results

Table 1
Numeric Content Analysis of Qualitative Coding

Theme	# References	# Sources	% Interviews	Average # References per Interview
Charitable donations	114	63	66.3	1.2
Acts of kindness	30	23	24.2	0.3
Investments in family	154	76	80.0	1.6
Financial Giving	298	95	100	3.1

Note. Calculations were made based on the 95 interviews that mentioned "Financial Giving," not the 115 interviews conducted in the larger study.

Theme 1: Charitable Donations

- Giving money to organizations, such as faith-based tithes and contributions

White, female emerging adult (#121): "You know when you're at a grocery store checking out and they'll be like, 'Do you want to donate to St. Jude's Children's Hospital or The Cancer Society?' . . . My parents . . . always donate. So [I] hav[e] them as role models. I [recently] went to the dollar store . . . and they're like, 'Do you want to donate?' and I donated. So I guess [I'm] following in their footsteps."

Theme 2: Acts of Kindness

- More informal financial giving to those in need, such as to neighbors or even strangers

Latina mother (#102): "Every Christmas we did 12 days of Christmas for someone. . . . We [went] out and[bought] the things all together, and deliver[ed] all together. . . . Two kids went to the[neighbors'] door to [drop off and] run, and we'd have the [car] door open, 'Hurry!' and then we'd drive off. . . . It would've been a lot easier for [my husband] and I to go out, buy, and deliver. But we always thought, 'This is a teaching moment. And the kids need to know that you always have to look out for the needs of others.' So yes, they were always part of it."

Theme 3: Investments in Family

- Included family experiences (e.g., family vacations), monetary aid given to family members, and sacrifices made for children (but also sacrifices adult children sometimes made for their parents)

White, male emerging adult (#74): "They were very much focused on giving us . . . what was going to be good for us as kids. My sister's very musically inclined, my brother likes computers a lot, and I like sports. . . . So they used the money that way. Now looking back, I realize how much they actually spent on us to do those kind of things because it's not cheap."

Methods

- 90 undergraduate students (from 3 diverse universities), 17 parents, 8 grandparents ($N = 115$)
- 66% female, 34% male; 62% White, 38% other (Black, Latino/a, Asian, Pacific Islander)
- Semi-structured interviews
 - 1) *What* did your parents teach you about money?
 - 2) *How* did they teach you those things?
 - Parents and grandparents only:
 - 3) *What* did you teach your children about money?
 - 4) *How* did you teach them those things?
- Coding in pairs using NVivo (inter-rater reliability $\sim .90$)

Implications & Conclusions

Relevant To:

- Researchers
- Parents
- Educators
- Charities/non-profits

Key Takeaways:

- Prevalence of giving as a financial socialization topic. In the majority of interviews, the interviewer did not specifically ask questions about giving—the participants themselves identified it as a central element of financial socialization. It seems that perhaps giving emerged because it is one of the primary principles that many children are learning about money.
- Parent-reported desire to pass on habits of giving and purposes/meanings behind giving (e.g., religious duty, "pass it on" mentality, desire to help others)
- Child-reported internalization of those habits and meanings (successful socialization)
- Bi-directional socialization (parents' own financial giving seemed to be motivated by an awareness that their children were watching their behavior)
- Various socialization methods (e.g., modeling, discussion, and experiential learning) were used, but modeling seemed especially potent for Investments in Family.
- Participants who invested in others "seemed to feel that [they] received even more in return" (Marks et al., 2010, p. 448). Indeed, participants seemed to report happiness and personal rewards from all three types of giving.
- Importance of consistency in giving for reaping benefits

