

**EXPLORING THE INFLUENCE OF FINANCIAL LITERACY, PARENTAL,
SELF-CONTROL, AND PEER FACTORS ON SAVING BEHAVIOR**

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fulfillment of the requirements for the Master's Degree in Business Studies

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Exploring the Influence of Financial Literacy, Parental, Self-Control, and Peer Factors on Saving Behavior**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

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ABBREVIATIONS

AGM	Annual General Meeting
ANOVA	Analysis of Variance
SPSS	Statistical Package for Social Sciences
TPB	Theory of Planned Behavior

ABSTRACT

The study objectives in to explore the relationship the relationship and effect of financial literacy, parental socialization, peer influence and self-control on saving behaviour of youths. Descriptive and causal research design is employed in the study on primary data from 235 youths. Non- Probability, convenience-based sampling technique is proposed to use. 235 youths were population. Employing a rigorous methodology that includes reliability and validity assessments, demographic analyses, and statistical techniques such as correlation analysis and multiple regression modeling, the research uncovers significant insights. Financial literacy emerges as a robust predictor, emphasizing the importance of financial education initiatives, while peer influence and self-control play pivotal roles, underscoring the significance of social dynamics and individual discipline in financial decision-making. The study's implications extend to individuals, financial institutions, policymakers, and educators, providing actionable insights for fostering financial well-being. In conclusion, this research contributes valuable knowledge to the field of personal finance, offering a nuanced understanding of saving behavior determinants and practical guidance for promoting financial resilience and informed decision-making.

Keywords: Financial behavior, financial education, financial literacy, parental socialization, peer influence

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Financial decision-making and saving behavior are critical aspects of an individual's financial well-being. The way people save money can have a profound impact on their financial security, future opportunities, and overall quality of life. Several factors influence saving behavior, including financial literacy, parental guidance, self-control, and peer influence (Demetriades & Andrianova, 2004). Understanding the complex interplay among these factors is essential for designing effective financial education programs and interventions.

Financial literacy refers to an individual's ability to understand and manage financial matters effectively (Remund, 2010). A higher level of financial literacy is often associated with better financial decision-making, including saving behavior. However, the specific mechanisms through which financial literacy influences saving habits are multifaceted and warrant further investigation. Parents play a crucial role in shaping their children's financial attitudes and behaviors (Jorgensen & Savla, 2010). Through various forms of financial socialization, parents can impart values, skills, and behaviors related to saving and money management. Research has shown that parental attitudes and practices regarding finances can significantly impact the saving behavior of their children, both positively and negatively. Self-control is a psychological trait that influences an individual's ability to delay gratification and make prudent financial choices (Drever et al., 2015). It plays a pivotal role in saving behavior as it affects one's capacity to resist impulsive spending and prioritize saving for future goals. The extent to which self-control moderates or mediates the relationship between other factors and saving behavior is an area of interest. Peer groups, particularly among adolescents and young adults, can exert a substantial influence on financial decision-making and saving behavior (Serido et al., 2015). Peer pressure, norms, and shared financial experiences within social circles can either encourage or deter individuals from saving. Understanding how peer influence operates and whether it can be harnessed positively is essential in promoting responsible saving practices. Financial decision-making and saving behavior are critical aspects of an individual's financial well-being (Bruggen et., 2017). The way people save money can have a profound impact on their financial security, future opportunities (Kahn, 2018) and overall quality of life. Several factors influence saving behavior, including financial

literacy, parental guidance, self-control, and peer influence. Understanding the complex interplay among these factors is essential for designing effective financial education programs and interventions. The ultimate goal of understanding saving behavior is to enhance overall financial well-being. Investigating the relationships between financial literacy, parental influence, self-control, and peer dynamics can provide insights into how individuals can achieve greater financial security, reduce financial stress, and meet their long-term financial goals.

1.2 Problem Statement

The field of personal finance is characterized by a complex interplay of factors that influence individuals' saving behavior, a critical determinant of financial well-being. This study addresses the multifaceted nature of this issue by investigating the relationships between financial literacy, parental influence, self-control, and saving behavior. As individuals navigate financial decisions, understanding how these elements interact and affect their propensity to save is essential for informed policy-making and the development of effective financial education initiatives. The level of financial literacy is known to vary widely across populations, and its impact on saving behavior remains a subject of inquiry (Abubakar, 2015). The study seeks to explore how demographic factors, such as age, income, and education, may moderate the relationship between financial literacy and saving behavior. These explorations were shed light on the varying effects of financial literacy and help tailor financial education strategies to specific groups. Parental influence plays a pivotal role in shaping financial attitudes and behaviors, including saving habits (Shim et al., 2010). This study aims to delve deeper into the direct and indirect effects of parental financial socialization on saving behavior, considering the potential mediating role of self-control (Manfre, 2017). Understanding the nuanced mechanisms through which parents impact their children's saving behavior can inform interventions that leverage familial support.

Additionally, examining the role of peer influence, both positive and negative, in shaping saving behavior is crucial. This research seeks to understand how self-control, as an individual trait, influences the susceptibility to peer pressure and how it impacts one's ability to resist impulsive spending and prioritize saving for future financial goals. By investigating these complex relationships, this research aims to contribute to a more comprehensive understanding of the intricate connections among financial literacy,

parental influence, self-control, and peer dynamics. Ultimately, these insights were provide a foundation for developing targeted interventions and policies that promote responsible saving habits and enhance overall financial well-being across diverse demographic groups. This study tries to locate the answer for the following questions;

- What are the factors influencing saving behaviour of youths?
- Does there any relationship between financial literacy, parental socialization, peer influence and self-control on saving behaviour of youths?
- How does financial literacy, parental socialization, Peer influence and self-control effect on saving behavior of youths?

1.3 Objectives of the Study

The primary objective of this research is to unravel the intricate web of influences surrounding individuals' saving behavior, with a focus on the roles played by financial literacy, parental influence, self-control, and peer dynamics. Saving behavior, a cornerstone of financial well-being, reflects an individual's ability to allocate resources toward future financial goals. Understanding the multifaceted relationships between these key factors is essential for crafting effective strategies to improve financial decision-making and promote responsible saving habits. The study is guided by the following specific goals:

- To assess the factors influencing saving behaviour of youths.
- To examine the relationship between financial literacy, parental socialization, peer influence and self-control on saving behaviour of youths.
- To analyze the effect financial literacy, parental socialization, peer influence and self-control effect on saving behaviour of youths.

1.4 Research Hypothesis

Hypothesis 1 (H1): Financial literacy has a positive and statistically significant influence on saving behavior.

Hypothesis 2 (H2): Parental financial socialization significantly affects saving behavior. Individuals who have received positive financial guidance from their parents are expected to exhibit better saving habits.

Hypothesis 3 (H3): Self-control is positively associated with saving behavior. Individuals with higher levels of self-control are expected to demonstrate more prudent saving practices.

Hypothesis 4 (H4): Peer influence has a significant impact on saving behavior. The saving behavior of individuals is expected to be influenced by their peers, both positively and negatively.

1.5 Rationale of the Study

This study holds significant importance across various dimensions, encompassing individual financial well-being, policy development, educational strategies, family dynamics, psychological insights, and demographic considerations. First and foremost, the research contributes to enhancing financial well-being. Understanding the intricate interplay between financial literacy, parental influence, self-control, peer dynamics, and saving behavior is pivotal for individuals seeking to secure their financial futures. By identifying the key drivers of responsible saving habits, this study empowers individuals to make informed financial decisions, build savings, and improve their overall financial health. Moreover, the findings of this research have far-reaching implications for policymakers. The study offers insights that can inform the design of targeted interventions and policies. Policymakers can leverage this knowledge to create effective financial education programs and initiatives that address the specific needs and challenges identified in the study, ultimately promoting financial stability and resilience on a broader scale.

Furthermore, educators and financial institutions can benefit from a deeper understanding of how financial literacy influences saving behavior. This knowledge can help refine financial education curricula and tools, ensuring that individuals are equipped with the skills and knowledge needed to make sound financial decisions and achieve their financial goals. The study also sheds light on family dynamics, emphasizing the role of parental financial socialization in shaping financial attitudes and behaviors. This insight can guide parents in fostering positive financial habits in their children and promote open discussions about responsible money management within families.

Additionally, by delving into the psychological aspects of financial behavior, particularly self-control, the research contributes to the fields of behavioral economics and psychology. It offers valuable insights into decision-making processes related to finances,

which can have broader applications beyond the scope of this study. Lastly, the study explores how saving behavior and its determinants vary across demographic groups, providing a nuanced understanding of disparities in financial behaviors. This knowledge can guide the development of targeted interventions that address the unique challenges faced by different populations, promoting financial inclusivity and equity. In conclusion, the significance of this study lies in its potential to improve financial well-being, inform policies, enhance educational strategies, foster positive family dynamics, contribute to psychological research, and address demographic disparities in financial behaviors.

1.6 Limitations of the Study

This report is a prerequisite for the Master of Business Studies degree (MBS). The facts have been examined and presented in a clear, precise, and restrained manner. Following are the limitations of the study.

- Non-probability sample (235 individuals) limits generalizability.
- Potential sampling, self-selection, and response biases.
- Cross-sectional design restricts causal inference.
- Reliance on self-reported data may introduce measurement errors.
- Limited consideration of other relevant variables.
- Social desirability bias may impact responses.
- Small sample size may affect statistical power.
- Temporal limitations may not capture long-term effects.

CHAPTER II

LITERATURE REVIEW

2.1 Conceptual Review

Saving behavior refers to the actions and decisions individuals make to set aside a portion of their income or resources for future use (Knoll, 2010). It reflects a financial habit that is influenced by a variety of factors, including financial knowledge, upbringing, social environment, and individual traits like self-control. Understanding the determinants of saving behavior is crucial for developing effective financial education programs and policies.

2.1.1 Financial Literacy

A person's understanding and proficiency of several financial concepts and procedures is reflected in their financial literacy, which is a complex subject. It involves more than just knowing basic financial terminology; it also involves having a deeper comprehension of ideas like investing, budgeting, managing debt, and retirement planning. Andarsari and Ningtyas (2019) define financial literacy as a person's comprehension and awareness of these important financial areas, which enables them to successfully negotiate the challenges of personal money.

