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The Impact of Parental Financial Socialisation on Financial Decision-Making of Young Black African Adults in Rural and Low-Income Area in South Africa#

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ABSTRACT

This study investigated the impact of parental financial socialisation on financial decision-making of young black African adults in rural and low-income area in South Africa. Data was collected through self-administered questionnaire from 423 young black African adults in Fetakgomo Tubatse and Intsika Yethu local municipalities, low-income and rural areas in South Africa. Multiple regression analysis was used to test the relationship between parental financial behaviour, parental financial monitoring, parental financial discussion, parental financial communication, and parental financial teaching with financial decision-making. The results indicated that parental financial communication had a significant positive relationship with financial decision-making. While parental financial behaviour, parental financial monitoring, parental financial discussion, and parental financial teaching had no positive relationship with financial decision-making. Therefore, the overall results indicated that parental financial socialisation has no impact on financial decision-making of young black African adults in rural and low-income area in South Africa. This study provided recommendations to parents, young black African adults, financial educators, financial services institutions, and financial counsellors.

Keywords: Young Black African Adults, Parents, Financial Decision-Making, Parental Financial Socialisation

JEL Classifications: D14, G51, G53

This study is based on the PhD's thesis entitled "The influence of parental financial socialisation on financial literacy of young black African adults in rural and low-income area in South Africa" of the corresponding author.

1. INTRODUCTION

Parental financial socialisation impact on financial decision-making of young black African adults has never been important than now. This is coupled by the fact that children learn the foundation and basics of life at home before other formal learning, such early childhood development, high schools, and tertiary education. Parents are at the forefront of early childhood financial socialisation and the importance to determine the influence of parents on financial decision-making of young adults cannot be overemphasized (Lep et al., 2022). South Africa is experiencing high debt levels among young adults with a high number of young adults applying for debt review programme offered by debt counsellors (Sallie, 2015). Black African consumers have low levels of knowledge regarding issues such as bad debts and are more likely to experience problems in financial decision-making than other racial groups (Antoni, 2018). Additionally, black African consumers in rural and low-income area are more likely to be exploited by informal lenders commonly referred to a loan sharks or mashonisa due to minimal access to financial products, credit facilities from financial institution and poor financial decisions (FinMark Trust, 2019). Thus, young black African adults in low-income and rural areas are financial vulnerable due to increasingly high debt levels, lack of financial knowledge and poor financial decision-making (Opoku, 2015).

The situation and challenges faced by individuals in low-income areas makes the process of financial decision making more complex and different to those in middle and high-income area (Collins, 2005). A study by Flores (2014) found poor financial decisions among young adults in low-income area. Less educated and low-income respondents display low levels of financial decision-making (Nanziri and Olckers, 2019). According to Cameron et al. (2014) young adults from financially poor background exhibit high level of financial challenges as are confronted with complex financial decisions with little space to maneuver before becoming adults. People who make sound financial decisions are more likely to hedge against financial and economic risks and improve their household's welfare. Thus, improving young black African adults' financial decision-making has therefore become very important.

Parents are considered as the greatest financial socialisation agent and moulder of children's financial decision-making (Kim and Chatterjee, 2013; Mohamed, 2017). Thus, parental financial socialisation is an important tool that can prevent young adults from falling into financial problems and improves their financial decision-making. However, parents from black families and those in rural and low-income areas raise and socialise their children differently from those other races in urban and high-income areas. Therefore, it is imperative for this study to determine the influence of parental financial socialisation on young black African adults' financial decision-making in rural and low-income area. Despite the importance of parental financial socialisation in enhancing financial decision-making, studies in parental financial socialisation remained very scanty. Parents play an important role in children upbringing and are able to influence children's behaviour (Clarke et al., 2005), but little is known about their influence on financial decision-making of black young adults in rural and low-income area. Therefore, study is of national importance to South Africa and to the international community because it intends to fill the gap in literature which according to the researcher's knowledge has been ignored for a very long time, as there seems to be no study that investigate the influence of parental financial socialisation on young black African adults' financial decision-making in rural and low-income area in South Africa. The only few notable studies were conducted by Nomlala (2021), Antoni and Saayman (2021), Antoni et al. (2019), Antoni (2018) and Sallie (2015). Nomlala (2021) investigated financial socialisation of accounting students in South African universities. Antoni and Saayman (2021) determined the influence of financial socialisation mechanisms on the levels of financial literacy of young financial professionals. Antoni et al. (2019) examined the influence of parental financial socialisation techniques on financial behaviour of students.