Fundamentally, financial literacy provides people with the knowledge and abilities needed to manage their money sensibly and with knowledge. It makes it possible for people to analyse investment possibilities, gauge risk, and create sensible plans for reaching their long-term financial goals. Financial literacy enables people to take charge of their financial lives and work towards financial stability and well-being by providing a thorough awareness of financial concepts and practices.

Financial literacy is crucial in influencing people's attitudes, actions, and routines related to investing and saving when it comes to saving behaviour. Higher financial literacy makes people more capable of proactive financial planning, setting reasonable financial objectives, and making effective resource allocations to savings and investment vehicles (Lusardi, 2008). They are more likely to use sensible saving techniques including building emergency reserves, making contributions to retirement plans, and diversifying their financial holdings.

Persons who are more financially literate tend to be more resilient to obstacles and failures because they have the information and abilities to modify their financial plans and tactics as needed. They are better at spotting chances to accumulate wealth and reducing the dangers involved in making financial decisions. As a result, superior financial outcomes—such as higher rates of savings, more asset accumulation, and longer-term financial security—are linked to higher levels of financial literacy.

2.1.2 Parental Socialization

Parental socialization, which includes all of the ways that parents teach their children values, beliefs, and behaviours in a variety of contexts, including money, is a crucial part of a child's development. Parental socialization, as defined by Grusec (2002), is the process by which parents impart to their offspring their attitudes, values, and financial behaviours. Direct communication, close observation, and modelling of financial behaviour within the family setting are the methods used in this approach.

Parental socialization is the main process by which financial practices, attitudes, and knowledge are passed down across generations. Children are exposed to their parents' financial practices from a young age, and these practices—budgeting; saving, investing, and charitable giving, for example—have a significant impact on their own financial attitudes and practices. Parents teach their children the value of sound financial judgement, thrift, and financial responsibility through their daily interactions and experiences.

Furthermore, parental socialization includes the official and informal financial education that parents provide their children, such as lessons on basic money management, the importance of investing and saving, and the results of financial decisions. According to Webley and Nyhus (2006), a person's attitudes and behaviours about money can be greatly influenced by early exposure to financial concepts and practices within the family setting. Youngsters are more likely to acquire sound financial habits and attitudes towards money management if they hear from their parents on a regular basis about saving, budgeting, and financial planning.

Parental socialization also includes the development of wider values and attitudes towards financial well-being in addition to the transfer of financial information. Parents are important role models for their kids, setting an example of sound money management, resilience, and long-term planning through their own actions and behaviours. Children

pick up financial norms and expectations about investing, saving, and spending from watching their parents. These expectations and standards then influence the way the children behave financially and make decisions.

2.1.3 Peer Influence

Peer pressure is a potent factor that shapes people's attitudes, beliefs, and behaviours in a variety of spheres of life, including money. Peer influence, as defined by Maxwell (2002), is the influence that friends, coworkers, or social groups have on a person's beliefs, values, and actions through social interactions and connections. Peers have a big impact on people's financial choices, habits, and preferences when it comes to saving behaviour because of conversations, shared standards, and observational learning.

Peer pressure to save money works through a number of techniques, such as social learning, social comparison, and social reinforcement. People compare their financial actions and results with those of their peers in peer groups, which can have an impact on their own saving habits and financial decisions. Peers who exhibit responsible financial practices, such as consistent saving, efficient budgeting, and well-informed investment choices, can act as good role models for others and inspire similar actions. On the other hand, unfavourable peer pressure—like the temptation to overspend, participate in ostentatious consumption, or take risks with money—can hinder people's attempts to save money and their financial security. Individuals may conform to these group dynamics and behaviours as a result of peer groups perpetuating social norms and expectations that place a higher value on instant satisfaction and spending than on long-term saving and financial planning.

Peer influence also occurs through social learning processes, in which people watch and copy the actions of their peers to pick up attitudes, knowledge, and behaviours linked to money management and saving. Peer group discussions and exchanges offer a platform for experience-sharing, advice-sharing, and learning from the financial triumphs and misfortunes of others.

2.1.4 Self-Control

A key component of human psychology is self-control, which is the ability to restrain one's impulses, resist temptations, and exert behavioural control in the direction of long-term objectives (Mamayek, 2017). Mamayek (2017) has pointed out that exercising self-

control involves having the capacity to withstand the want for instant gratification and make choices that are consistent with one's larger goals and dreams. Self-control becomes evident in the context of saving behaviour as a crucial psychological component that moulds people's capacity to postpone consumption, withstand impulsive spending, and give priority to saving for future needs and objectives.

Because there is always a conflict between short-term wants and long-term financial goals, self-control plays a particularly important role in saving behaviour. High self-control individuals are better able to resist the temptation of instant gratification and postpone gratification in favour of saving and investing, which over time improves their financial situation. They are better at creating emergency savings, putting money aside for unforeseen expenses, and amassing assets for retirement or other long-term objectives. People who lack self-control could find it difficult to resist the need to make rash purchases, which could result in poor saving habits, a rise in debt, and unstable finances. They can put their long-term financial security and well-being at risk by placing a higher value on transient pleasures and rapid gratification than careful financial planning.

Gaining insight into how self-control functions during the saving process might help one better understand the psychological processes that underlie financial decision-making. According to Allom et al. (2018), personal characteristics like self-control are very important in determining how people behave and handle their money. Researchers can clarify how individual differences in self-regulatory abilities influence financial decision-making processes, asset accumulation patterns, and general financial well-being by investigating the relationship between self-control and saving behaviour.

2.2 Theoretical Review

Financial behavior is a complex aspect of individual decision-making (Dwiastanti, 2015), intricately woven into the fabric of one's cognitive processes, social interactions, and learned behaviors. To comprehend the intricate dynamics that shape saving behavior, the theoretical review within this study delves into the foundational concepts that underpin our understanding of financial choices. By exploring the theoretical frameworks surrounding financial literacy, parental socialization, peer influence, and self-control, the study seeks to unravel the complex interplay of factors that contribute to individuals' propensity to save. Through a comprehensive examination of these theoretical constructs, this review aims to provide a robust theoretical foundation for the empirical investigation

into the influence of financial literacy, parental, self-control, and peer factors on saving behavior. In doing so, the study aspires to contribute to the broader discourse on financial decision-making, offering insights that can inform policy, education, and interventions aimed at promoting prudent saving habits in individuals and society at large.

2.2.1 Theory of Planned Behavior (TPB)

The TPB posits that attitudes, subjective norms, and perceived behavioral control influence one's intention to perform a behavior (Johnson, 2017). In the context of saving behavior, individuals with positive attitudes toward saving, influenced by financial literacy and parental socialization, may be more likely to form intentions to save (Van Campenhout, 2015). Perceived control, influenced by self-control, plays a role in executing these intentions.

2.2.2 Social Learning Theory

Social Learning Theory (Bandura, 1969) suggests that individuals learn from observing and modeling the behaviors of others, particularly those in their social environment. In the context of saving behavior, parental socialization and peer influence can serve as significant sources of observational learning, impacting an individual's financial habits and attitudes towards saving (Gibson, 2004).

2.2.3 Behavioral Economics - Hyperbolic Discounting

Hyperbolic discounting suggests that individuals tend to prefer smaller, immediate rewards over larger, delayed rewards (MacKillop, 2013). Self-control is a key factor in mitigating hyperbolic discounting (Ahmed, 2018). Financial literacy can contribute to the development of self-control mechanisms, influencing an individual's ability to resist immediate gratification and engage in long-term saving behavior (Kleingbiel, 2020).

2.3 Empirical Review

Jorgensen and Savla (2010) conducted study to explore the the influence of perceived parental influence on the financial literacy of young adults. They employ structural equation modeling to examine whether young adults perceive their parents as having an impact on their financial knowledge, attitudes, and behaviors. The study focuses on understanding whether parents' perceived influence directly affects financial attitudes, indirectly influences financial behaviors through attitudes, and whether it has any direct effect on financial knowledge. The research is based on a sample of 420 college students,

and the findings, as revealed by the College Student Financial Literacy Survey (CSFLS), highlight that perceived parental influence has a direct and moderately significant influence on financial attitudes. However, it does not significantly affect financial knowledge but indirectly influences financial behaviors, mediated through financial attitudes. This study underscores the vital role of parental socialization in shaping the financial attitudes and behaviors of young adults, offering valuable insights into the dynamics of financial literacy in this demographic.

Fazli Sabri et al. (2012), the authors investigate the factors influencing the financial well-being of college students in Malaysia. Drawing data from a diverse sample of 2,219 students across 11 public and private universities, the study employs structural equation modeling to analyze the relationships between personal and family backgrounds, academic ability, childhood consumer experience, financial socialization, financial literacy, and perceived financial well-being. The findings reveal that childhood consumer experiences, particularly savings habits, significantly contribute to students' financial well-being. Additionally, the study underscores the importance of financial socialization agents, such as parents and religious sources, in enhancing financial well-being among college students. Furthermore, it demonstrates the positive association between financial literacy and financial well-being. Importantly, the research identifies differences in financial well-being between Malay and Chinese ethnic groups in Malaysia. This study provides valuable insights for educators, policymakers, and counselors, offering guidance on how to improve financial education and support for college students to enhance their financial well-being.

Van Campenhout (2015) conducted study to explore the significant role of parents in the financial socialization process of young individuals. Despite ample evidence emphasizing the crucial influence of parents in shaping financial attitudes and behaviors in youth, their active participation in financial education programs has been limited. This study advocates for a reconsideration of the role of parents in such programs and suggests ways to integrate their involvement into the development of more proactive youth financial literacy initiatives aimed at fostering adaptable financial consumers. The article provides guidelines for designing proactive financial literacy programs that recognize the role of parents in the financial socialization process and discusses the implications for educators. In conclusion, the author outlines avenues for future research aimed at enhancing the delivery methods and effectiveness of financial education programs. This research

underscores the importance of parental involvement in shaping young individuals' financial literacy and responsible financial behavior.

Jamal et al. (2015) investigated the factors influencing savings behavior among students in Kota Kinabalu, Sabah. Against the backdrop of rising household debt in Malaysia, particularly among young adults, the research aims to explore determinants of savings behavior and assess the mediating role of attitude in the relationship between financial literacy and savings behavior. Employing structured questionnaires and SMART-PLS for analysis, the study reveals that family involvement plays a pivotal role in nurturing students' savings behavior, followed by financial literacy and peer influence. Additionally, financially literate students exhibit more favorable financial attitudes. Despite this positive correlation, the research indicates that financial attitude does not mediate the relationship between financial literacy and savings behavior. This study contributes significantly to the understanding of financial wellness and personal financial planning, shedding light on the complex interplay of factors influencing savings behavior among students in the context of Kota Kinabalu, Sabah.

Jamal et al. (2016) explored the factors influencing savings behavior among university students in Sabah, Malaysia. Against the backdrop of rising household debts in the country, particularly concerning among young adults, the research aims to investigate the diverse elements that shape savings behavior, as well as to examine the mediating role of financial attitudes in the relationship between financial literacy and savings behavior. The study, involving 1728 undergraduate students from various higher learning institutions in Sabah, utilizes structured questionnaires and applies Structural Equation Modeling with SMART-PLS software for analyses. The findings underscore the pivotal roles of family involvement, peer influence, self-control, and financial literacy in nurturing students' savings behavior. Additionally, the study reveals that financially literate students tend to exhibit more favorable financial attitudes. However, financial attitude does not mediate the relationship between financial literacy and savings behavior. The research contributes valuable insights to understanding the multifaceted factors influencing savings behavior among university students in Sabah, providing implications for educational interventions and policy considerations.

Te'eni-Harari (2016) explored the crucial role of Involvement in Saving Money (ISM) in understanding children's saving behavior and delving into the intricate processes of

financial literacy among children. Drawing on one-on-one interviews with 103 first-grade children, the study investigates the relationship between ISM and significant finance-related outcomes such as attitudes toward saving money, intention to save money, and saving behavior. The research also examines factors influencing a child's ISM, including access to money, perceived importance of parental and peer attitudes toward saving money, and actual parental and peer attitudes toward saving money. The findings indicate that children with higher levels of ISM exhibit more positive attitudes toward saving and engage in more positive saving behavior. The study underscores the significance of involvement variables in the financial literacy context and emphasizes the need to explore children's perceptions and motivations for saving, with a specific focus on the child's viewpoint.

Martina (2017) explored the intricate connections between financial socialization and self-control in the context of explaining saving behavior. Conducted at the University of Verona, Italy, the research utilizes innovative household survey data gathered from the United States. The study goes beyond a simple examination of the direct impact of financial socialization on saving behavior by dissecting its effects into both direct and indirect components, mediated through self-control. Additionally, the research delves into the relationship between these dimensions and the ownership of various financial products, as well as the decision to save through alternative saving strategies. The findings indicate a positive association between early financial socialization and general saving habits, emphasizing the lasting impact of financial education received during formative years. Moreover, the study reveals that parents' financial socialization plays a pivotal role in shaping the self-control skills of their children, although the degree of influence varies across different types of financial products. This research contributes valuable insights into the dynamics of financial socialization, self-control, and their combined impact on saving behavior, offering a nuanced understanding of the multifaceted factors shaping individuals' financial decisions.

Ariffin et al. (2017) explored the financial literacy level and students' perception towards saving behavior. Affiliated with Universiti Sultan Zainal Abidin and Universiti Putra Malaysia, the study focuses on 192 undergraduate students enrolled in the business administration degree program at Universiti Putra Malaysia. Utilizing a self-administered questionnaire, the research establishes positive correlations between saving behavior, parental socialization, and peer influence with financial literacy. Interestingly, self-control

exhibits a negative correlation with financial literacy. The study reveals that, on average, the financial literacy level among respondents is at a moderate level. The findings emphasize the need for students to acquire more knowledge in personal financial management and develop effective strategies to foster a positive attitude towards saving behavior. The research suggests that higher education authorities, such as the Ministry of Education, could enhance business courses by incorporating personal financial management, promoting more saving activities, and discouraging excessive spending on unnecessary items. Furthermore, the study underscores the pivotal role of parents in facilitating and promoting their children's saving or investment endeavors, emphasizing the significance of family influence in shaping financial behaviors among students.

Dangol and Maharjan (2018) explored the impact of parental and peer factors on the saving behavior of young individuals. Utilizing a structured questionnaire, the research focused on 390 respondents from Kathmandu Valley who had completed Master's degrees and were employed. Employing judgmental and convenience sampling techniques, the study revealed significant relationships between peer influence and saving behavior, as well as between parental financial teaching and saving behavior. The research identified key mechanisms; such as independence, control, habit formation, and encouragement to save that significantly influenced saving behavior among the youth. Notably, the study underscored the pivotal role of parental encouragement in shaping saving behavior and emphasized that receiving financial education from parents contributes to fostering sound financial habits. In essence, the findings highlight the intricate interplay between parental and peer influences in shaping the financial decisions of young individuals in Kathmandu Valley, offering valuable insights for understanding and promoting prudent saving behavior among this demographic group.

Ningsih et al. (2018) aimed to explore the significance of early financial education and its influence on savings behavior among high school students. Employing a quantitative correlational approach with a sample of 324 students, the study uncovers that both family and school environments play vital roles in shaping students' self-control abilities, which, in turn, impact their savings behavior positively. This research underscores the importance of multifaceted interventions involving families and educational institutions to instill responsible financial habits and enhance financial literacy among young individuals, ultimately contributing to their long-term financial well-being.

Kadir and Jamaluddin (2020) investigated saving behavior in emerging countries, particularly focusing on the impact of financial knowledge, parent socialization, and peer influence. Published keywords include saving behavior, financial knowledge, parent socialization, and peer influence. Against the backdrop of Malaysia's high household debt in 2018, contributing to insufficient savings and unpreparedness for retirement, the study specifically addresses the financial challenges faced by youths in emerging countries. Surveying 126 students, the research employs structured questionnaires distributed through convenient sampling. Results indicate that parent socialization, financial knowledge, and peer influence significantly affect students' saving behavior. The findings offer insights for policymakers formulating strategies to enhance students' financial knowledge and leverage the roles of parents and peers in fostering a culture of higher saving behavior in emerging countries. The study contributes valuable information to the ongoing discourse on financial literacy and saving habits, particularly among the youth in developing economies.

Mpaata et al. (2021) explored the moderating role of self-control in the association between social influence and saving behavior among small business owners. The research, utilizing a standardized questionnaire and employing a cross-sectional design, gathered data from 402 micro and small business owners in Kampala City, Uganda. The analysis, conducted using Process macro, revealed a significant interactive effect of self-control and social influence on saving behavior. The study emphasizes the relevance of government policies targeting individuals with low self-control, proposing deliberate measures to impose savings in national social security funds. The findings contribute valuable insights to behavioral finance literature and theory, highlighting the nuanced interplay between self-control, social influence, and saving behavior among micro and small business owners in Kampala, Uganda.

Peiris (2021) investigated into the impact of financial literacy on savings behavior, with a specific focus on the mediating role of intention to save. The research utilized a structured questionnaire distributed among 206 employed individuals in the Colombo district, Sri Lanka. Employing the Three Stage Least Squares technique and path analysis to analyze the structural equation model, the study revealed that financial literacy exerts a direct and significantly positive influence on savings behavior. Furthermore, the mediation effect of intention was found to be positively significant, suggesting that financial literacy not only contributes directly to good savings behavior but also creates an intention to save more.

The study's findings propose that policymakers and financial institutions can enhance financial literacy among individuals as a valuable strategy to promote savings behavior and the intention to save, providing practical insights for encouraging a culture of saving.

Peiris (2021) investigates the relationship between financial literacy and savings behavior, taking into account the mediating role of the intention to save. The research involved the distribution of a structured questionnaire among 206 employed individuals in the Colombo district, Sri Lanka. The study employed the Three Stage Least Squares technique to initially analyze the structural equations model, which was then further examined using path analysis. The findings of the study indicate that financial literacy has a direct and significantly positive influence on savings behavior. Furthermore, the mediating role of intention in this relationship was also found to be positively significant. This suggests that possessing knowledge of the financial system not only contributes to better savings behavior but also fosters an intention to save more. As a result, the study suggests that policymakers and financial institutions can consider enhancing financial literacy among individuals as an effective strategy for promoting savings, as it positively impacts both savings behavior and the intention to save. This research offers valuable insights into the role of financial literacy and intention in shaping individual savings behavior, which can inform strategies to encourage responsible financial practices.

Mpaata et al. (2021) investigates the intricate dynamics of savings behavior among micro and small business owners in Kampala, Uganda. This research explores how self-control moderates the relationship between financial literacy and saving behavior in this specific demographic. The findings suggest that both financial literacy and self-control significantly predict saving behavior among micro and small business owners. Importantly, the study reveals that the impact of financial literacy on savings behavior is moderated by self-control. Notably, individuals with lower levels of self-control require a higher degree of financial literacy to positively influence their savings behavior compared to those with greater self-control. These findings underscore the importance of assessing individuals' self-control levels before providing financial literacy training, offering practical insights for tailoring financial education programs to enhance responsible financial decision-making and savings habits among micro and small business owners.

Poniran et al. (2022) explored the potential mediating role of self-control in the relationship between financial literacy, parental socialization, and saving behavior among

university students in Selangor, Malaysia. Data were collected from 322 undergraduate students through a standardized questionnaire and analyzed using the SPSS Process Macro Model 4. The study's findings underscore the positive associations between financial literacy, parental socialization, self-spending control, and the likelihood of saving money as a regular habit among students. Particularly noteworthy is the mediating effect of self-spending control in the connection between financial literacy and parental social influence on saving behavior. These insights are crucial for higher education institutes (HEIs) to develop effective strategies and curricula aimed at instilling a culture of saving among students, thereby promoting financial responsibility from an early age and addressing the challenges of reckless spending among the youth.

Boto-García et al. (2022) aimed to explore the influential factors behind individuals' saving behavior, with a particular focus on financial socialization and self-control. Using novel data from US households, the study examines how exposure to financial concepts during upbringing (financial socialization) and individual self-control skills contribute to saving habits. The research also explores potential gender differences in the impact of early parental teachings and self-control on saving behavior. Additionally, the study delves into the relationship between financial socialization, self-control, and the ownership of various financial products. The findings reveal that both financial socialization and self-control have a positive association with general saving habits, but their contribution varies depending on the specific financial product being considered. Furthermore, the study highlights that the gender gap in saving propensity, favoring males, is primarily attributable to differences in individual characteristics rather than differences in coefficients. This research provides valuable insights into the complex interplay of financial socialization, self-control, and gender in influencing saving behaviors and choices regarding financial products.