The current study contributed to the body of knowledge differently to these studies because it focused on parental financial socialisation of young black African adults in rural and low-income area. While these studies focused on general financial socialisation of accounting students, young financial professionals, and general students. This unintentionally left out young adults who are not employed nor in schools and universities. Moreover, these studies focus was not on parental financial socialisation but general financial socialisation, which included socialisation agents such as media, peers and friends, and schools. This confirms the researcher view, after comprehensive review of literature that parental financial socialisation studies in rural and low-income areas are scant. The current study focused on rural and low-income area in South Africa to investigate the influence of parental influence on financial decision-making of young black African adults. The remainder of this article is structured as follows: Sections 2 provides literature review. Section 3 explores conceptual model and hypotheses of the study. Section 4 covers methods used to conduct the study. Section 5 presents empirical results of the study. Section 6 provides conclusion and recommendations.

2. LITERATURE REVIEW

Financial decisions nowadays are more complex for young adults than in the past and are likely to have considerable consequences for young adults' life pathways, well-being, and wealth (Sirsch et al., 2020). Financial decision making is a subject of locus of control, which focus on how people view the world which later affects their beliefs and shape their perception, through external and internal extremes (Grable et al., 2009). Thus, it is more likely that two people given the same set of financial information would make different financial decisions based on whether their locus of control is more external or internal. An individual with a strong external locus of control views external forces and events as the main influencers of their actions, decisions, and behaviour. They often believe that fate, luck, and chance are the main contributors of life events (Grable et al., 2009). Excessive gamblers are appropriate example, because they think they will make a fortune even though they are getting deeper into debt. These individuals are more likely to be impulsive and often make unnecessary expenditures and attribute the blame to someone else, for example they will buy things and say they would have not bought it if it was not on special or would even blame the salesperson. In contrast individuals with strong internal locus of control often believe that they have the skills, abilities, and knowledge to control outcomes experienced in their lives. Thus, they are goal driven and are more likely to show responsible financial decision-making skills (Grable et al., 2009).

Financial decision-making is an important element of financial literacy and achieving sustainable financial well-being. Thus, young black African adults need to make sound financial decisions to avoid financial problems and to effectively manage finances. The financial decisions of the young black African adults are likely to be influenced by those with whom they interact. Young adults usually spend more time with their parents and follow their decision patterns. That means that parents are in a better position to guide financially socialise young adults about financial decisions (Ullah and Yusheng, 2020). Parents are important socialisation agents that help in improving financial decision-making among adults. Since young adults are in the transition stage to adulthood, any financial practices and repetitive exposures can benefit them to become more independent in making decisions, experiencing money management and in managing their own financial resources effectively (Moreno-Herrero et al., 2018). McNeil and Turner (2013) emphasised that the relationship is very strong, specifically within the area of financial habits and financial decision-making skills. Thus, financial socialisation is very important in young adults' life to transition effectively to adulthood.

Financial socialisation is the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviours that contribute to financial viability and individual well-being (Danes, 1994). Parental financial socialisation is a development of socialisation process where the parents transfer knowledge and skills on financial matters either intentional or unintentionally that shape, develop skills, knowledge, attitude, and financial practices of young adults (Bakar and Bakar, 2020). Parents are at the core of these processes through direct and indirect communication, both in their spoken words and in their patterned behaviours as a direction to follow. However, greater understanding is needed about how young black African adults interpret that communication and how their interpretation contributes to the continual developments of their financial decision-making. This study measures parental financial socialisation influence on young black African adults' financial decision-making through parental financial behaviour, parental financial monitoring, parental financial discussion, parental financial communication, and parental financial teaching.

Parental financial behaviour has been acknowledged as a major component of parental financial socialisation. Jorgensen et al. (2017) found that individuals who have more opportunities to interact and observe parents perform better in making financial decisions. Rea et al. (2019) indicated that financially socialised individuals perform better in making sound financial decisions in their adulthood and achieve financial well-being. Observing their parents' financial activities, getting involved in family financial practices and joining them in making household financial decisions, young adults will gain valuable knowledge and experience in managing financial affairs and making sound financial decisions (Sinha et al., 2018).