Hartono and Isbanah (2022) investigate the intricacies of students' saving behavior and the determinants influencing it. Focusing on 300 students from the Faculty of Economics of Indonesia, the research employs Structural Equation Modelling (SEM) with STATA software to analyze the relationships among financial literacy, parental socialization, peer influence, self-control, and saving behavior. The findings reveal that parental socialization and peer influence positively impact financial literacy, whereas self-control does not exhibit a significant influence. Financial literacy, in turn, directly influences saving behavior, providing novel insights into the pivotal role of financial education in

encouraging prudent saving habits among students. The study emphasizes the essential roles of parents and peers in shaping financial literacy and saving behavior and suggests collaborative efforts between the banking industry and universities to enhance financial education through programs like virtual accounts and targeted savings socialization initiatives for students. Additionally, the research underscores the opportunity for savings service providers to introduce their products to students early, contributing to the cultivation of a savings-oriented mindset among the youth.

Hartono and Isbanah (2022) uncovered the determinants of students' saving behavior, utilizing financial literacy as a mediating variable. The research, involving 300 students from the Faculty of Economics of Indonesia, employs Structural Equation Modeling (SEM) with STATA software for data analysis. The findings reveal that parental socialization and peer influence exert positive effects on financial literacy, while self-control does not demonstrate a significant impact. Financial literacy, in turn, directly influences saving behavior, and both parental socialization and peer influence directly shape saving behavior. This study underscores the critical role of financial literacy in fostering student-saving behavior and emphasizes the significance of parental and peer influences in enhancing financial literacy and saving behavior among students. Furthermore, it suggests collaborative efforts between the banking industry and universities, such as virtual account programs and savings socialization initiatives, to increase financial literacy and promote early engagement with saving services among students.

Mpaata et al. (2023) explored the role of self-control as a moderator in the relationship between financial literacy and savings behavior. Focused on 395 micro and small business owners in Kampala, Uganda, the research employs a quantitative, positivist approach, using Process Macro as a statistical tool for data analysis derived from a questionnaire. Grounded in the social cognitive theory, the study uncovers that both financial literacy and self-control significantly predict saving behavior. Remarkably, the findings reveal that the relationship between financial literacy and saving behavior is moderated by self-control. The study highlights that individuals with low self-control necessitate higher levels of financial literacy to positively impact their savings behavior compared to those with high self-control. This insight underscores the importance of assessing individuals' self-control levels before embarking on financial literacy training,

emphasizing the need for a tailored approach to enhance the effectiveness of financial education initiatives in the MSE sector.

Faramida et al. (2023) investigated the factors influencing the saving behavior of UNS students, focusing on the roles of financial literacy and mobile banking services, while also exploring the moderating effects of gender and self-control. Utilizing a quantitative research approach with a sample of 144 UNS students, the study employs a non-probability sampling technique and collects data through a five-point Likert scale distributed via Google Forms. The validity and reliability of the instrument are assessed through Confirmatory Factor Analysis (CFA) and Cronbach Alpha (α). The results of the study affirm that financial literacy and mobile banking services have significant and positive effects on the saving behavior of UNS students. Moreover, the research reveals that both gender and self-control play moderating roles, influencing the relationship between financial literacy, mobile banking services, and saving behavior among UNS students. This comprehensive exploration sheds light on the nuanced dynamics shaping saving behavior in the context of financial literacy and mobile banking services, considering the moderating factors of gender and self-control among university students.

Bai (2023) explored the influence of cognitive factors; specifically financial literacy, mental budgeting, and self-control; on subjective financial wellbeing. Focusing on the mediating role of investment decision-making behavior, the research utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze data collected from 449 Chinese university students. The results highlight that financial literacy, mental budgeting, and self-control significantly and positively impact an individual's financial wellbeing. The study underscores that those with higher financial literacy tend to achieve superior financial wellbeing. Additionally, individuals practicing mental budgeting show elevated levels of financial wellbeing, and self-regulation are identified as a crucial element affecting financial welfare. The findings further suggest that investment decision-making behavior partially mediates the relationship between financial literacy, mental budgeting, self-control, and financial wellbeing. The study contributes both theoretical and practical implications, enriching the understanding of factors influencing financial wellbeing and providing actionable insights for policymakers, financial institutions, and individuals seeking to enhance their financial outcomes.

Ndou (2023) explored the moderating effect of parental income on the relationship between parental financial monitoring and financial literacy. Utilizing a quantitative research approach, the study employed a self-administered questionnaire for data collection and applied moderated regression analysis for data analysis. The results revealed that parental income moderates the relationship between parental financial monitoring and financial knowledge, financial behavior, and financial attitude. However, the study found no moderation effect of parental income on the relationship between parental financial monitoring and financial decision-making. In summary, the findings suggest that the overall relationship between parental financial monitoring and financial literacy is influenced by parental income. This research contributes novel insights by being the first to explore the moderating role of parental income in the connection between parental financial monitoring and financial literacy. The study concludes with recommendations and suggestions for future research in this domain.

The summary is shown in table below:

Table 1

Review Summary Table

	Authors and Year of Publication	Objectives	Research Methodology	Major Findings
1	Jorgensen and Savla (2010)	To explore the influence of perceived parental influence on the financial literacy of young adults.	Structural equation modeling to examine the impact of parental influence on financial knowledge, attitudes, and behaviors.	Perceived parental influence has a direct and moderately significant influence on financial attitudes, indirectly influencing financial behaviors through attitudes, but not significantly affecting financial knowledge.
2	Fazli Sabri et al. (2012)	To investigate factors influencing the	Structural equation modeling to analyze	Childhood consumer experiences, financial socialization agents (parents and religious sources),

		financial well-being of college students in Malaysia.	relationships between personal and family backgrounds, academic ability, childhood consumer experience, financial socialization, financial literacy, and perceived financial well-being.	and financial literacy positively influence students' financial well-being. Differences in financial well-being observed between Malay and Chinese ethnic groups.
3	Van Campenhout (2015)	To explore the significant role of parents in the financial socialization process of young individuals and advocate for their active participation in financial education programs.	Advocacy based on literature review and guidelines for designing proactive financial literacy programs.	Advocates for the integration of parental involvement in financial education programs to foster adaptable financial consumers.
4	Te'eni-Harari (2016)	To investigate the role of Involvement in Saving Money (ISM) in understanding	One-on-one interviews with first-grade children.	Children with higher levels of ISM exhibit more positive attitudes toward saving and engage in more positive saving behavior, influenced by access to money, parental and peer attitudes toward

	children's saving behavior and the relationship between ISM and finance-related outcomes.		saving money.
5	Ariffin et al. (2017)	To assess the financial literacy level and perception towards saving behavior among undergraduate students in Malaysia.	Self-administered questionnaire survey.
			Positive correlations found between saving behavior, parental socialization, and peer influence with financial literacy, highlighting the need for improved financial education among students.
6	Te'eni-Harari (2016)	To investigate the role of Involvement in Saving Money (ISM) in understanding children's saving behavior and the relationship between ISM and finance-related outcomes.	One-on-one interviews with first-grade children.
			Children with higher levels of ISM exhibit more positive attitudes toward saving and engage in more positive saving behavior, influenced by access to money, parental and peer attitudes toward saving money.
7	Ningsih et al. (2018)	To explore the significance of early financial education and its	Quantitative correlational approach with a sample of 324
			Family and school environments play vital roles in shaping students' self-control abilities, positively impacting savings behavior.

		influence on students. savings behavior among high school students.		
8	Kadir and Jamaluddin (2020)	To investigate saving behavior in emerging countries, focusing on the impact of financial knowledge, parent socialization, and peer influence.	Structured questionnaires and convenient sampling.	Parent socialization, financial knowledge, and peer influence significantly affect students' saving behavior, providing insights for policymakers to enhance financial education strategies.
9	Mpaata et al. (2021)	To explore the moderating role of self-control in the association between social influence and saving behavior among small business owners.	Standardized questionnaire and cross-sectional design with Process Macro for data analysis.	Significant interactive effect of self-control and social influence on saving behavior among micro and small business owners, highlighting the importance of government policies targeting individuals with low self-control.
10	Peiris (2021)	To investigate the impact of financial literacy on savings behavior, considering the mediating role of intention to save.	Structured questionnaire and Three Stage Least Squares technique for data analysis.	Financial literacy has a direct and significantly positive influence on savings behavior, with intention to save mediating this relationship.

11 Mpaata et al. (2021)	To explore the moderating effect of self-control in the relationship between financial literacy and savings behavior among micro and small business owners in Kampala, Uganda.	Quantitative, positivist approach with Process Macro for data analysis.	Financial literacy and self-control significantly predict saving behavior, with the impact of financial literacy moderated by self-control.
12 Poniran et al. (2022)	To explore the mediating role of self-control in the relationship between financial literacy, parental socialization, and saving behavior among university students in Selangor, Malaysia.	Standardized questionnaire and SPSS Process Macro Model 4.	Financial literacy, parental socialization, and self-control positively influence saving behavior among students, with self-control mediating the relationship between financial literacy and parental social influence.
13 Boto-García et al. (2022)	To explore influential factors behind individuals' saving behavior, focusing on	Novel data analysis from US households.	Financial socialization and self-control have a positive association with general saving habits, with gender differences primarily attributable to individual characteristics rather than

		financial socialization and self-control.		differences in coefficients.
14	Hartono and Isbanah (2022)	To uncover determinants of students' saving behavior, utilizing financial literacy as a mediating variable.	Structured questionnaire and Structural Equation Modeling with STATA software.	Parental socialization and peer influence positively influence financial literacy, which, in turn, directly influences saving behavior among students.
15	Mpaata et al. (2023)	To explore the role of self-control as a moderator in the relationship between financial literacy and savings behavior among micro and small business owners in Kampala, Uganda.	Quantitative approach with Process Macro for data analysis.	Financial literacy and self-control significantly predict saving behavior, with self-control moderating the relationship between financial literacy and savings behavior.
16	Faramida et al. (2023)	To investigate factors influencing saving behavior of UNS students, considering financial literacy, mobile banking	Quantitative research approach with a Likert scale questionnaire and Confirmatory Factor Analysis.	Financial literacy and mobile banking services significantly influence saving behavior among students, with gender and self-control moderating these relationships.

		services, gender, and self-control.	
17	Bai (2023)	To explore the influence of financial literacy, mental budgeting, and self-control on students.	Partial Least Squares Structural Equation Modeling with data from 449 Chinese university students. Financial literacy, mental budgeting, and self-control positively impact financial wellbeing, with investment decision-making behavior partially mediating this relationship.
18	Ndou (2023)	To explore the moderating effect of parental income on the relationship between parental financial monitoring and financial literacy.	Self-administered questionnaire and moderated regression analysis. Parental income moderates the relationship between parental financial monitoring and financial knowledge, behavior, and attitude.
19	Aini et al. (2024)	To explore factors influencing generation Z's saving behavior and reaffirm definitions, concepts,	Grounded theory and literature study technique. Financial literacy and financial inclusion influence generation Z's saving behavior, highlighting the importance of updating indicators and conducting further analysis on a larger scale.

measurements,
and operational
aspects related to
saving behavior,
financial
inclusion, and
financial
literacy.

2.4 Research Gap

While the studies by Fazli Sabri et al. (2012) and Ariffin et al. (2017) contribute significantly to understanding the financial well-being of college students in Malaysia, there exists a research gap in exploring the nuanced impact of cultural variations on financial behaviors. Although the mentioned studies acknowledge differences between Malay and Chinese ethnic groups, further investigation is warranted to comprehensively understand how cultural diversity shapes financial practices. Future research could delve into specific cultural influences on financial decision-making, addressing disparities and providing tailored interventions that consider the unique financial challenges faced by different ethnic groups. This nuanced exploration could offer policymakers valuable insights into developing culturally sensitive financial education programs. Van Campenhout's (2015) study emphasizes the pivotal role of parents in shaping financial attitudes among youth but highlights a research gap in the limited participation of parents in financial education programs. Exploring effective strategies to enhance parental involvement in these programs is essential for maximizing their impact. Future research could investigate approaches and interventions that encourage and facilitate active engagement of parents in their children's financial education. Understanding the factors that hinder or promote parental participation can inform educators and policymakers on designing initiatives that bridge this gap, ensuring a more holistic and collaborative approach to financial literacy.

Mpaata et al. (2021) provided valuable insights into the role of self-control as a moderating factor in the relationship between social influence and saving behavior among small business owners. However, there remains a research gap in identifying and understanding additional moderating factors that influence the impact of financial

literacy. Future studies could investigate variables such as risk tolerance, psychological aspects, or demographic characteristics that might play a role in shaping the effectiveness of financial education interventions. A more comprehensive exploration of these moderating factors can contribute to a nuanced understanding of when and how financial literacy initiatives are most influential, aiding in the refinement and tailoring of programs to diverse individual needs and circumstances.

CHAPTER III

RESEARCH METHODOLOGY

In the present study, the research methodology proposed examines the intricate relationships between financial literacy, parental influence, self-control, peer dynamics, and saving behavior. This methodology encompasses data collection, participant selection, survey instruments, and statistical analyses, providing a comprehensive framework for understanding the factors that shape individuals' financial decision-making and savings habits.

3.1 Research Design

The study used descriptive and cause and effect research design. The combination of descriptive and causal comparative research methodologies provides a robust framework for investigating the multifaceted interactions among our variables of interest. This approach enables study to both describe the intricate nuances of this study participants' financial behaviors and make informed causal inferences about the factors that significantly impact saving behavior. Through this research design, the study aimed to contribute valuable insights to the fields of finance, psychology, and education, ultimately enhancing our understanding of how individuals make financial decisions and save for their future financial goals. Following the descriptive phase, the purposed study transitions into a causal comparative research approach. Causal comparative research, also known as *ex post facto* research, is well-suited for exploring cause-and-effect relationships between variables when experimental manipulation is not feasible. In this context, we seek to determine causality or causality trends by comparing groups of participants with differing characteristics or experiences. Specifically, we examine how variations in financial literacy, parental influence, self-control, and peer dynamics relate to different levels of saving behavior among participants. By comparing these groups, the purposed study aims to identify causal patterns and infer how these factors influence saving behavior.

3.2 Population and Sampling Procedure

Non- Probability, convenience-based sampling technique is proposed to use. 235 youths were population of the study. The population of interest in this study encompasses individuals from diverse demographic backgrounds engaged in financial decision-making

and saving behavior. This inclusive population represents people across various age groups, income levels, educational backgrounds, and family structures who actively manage their finances. According to the Central Limit Theorem, as the sample size increases, the sampling distribution of the sample mean approaches a normal distribution, even if the population distribution is not normal. A sample size of 235 is generally considered sufficient for the application of inferential statistics, ensuring the validity of hypothesis testing and confidence intervals (Kwak & Kim, 2017). To conduct this research, a non-probability, convenience-based sampling technique is proposed. This approach is selected due to its practicality and accessibility for data collection. The sampling procedure involves several key steps: first, identifying locations where potential participants can be readily reached, such as educational institutions, community centers, workplaces, and online platforms. Next, recruitment efforts were initiated through methods like online advertisements, flyers, or direct invitations at selected locations. Participants were provided with informed consent forms, clearly explaining the study's objectives and data collection methods. Their voluntary participation were sought. Data collection were involve surveys and interviews to gather information on financial literacy, parental influence, self-control, peer dynamics, and saving behavior. The sample size were determined based on feasibility and resource constraints, with an aim to achieve diversity in demographic characteristics. Once data is collected, it were analyzed using appropriate statistical methods to explore the relationships among the variables of interest, notwithstanding potential limitations regarding generalizability beyond the sample population.

3.3 Nature and Sources of Data, and Instrument of Data Collection

The research study was employ a structured questionnaire to collect data, with each variable assessed through a set of specific questions. The counts for questions related to each variable are as follows: financial literacy were measured using 7 questions, parental socialization with 7 questions, peer influence with 5 questions, self-control with 9 questions, and saving behavior with 7 questions, in 1-5 rating scale. These carefully designed survey items have been selected to comprehensively capture participants' attitudes, knowledge, and behaviors related to financial decision-making and saving practices. Prior to data collection, the questionnaire were undergo a pilot testing phase to refine and validate the instrument further. This structured questionnaire were serve as a valuable tool for systematically collecting quantitative data, enabling the research to

analyze and draw insights into the complex relationships among the variables of interest, contributing to a deeper understanding of financial behaviors and decision-making processes. Demographic information (Age, Education and Gender) were also included in the questionnaire.

3.4 Methods of Analysis

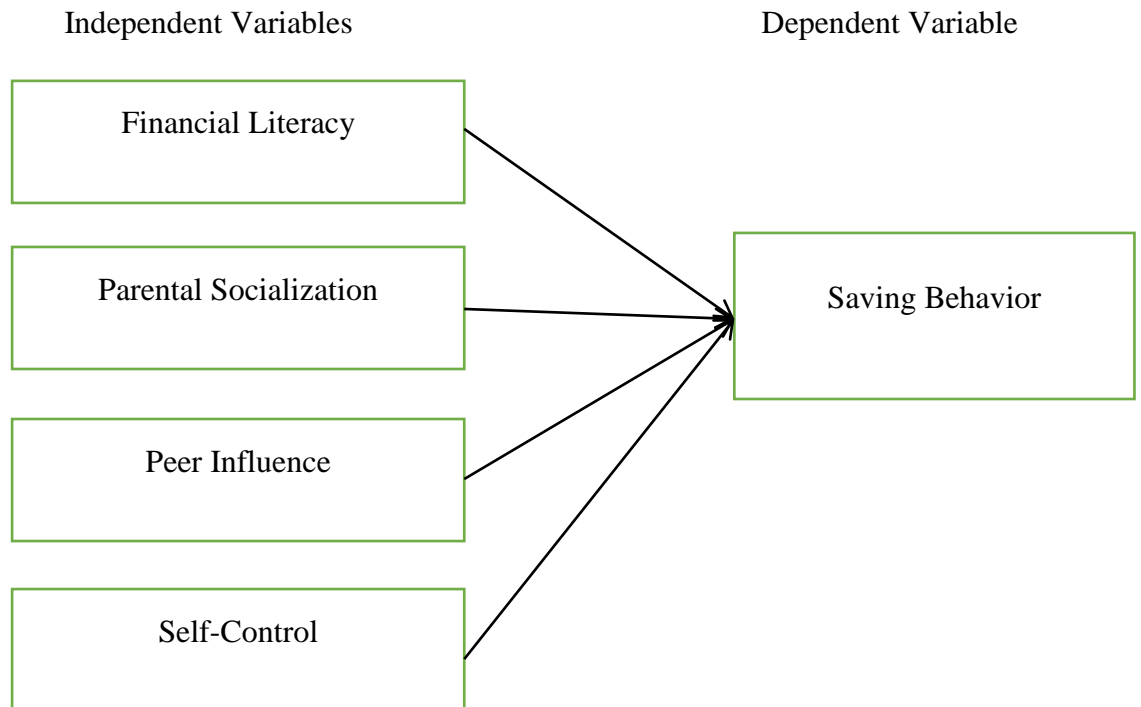
The research study were employ various methods of analysis to examine the relationships and patterns within the collected data. These methods include the calculation of the arithmetic mean, which were used to determine the average values of quantitative variables. The standard deviation were also be computed to assess the degree of dispersion or variation within the data, providing insights into the spread of the data points around the mean. Furthermore, the study were utilize the correlation coefficient (r) to quantify the strength and direction of linear relationships between pairs of variables. This statistical measure were help identify whether and to what extent variables such as financial literacy, parental influence, self-control, peer dynamics, and saving behavior are correlated with one another.

Regression analysis were employed to explore and model the causal relationships between variables. Multiple regression analysis, in particular, were enable the examination of how multiple independent variables collectively influence the dependent variable of saving behavior. This analytical approach were aid in understanding the relative importance of each independent variable in predicting saving behavior and in constructing predictive models. By employing these diverse methods of analysis, the research aims to provide a comprehensive and data-driven exploration of the intricate connections among financial literacy, parental influence, self-control, peer dynamics, and saving behavior, ultimately contributing valuable insights to the field of financial behavior.

3.5 Research Framework and Definitions of Variables

Figure 1

Research Framework



Source: Alshebami and Aldhyan (2022)

Definitions of Variables

Dependent Variable:

Saving Behavior: This is the variable of interest and is the dependent variable in your study. It represents how individuals save money, which can vary in terms of regularity, goal-oriented saving, and other saving-related behaviors.

Independent Variables:

Financial Literacy: These variable measures individuals' knowledge and understanding of financial concepts and practices. It includes items related to investing, credit management, and retirement planning, budgeting, and financial instruments.

Parental Socialization: This variable assesses the influence of parents on individuals' financial attitudes and behaviors. It includes items related to parental examples, conversations about money, parental control over spending, and parental encouragement of saving.

Peer Influence: This variable examines the impact of peers on individuals' financial behaviors. It includes items related to peer savings habits, discussions about money management with friends, comparisons with friends' saving and spending, and social spending activities.

Self-Control: These variable measures individuals' ability to control their impulses and make prudent financial decisions. It includes items related to impulsive spending, immediate spending of money, attraction to spending, ability to achieve saving goals, and short-term vs. long-term focus.

3.6 Validity and Reliability

In this section of the thesis an open and rigorous approach to assessing whether or not the research measures are dependable. It also delves into the stringent evaluation criteria that were used to validate the instruments. In addition, this section provides an overview of the research measures. A comprehensive examination of the validity testing approach provides readers with the opportunity to gain an understanding of the level of methodological rigor that was utilized in the data collection process.

Table 2

Reliability and Validity

S/N	Variables	No. of Questions	Cronbach Alpha
1	Financial Literacy	7	.849
2	Parental Socialization	7	.633
3	Peer Influence	5	.832
4	Self-Control	9	.881
5	Saving Behaviour	7	.829
Aggregate		35	.946

Table 2 provides an insight into the reliability and validity of the variables examined in our study. This assessment is crucial in determining the trustworthiness and effectiveness of our measurement instruments. Financial Literacy, consisting of 7 questions, demonstrates a high level of internal consistency with a Cronbach Alpha of 0.849. This suggests that our questions reliably capture the essence of financial literacy as a cohesive concept, enhancing our confidence in the accuracy of our measurements. Parental Socialization, the 7 questions related to this variable exhibit a moderate level of internal

consistency with a Cronbach Alpha of 0.633. While indicative of reliability, this slightly lower value suggests that there may be some variability in the way participants interpret and respond to questions related to parental influence.

Peer Influence, comprising 5 questions, displays a high level of internal consistency with a Cronbach Alpha of 0.832. This strong reliability indicates that our questions effectively measure the influence of peers on participants, reinforcing the robustness of our peer influence variable. The variable Self-Control, with 9 questions, shows a high level of internal consistency with a Cronbach Alpha of 0.881. This indicates that our questions reliably measure self-control as a construct, providing a solid foundation for understanding the role of self-control in the context of our study. Saving Behavior, encompassing 7 questions, demonstrates a high level of internal consistency with a Cronbach Alpha of 0.829. This suggests that our questions effectively capture participants' saving behaviors as a unified concept, contributing to the reliability of our findings in this domain. All variables and questions (a total of 35), the study demonstrates a very high level of internal consistency with a total Cronbach Alpha of 0.946. This overall measure of reliability underscores the robustness of our measurement instruments, enhancing the validity of our study as a whole.

CHAPTER IV

RESULTS AND DISCUSSION

The thesis presents the results and discussion focused on exploring the influence of financial literacy, parental, self-control, and peer factors on saving behavior in this chapter. This chapter begins with an examination of the demographics of the study participants, providing a contextual backdrop for the subsequent analyses. Following this, a descriptive analysis is conducted to offer a comprehensive overview of the key variables under consideration. To explore deeper into the relationships between the variables, Pearson's correlation analysis is employed to uncover potential associations and patterns. The chapter then transitions to regression results, employing a statistical approach to identify the extent of the impact each independent variable has on the dependent variable—saving behavior. The culmination of these analyses is presented in the form of major findings, summarizing the key discoveries and insights gleaned from the research. This section aims to provide a clear and concise overview of the empirical results, setting the stage for a comprehensive discussion.

Discussion section investigates a thorough exploration of the results, offering interpretations, insights, and implications. This comprehensive analysis aims to not only highlight the significance of the findings but also to contribute to the existing body of knowledge on the complex dynamics influencing saving behavior. Through a nuanced examination of the interplay between financial literacy, parental influence, self-control, peer factors, and saving behavior, this chapter seeks to advance our understanding of the multifaceted factors shaping individuals' financial decisions.

4.1 Results

4.1.1 Demographics of the Study

Understanding the demographic profile of the study participants is fundamental in contextualizing the results and drawing meaningful insights. This section provides a detailed exploration of the demographic characteristics of the research sample, shedding light on key variables such as gender, age distribution, and academic qualifications. By categorizing participants into distinct groups based on these factors, the study aims to discern potential patterns and variations in saving behavior across different demographic

segments. The examination of gender, age, and academic qualifications serves as a foundational step in unraveling the nuanced dynamics that may underpin the financial behaviors under investigation. Through a meticulous analysis of these demographic parameters, this section lays the groundwork for a more comprehensive understanding of the subsequent findings and their implications within the broader societal context.

Table 3
Demographic Information's

Dimensions		Frequency	Percent
Gender	Male	137	58.3
	Female	98	41.7
	Total	235	100.0
Age	Below 25 years	93	39.6
	26 to 40 years	87	37.0
	41 to 50 years	43	18.3
	Above 51 years	12	5.1
	Total	235	100.0
Education	Up to intermediate	6	2.6
	Bachelors	128	54.5
	Masters or above	101	43.0
	Total	235	100.0

Table 3 presents a comprehensive overview of the demographic characteristics of our study participants, providing valuable insights into the composition of our sample. The gender distribution indicates that 58.3% of the participants identify as male, while 41.7% identify as female. This distribution reflects a slight majority of male participants in our study, allowing us to consider potential gender-related nuances in the subsequent analyses.

Examining the age distribution shows a diverse participant base. The majority, 39.6%, falls below 25 years, followed by 37.0% in the 26 to 40 years bracket, 18.3% in the 41 to 50 years range, and 5.1% above 51 years. This wide age range allows for a comprehensive exploration of saving behaviors across different life stages.

Educational background of participants is varied, with 2.6% having up to intermediate education, 54.5% holding bachelor's degrees, and 43.0% possessing master's degrees or above. This diversity in educational levels within our sample enriches the study by capturing perspectives from individuals with different levels of academic attainment. The demographic information highlights a diverse and representative sample in terms of gender, age, and education. This diversity provides a robust foundation for exploring the influence of financial literacy, parental, self-control, and peer factors on saving behavior across a broad spectrum of individuals in our study.

4.1.2 Descriptive Analysis

This section undertakes an exhaustive descriptive analysis to unveil the inherent characteristics and patterns ingrained in the dataset. Employing statistical metrics and graphical representations, the study aims to present a nuanced depiction of the essential variables constituting the nucleus of the investigation. By scrutinizing diverse dimensions, encompassing financial literacy, parental influence, self-control, peer factors, and notably, saving behavior, the objective is to provide a meticulous snapshot of the observed phenomena.

Table 4

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Literacy	235	1.86	5.00	3.6640	.82862
Parental Socialization	235	1.43	4.71	3.3955	.60203
Peer Influence	235	1.60	5.00	3.7140	.87135
Self-Control	235	2.00	5.00	3.6813	.78867
Saving Behavior	235	1.86	5.00	3.6865	.77233

Table 4 provides crucial descriptive statistics, presenting a thorough synopsis of the central tendencies and variability among the principal variables investigated in our research. Upon analysis of the financial literacy data, it is observed that the mean score is 3.6640, with a standard deviation of 0.82862. The scores range from 1.86 to 5.00. In a

similar vein, the scores obtained for parental socialisation vary between 1.43 and 4.71, with an average score of 3.3955 and a standard deviation of 0.60203. The range of peer influence scores is 0.87135, with a mean of 3.7140 and a standard deviation of 5.00. The scores fall from 1.60 to 5.00.

The variable self-control exhibits a standard deviation of 0.78867 and a range of 2.00 to 5.00, with an average score of 3.6813. In conclusion, the ratings for saving behaviour vary between 1.86 and 5.00, with an average of 3.6865 and a standard deviation of 0.77233. The aforementioned statistics furnish a comprehensive comprehension of the attributes and distribution of every variable, establishing a strong basis for subsequent examinations, interpretations, and revelations regarding the complex mechanisms that impact the saving behaviour of the participants in our research sample.

4.1.3 Pearson’s Correlation Analysis

To find out the relationships among key variables, the study employs Pearson’s Correlation Analysis in this section. This statistical methodology allows the to quantify the strength and direction of linear associations between variables, unraveling potential connections that contribute to the intricate web of factors influencing saving behavior.

Table 5

Correlations Matrix

	Financial Literacy	Parental Socialization	Peer Influence	Self- Control	Saving Behavior
Financial Literacy	1				
Parental Socialization	.245**	1			
<i>P-value</i>	.000				
Peer Influence	.928**	.204**	1		
<i>P-value</i>	.000	.002			
Self-Control	.847**	.114	.904**	1	
<i>P-value</i>	.000	.081	.000		
Saving Behavior	.898**	.136*	.939**	.954**	1
<i>P-value</i>	.000	.037	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 5 presents the correlation matrix, unveiling the relationships between the key variables in our study. These correlations, calculated through Pearson's correlation coefficient, offer valuable insights into the strength and direction of associations among the variables. Financial literacy demonstrates a positive correlation with parental socialization ($r = 0.245$, $p < 0.01$), indicating a modest but statistically significant relationship. Notably, a strong positive correlation emerges between financial literacy and peer influence ($r = 0.928$, $p < 0.01$), underscoring a highly significant and robust association. Similarly, self-control exhibits a strong positive correlation with financial literacy ($r = 0.847$, $p < 0.01$) and a moderate correlation with peer influence ($r = 0.904$, $p < 0.01$). Saving behavior displays a strong positive correlation with financial literacy ($r = 0.898$, $p < 0.01$), emphasizing the considerable influence of financial knowledge on saving habits. It is important to remember that these correlations offer insightful information about how different variables interact, laying the groundwork for comprehending the intricate dynamics influencing saving behaviour. The significance levels add to the overall depth of our study's findings by highlighting the strength of these connections even further.

4.1.4 Regression Results

This section employs regression analysis to explore the intricate dynamics between the independent variables (financial literacy, parental influence, self-control, and peer factors) and the dependent variable of saving behavior. Regression results provide a quantitative framework, allowing us to discern the magnitude and significance of the impact each variable holds on the outcome. By unraveling these relationships, the study aims to contribute to a more comprehensive understanding of the factors that play a pivotal role in shaping individuals' saving behavior.

Table 6*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973	.946	.945	.18031

Predictors: (Constant), Self-Control, Parental Socialization, Financial Literacy, Peer Influence

Table 6 presents the model summary, providing a comprehensive overview of the effectiveness and explanatory power of the regression model. The model includes predictors. The correlation coefficient (R) for the model is 0.973, indicating a strong positive relationship between the predictors and the dependent variable (Saving Behavior). The coefficient of determination (R Square) is 0.946, suggesting that approximately 94.6% of the variability in saving behavior can be explained by the combination of Self-Control, Parental Socialization, Financial Literacy, and Peer Influence.

The Adjusted R Square, accounting for the number of predictors and sample size, is 0.945. This adjusted value provides a more accurate reflection of the model's explanatory power. The standard error of the estimate, measuring the accuracy of predictions, is 0.18031.

R Square value indicates that the included predictors collectively contribute significantly to explaining the variance in saving behavior. This model shows a valuable indicator of the strength and reliability of the regression model, emphasizing its effectiveness in capturing the complex interplay of self-control, parental influence, financial literacy, and peer factors in shaping individuals' saving behavior.

Table 7*ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	132.101	4	33.025	1015.813	.000
	Residual	7.478	230	.033		
	Total	139.578	234			

a. Dependent Variable: Saving Behaviour

b. Predictors: (Constant), Self-Control, Parental Socialization, Financial Literacy, Peer Influence

Table 7 shows the results of the analysis of variance, offering a comprehensive assessment of the statistical significance of our regression model and its individual predictors—Self-Control, Parental Socialization, Financial Literacy, and Peer Influence—in explaining the variance in Saving Behavior. The highly significant F-statistic of 1015.813 with a p-value of .000 in the Regression section underscores the collective impact of these predictors on the dependent variable.

This suggests that the variation in Saving Behavior can be attributed to the joint influence of the selected factors. The Residual section, representing unexplained variance, indicates minimal residual error. The overall ANOVA results confirm the robustness and significance of our model, providing statistical validation for the interconnected roles of self-control, parental influence, financial literacy, and peer factors in shaping individuals' saving behavior.

Table 4.6 provides the coefficients for the regression model, offering insights into the individual contributions of Financial Literacy, Parental Socialization, Peer Influence, and Self-Control to the prediction of Saving Behavior. The constant term, representing the baseline value when all predictors are zero, is 0.280 with a standard error of 0.084, and it is statistically significant ($t = 3.342$, $p = 0.001$). Moving to the predictors, Financial Literacy has a positive unstandardized coefficient of 0.158, indicating that for a one-unit increase in financial literacy, there is an associated increase in Saving Behavior by 0.158 units ($t = 4.077$, $p < 0.001$).

Table 8

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	.280	.084		3.342	.001
Financial Literacy	.158	.039	.169	4.077	.000
Parental Socialization	-.034	.021	-.027	-1.653	.100
Peer Influence	.248	.045	.280	5.487	.000
Self-Control	.550	.036	.561	15.423	.000

Dependent Variable: Saving Behaviour

Peer Influence also exhibits a positive coefficient of 0.248 ($t = 5.487$, $p < 0.001$), implying that greater peer influence is associated with higher Saving Behavior. Self-Control emerges as a substantial predictor with a positive coefficient of 0.550 ($t = 15.423$, $p < 0.001$), signifying a significant positive impact on Saving Behavior. Notably, Parental Socialization has a negative coefficient of -0.034, although not statistically significant ($t = -1.653$, $p = 0.100$).

The positive coefficient of financial literacy suggests that it is a major predictor of saving behaviour. This emphasises the significance of supporting financial education programmes to improve people's knowledge and comprehension of financial concepts, which may result in more responsible and informed financial decision-making. Peer interactions are thought to have a significant influence on saving behaviour, as seen by the positive coefficient linked to peer influence. Financial institutions could use this knowledge to create incentives or financial programmes with a social focus that take use of social networks' power to encourage people to develop sound financial practices.

The positive coefficient of Self-Control indicates the significant influence of self-discipline in financial decision making. This conclusion is especially pertinent to people who want to strengthen and develop their self-control mechanisms in order to enhance their financial well-being. Parental Socialisation was included in the study even though it did not demonstrate statistical significance in this model, indicating that parents may have an impact on their children's financial behaviour. Identifying and comprehending these factors might be crucial in customising financial literacy initiatives and remediations. To sum up, the knowledge gained from the regression model coefficients adds to the field of financial studies by providing useful guidance for creating financial education programmes that work, customising interventions to take advantage of peer pressure, and highlighting the critical role that self-control plays in encouraging wise saving practices. These results can inform personal financial planning as well as the creation of public policies and programmes that promote financial well-being more broadly.

4.1.5 Major Findings

The study has following major findings:

- Financial Literacy has a Cronbach Alpha of 0.849.
- Parental Socialization has a Cronbach Alpha of 0.633.
- Peer Influence has a Cronbach Alpha of 0.832.

- Self-Control has a Cronbach Alpha of 0.881.
- Saving Behavior has a Cronbach Alpha of 0.829.
- The overall reliability of the variables is high, with a total Cronbach Alpha of 0.946.
- The gender distribution indicates that 58.3% of the participants identify as male, while 41.7% identify as female.
- Examining the age distribution shows a diverse participant base. The majority, 39.6%, falls below 25 years, followed by 37.0% in the 26 to 40 years bracket, 18.3% in the 41 to 50 years range, and 5.1% above 51 years.
- Educational background of participants is varied, with 2.6% having up to intermediate education, 54.5% holding bachelor's degrees, and 43.0% possessing master's degrees or above.
- There is a strong positive correlation between financial literacy and saving behavior ($r = 0.898$, $p < 0.01$), suggesting that individuals with higher levels of financial literacy tend to exhibit more positive saving behaviors.
- There is a significant positive correlation between parental socialization and saving behavior ($r = 0.136$, $p < 0.05$), indicating that individuals who have been positively influenced by parental socialization regarding financial matters are more likely to engage in better saving behaviors.
- There is a strong positive correlation between peer influence and saving behavior ($r = 0.939$, $p < 0.01$), suggesting that individuals who are influenced by their peers tend to exhibit more positive saving behaviors.
- There is a strong positive correlation between self-control and saving behavior ($r = 0.954$, $p < 0.01$), indicating that individuals with higher levels of self-control are more likely to engage in positive saving behaviors.
- Model summary shows the strength and reliability of the regression model, with an R Square of 0.946, suggesting that 94.6% of the variability in saving behavior is explained by the model.
- ANOVA shows the statistical significance of the regression model.
- Regression results positive coefficients for financial literacy, peer influence, and self-control, indicating their significant positive impact on Saving Behavior.

- There is a significant positive relationship between financial literacy and saving behavior (Beta = 0.169, $p < 0.001$). For every one-unit increase in financial literacy, saving behavior increases by 0.169 units.
- Parental socialization does not have a significant relationship with saving behavior (Beta = -0.027, $p > 0.05$). The coefficient is negative, but it is not statistically significant.
- There is a significant positive relationship between peer influence and saving behavior (Beta = 0.280, $p < 0.001$). For every one-unit increase in peer influence, saving behavior increases by 0.280 units.
- There is a significant positive relationship between self-control and saving behavior (Beta = 0.561, $p < 0.001$). For every one-unit increase in self-control, saving behavior increases by 0.561 units.
- Findings shows that financial literacy, peer influence, and self-control are significant predictors of saving behavior.

4.2 Discussion

Several research (Jamal et al., 2015, 2016; Ningsih et al., 2018; Hartono & Isbanah, 2022) have continuously highlighted the importance of family influence, including parental socialisation, in influencing saving behaviour. This is consistent with the idea that early financial socialisation and family factors play an important role in shaping financial habits and attitudes. Financial literacy has a favourable impact on saving behaviour, according to several studies (Jamal et al., 2015, 2016; Kadir and Jamaluddin, 2020; Peiris, 2021; Hartono and Isbanah, 2022). Individuals that are financially literate have more positive attitudes and behaviours towards money. This lends credence to the notion that increasing financial literacy leads to more responsible financial decisions. Mpaata et al. (2021, 2023) find that self-control plays a moderating effect in the link between financial literacy and saving behaviour. Individuals with lower self-control may require more financial literacy to positively affect their saving habits. This insight emphasises the need of taking into account individual differences when constructing financial education programmes. Some studies (Jamal et al., 2015, 2016; Peiris, 2021) look into how financial attitude influences the relationship between financial literacy and saving behaviour. While there is a favourable relationship between financial literacy and financial attitude, the mediation function is not always supported. This demonstrates that the relationship is complex and multifaceted.

While some studies (Jamal et al., 2015, 2016) emphasise the relevance of peer influence in shaping saving behaviour, others (Hartono and Isbanah, 2022) argue that peer impact may be less important than family influence. The various findings suggest that the impact of peers on saving behaviour is context-dependent and impacted by other factors. The findings of many studies differ on whether financial attitude mediates the association between financial literacy and saving behaviour. Jamal et al. (2015, 2016) find no mediation, however Peiris (2021) suggests a favourable mediation effect. These inconsistencies show that attitude's mediating role is not uniformly established and may be influenced by context. Ndou (2023) investigates the role of parental income in mediating the connection between parental financial supervision and financial literacy. This innovative element proposes that economic factors inside the home context can alter the efficacy of parental financial guidance. This contrasts with other research, which focus on the direct impact of family participation.

The research reveal that a variety of moderators influence the link between financial literacy and saving behaviour, including self-control (Mpaata et al., 2021, 2023), gender and self-control (Faramida et al., 2023), and parental income (Ndou, 2023). These different moderating factors underline the need of recognising individual differences as well as contextual influences. However, the function of peers, the mediating effect of financial attitude, and the influence of moderators such as parental income add complexity and heterogeneity among research. These findings highlight the importance of tailored and context-specific interventions in financial education and policy development to promote responsible saving behaviour.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Providing a contribution to the understanding of individual financial decision-making is the purpose of the study, which aims to investigate the myriad of factors that influence saving behaviour. In order to guarantee the credibility of the constructs that were being investigated, the research started off with a comprehensive analysis of the reliability and validity of the measurement instruments. Information about the participants' demographics offered a nuanced perspective on the individuals who took part in the research, which enabled researchers to gain insights into the potential differences in saving behaviour among the various groups. In addition to providing a comprehensive overview of the characteristics of the participants, descriptive statistics shed light on the core tendencies and variability that exist within key variables. In order to provide a basis for understanding the linked dynamics that exist within the financial landscape, correlation analysis was utilised to uncover substantial correlations between financial literacy, parental socialisation, peer influence, self-control, and saving behaviour.

For the purpose of clarifying variations in saving behaviour, the regression model, which was supported by the findings of the ANOVA, displayed a high degree of explanatory power. It highlighted the combined impact of financial literacy, peer influence, and self-control. Particularly noteworthy is the fact that financial literacy was found to be a reliable predictor, which highlights the significance of having financial education programmes. The importance of social dynamics and individual discipline in the process of making financial decisions was highlighted by the fact that peer influence and self-control played crucial roles in the investigation. Although the current model did not find any statistically significant evidence of parental socialisation, the fact that it was recognised calls for additional investigation and refining of the model in subsequent research. Particular insights into the amount and direction of each predictor's impact on saving behaviour were offered by the coefficients derived from the regression model. These insights guided the development of focused interventions and methods for financial education.

5.2 Conclusion

This study has looked into the complicated web of factors that affect people's saving habits. It has shown how financial knowledge, family socialisation, peer pressure, and self-control all work together to affect people's financial choices. These changes have been thoroughly looked into in the study, which has led to new ideas that can be used in both scholarly research and personal finance.

The high validity and dependability of the measuring tools used in the study adds to the credibility of our results. The descriptive statistics and correlation analyses have given us a rich picture of the characteristics of the participants and the connections between important variables. This has helped us gain a deeper knowledge of the complicated financial landscape. With the help of ANOVA data, the regression model has shown to be a reliable way to figure out how financial knowledge, peer relationships, and self-discipline all affect saving behaviour. The found predictors have real-world effects on people who want to improve their financial situation and on financial institutions and politicians who want to make good financial education programmes and interventions.

The analysis of both correlation and regression data provides vital insights into the elements that influence individuals' saving behaviour. The correlation matrix shows that financial literacy ($r = 0.898$, $p < 0.01$), peer influence ($r = 0.939$, $p < 0.01$), and self-control ($r = 0.954$, $p < 0.01$) all have a significant positive correlation with saving behaviour. This suggests that individuals with higher levels of financial literacy, peer influence, and self-control are more likely to engage in positive saving behaviours. Parental socialisation has a weak connection with saving behaviour ($r = 0.136$, $p < 0.05$), but is not statistically significant in the regression model. The regression model identifies financial literacy (Beta = 0.169, $p < 0.001$), peer influence (Beta = 0.280, $p < 0.001$), and self-control (Beta = 0.561, $p < 0.001$) as significant predictors of saving behaviour. Saving behaviour improves by 0.169, 0.280, and 0.561 units for every one unit increase in financial literacy, peer influence, and self-control. These findings highlight the importance of financial literacy, peer dynamics, and self-regulatory abilities in shaping individuals' saving behaviours, as well as potential interventions and educational initiatives to promote financial well-being and responsible financial decision-making.

The study's finding that knowing about money, peer pressure, and self-control are all important factors in motivating people to save money leads to a call for focused

educational programmes and interventions. These could give people the information they need to make smart financial choices, help them make friends who are good for them, and help them be more self-disciplined so they can do better financially.

5.3 Implications

The study's findings have a number of consequences for leaders, educators, financial institutions, and individuals who want to encourage positive saving behaviour and financial health. The regression model identifies financial knowledge, peer influence, and self-control as important determinants of saving behaviour. As a result, authorities and financial institutions should create policies and programmes that encourage these variables among individuals. For example, rewarding participation in financial literacy programmes, creating supportive peer contexts for financial learning and decision-making, and providing tools and resources to improve self-regulation can all help to improve saving habits and general financial health.

The lack of a substantial association between parental socialization and saving behaviour highlights the need for additional study to better understand the role of family dynamics in developing financial behaviours. While parental socialisation may not directly influence saving behaviour in this model, it is still an important aspect in overall financial socialisation and may have an indirect impact on financial attitudes and behaviours via other routes. As a result, attempts to assist parents in instilling strong financial ideals, attitudes, and behaviours within the family unit should be encouraged.

The findings of this study carry significant implications for various stakeholders, including individuals, financial institutions, policymakers, and educators. These implications underscore the importance of understanding and addressing key factors influencing saving behavior for the promotion of financial well-being. The study has following implications:

For Individuals

- The positive impact of financial literacy on saving behavior highlights the importance for individuals to invest in improving their financial knowledge. Engaging in financial education programs and seeking to enhance one's understanding of financial concepts can empower individuals to make informed decisions about saving and investing.

- Recognizing the influence of peer dynamics on saving behavior suggests that individuals may benefit from understanding and leveraging positive social influences.
- The substantial role of self-control emphasizes the need for individuals to cultivate and strengthen their self-discipline.

For Financial Institutions:

- Financial institutions can use the insights from this study to design and offer tailored financial products that align with the identified influential factors.
- Recognizing the impact of financial literacy, institutions can play a pivotal role in fostering financial education.
- Policymakers can utilize these findings to inform the development of policies aimed at promoting financial literacy and responsible saving behaviors.

For Future Research

- Recognizing the impact of peer influence, educators can explore innovative ways to incorporate social learning platforms into financial education initiatives. Future researcher can use information for more exploration on this field.

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APPENDIX

(Questionnaire)

Dear Respondents,

I'm Laxmi Dahal, and I am currently conducting research for my academic degree Masters in Business Studies that requires the participation of individuals like you. The purpose of this study is to gain valuable insights EXPLORING THE INFLUENCE OF FINANCIAL LITERACY, PARENTAL, SELF-CONTROL, AND PEER FACTORS ON SAVING BEHAVIOR. Your input and perspective are essential in helping us better understand output of the study.

Your participation in this study is entirely voluntary, and you are under no obligation to take part. However, your insights are highly valuable to us, and we would greatly appreciate your cooperation. If you have any questions or concerns about the study or the questionnaire, please do not hesitate to contact me. Additionally, if you know of anyone else who might be interested in participating, please feel free to share the questionnaire link with them. Thank you very much for considering taking part in this research study. I genuinely appreciate your time and effort.

Researcher,

Laxmi Dahal

Section A: Demographics

- 1) Gender
 - Male
 - Female
- 2) Age
 - Below 25 years
 - 26 to 40 years
 - 41 to 50 years
 - Above 51 years
- 3) Academic qualification
 - Up to intermediate
 - Bachelors level
 - Masters and above

Section B

Please read the following instruction carefully and tick (✓) on the appropriate option.

Instruction: 1. Strongly Disagree (SD) 2. Disagree (D) 3. Netural (N) 4. Agree (A) 5. Strongly Agree (SA)

S.N	Statements	SD	D	N	A	SA
		1	2	3	4	5
A.	Financial Literacy					
1	I feel confident in my ability to invest my money wisely.					
2	I possess knowledge about effective credit management.					
3	I have a clear understanding of my financial needs for retirement.					
4	I can maintain accurate financial records for my income and expenses.					
5	I encounter minimal difficulties in managing my finances.					
6	I have a good grasp of various financial instruments, such as bonds, stocks, and T-bills.					
7	I can create a weekly or monthly budget for myself.					
B.	Parental Socialization					
1	I frequently engage in conversations about money management with my parents.					

2	I appreciate it when my parents exercise control over my spending habits.					
3	It is beneficial when my parents hold onto my money at times to encourage saving.					
4	My parents take pride in my efforts to save money.					
5	I value the financial advice my parents offer me.					
6	My motivation to save money is influenced by the belief that my parents shouldn't pay for unnecessary expenses I desire.					
7	My parents instilled the habit of saving in me from a young age.					
C.	Peer Influence					
1	Some of my friends are known to regularly save money in a savings account.					
2	I frequently engage in discussions about money management, particularly saving, with my friends.					
3	I often compare my saving and spending habits with those of my friends.					
4	Spending leisure time is typically accompanied by my friends.					
5	I frequently partake in financial activities, such as spending money, with my friends.					
D.	Self-Control					

1	I derive enjoyment from spending money on items that may not be practical.					
2	When I receive money, I tend to spend it immediately, usually within one or two days.					
3	The phrase "I see it, I like it, I buy it" accurately depicts my spending behavior.					
4	The mantra "Just do it" describes my approach to making purchases.					
5	"Buy now, think about it later" aligns with my spending tendencies.					
6	I am easily enticed by alluring offers or products.					
7	I frequently struggle to control my spending impulses.					
8	When I set saving goals for myself, I often find it challenging to achieve them.					
9	I am more focused on short-term outcomes than long-term ones.					

Saving Behavior

S. N	Statements	SD	D	N	A	S A
1	Before making a purchase, I often compare prices as a means of saving.					
2	When contemplating a purchase, I frequently consider whether it's a genuine necessity.					

3	The creation and adherence to a monthly budget are common practices for me.					
4	I typically maintain a financial safety net for emergencies.					
5	As part of my saving strategy, I plan to reduce my overall spending.					
6	I save money with specific goals or objectives in mind.					
7	It is my practice to save until the end of a semester or similar timeframes.					

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ABSTRACT The study objectives in to explore the relationship the relationship and effect of financial literacy, parental socialization, peer influence and self-control on saving behaviour of youths. Descriptive and causal research design is employed in the study on primary data from 235 youths. Non- Probability, convenience-based sampling technique is proposed to use. 235 youths were population. Employing a rigorous methodology that includes reliability and validity assessments, demographic analyses, and statistical techniques such as correlation analysis and multiple regression modeling, the research uncovers significant insights. Financial literacy emerges as a robust predictor, emphasizing the importance of financial education initiatives, while peer influence and self-control play pivotal roles, underscoring the significance of social dynamics and individual discipline in financial decision-making. The study's implications extend to individuals, financial institutions, policymakers, and educators, providing actionable insights for fostering financial well-being. In conclusion, this research contributes valuable knowledge to the field of personal finance, offering a nuanced understanding of saving behavior determinants and practical guidance for promoting financial resilience and informed decision-making. Keywords: Financial behavior, financial education, financial literacy, parental socialization, peer influence i

CHAPTER I INTRODUCTION 1.1 Background of the Study Financial decision-making and saving behavior are critical aspects of an individual's financial well-being. The way people save money can have a profound impact on their financial security, future