Through parental financial monitoring young adults are given the opportunity to apply their financial skills, and have better understanding on financial transactions, money management and financial decision-making (Bakar and Bakar, 2020). Thus, parental financial monitoring has an impact on financial decision-making of young adults. Monitoring the use of money of children at a young age will instil sound financial decision-making, significant intentions, and amount of money to save when children grow up and become adults (Bucciol and Veronesi, 2014). Parents who get their children actively involved in household financial activities through financial monitoring may encourage their children to apply positive financial decisions in day-to-day financial activities (Danes and Yang, 2014).

Financial discussion with parents enables self-governing skills in individuals which enables them to face financial difficulties more confidently due to the confidence they gained by discussing and observing their parents on financial matters and financial decision-making. Moreover, individuals who discuss and observe the financial decision-making patterns of their parents, improve their financial well-being (Ullah and Yusheng, 2020). Financial knowledge, skills and attitudes acquired or transmitted from parents, specifically through financial discussion are considered ultimate influence towards young adult's financial decision-making.

Parental financial communication is linked with positive financial outcomes in adulthood (Isomidinova and Singh, 2017). The more parents talk about money matters with their children, the more knowledgeable will their children feel about finances and are more likely to make healthy financial decisions which will prevent financial problems in the future. Bucciol and Veronesi (2014) found that young adults who did not receive any parental financial guidance during their early age, will take longer to make financial decisions regarding saving and to save compared to those who have received early exposure from their parents. Perceived financial communication has been identified as effective way for parents to socialise and develop positive financial decisions and healthy financial behaviours of young adults (Shim et al., 2015).

Parental financial teaching has been found to have an impact on financial decision-making of young adults. The roles played by parents regarding financial activities and indirect teaching, influence the financial outcomes of youth and are positively significant to sound and healthy financial decision-making (Bakar and Bakar, 2020). Parents also actively influence their children to make better financial decisions and learn about finance by trying to install good behaviour in their children (Grohmann et al., 2015). Any financial information received from parents either intentionally or unintentionally positively and significantly increases healthy financial decisions and financial practices of young adults. Active parental financial teaching is a positive predictor to better financial decisions in adulthood. Norvilitis and MacLean (2010) found that parental facilitation has a strong positive effect on credit card debt and decrease in the use of credit among young adults. Thus, young adults through parental financial teaching are able to make sound financial decisions in relation to credit card debt.

3. CONCEPTUAL MODEL AND HYPOTHESES OF THE STUDY

The family financial socialisation theory (Gudmunson and Danes, 2011) was adopted in this study in order to develop hypotheses and conceptual model. The family financial socialisation theory drew from the consumer socialisation model (Moschis and Churchill, 1978) to incorporate family characteristics, and family interactions and relationships to financial socialisation. The family financial socialisation theory is cognisant of the various family characteristics, such as family size and socioeconomic status, as predictors of financial outcome through their association with family socialisation process. Figure 1 indicates the conceptual model and four hypotheses of the study.

As depicted in Figure 1 the following hypotheses were developed:

H_1: There is a significant positive relationship between parental financial behaviour and financial decision-making.
H_2: There is a significant positive relationship between parental financial monitoring and financial decision-making.
H_3: There is a significant positive relationship between parental financial discussion and financial decision-making.
H_4: There is a significant positive relationship between parental financial communication and financial decision-making.
H_5: There is a significant positive relationship between parental financial teaching and financial decision-making.

4. RESEARCH AND METHODOLOGY

This study used quantitative research design, as it allows researcher to collect data in such a way that data are easy to quantify, allowing for statistical analysis (Patten and Newhart, 2018). A survey was conducted to collect data through self-administered questionnaire which were distributed by fieldworkers to respondent's homes for completion. Respondents in this study were young black African adults in Fetakgomo Tubatse and Intsika Yethu municipalities, a rural and low-income area in South Africa. These municipalities are the ones with the highest level of poverty and highly classified as B4 municipalities, which means they are mainly rural. Young black African adults in rural and low-income areas in South Africa are struggling to manage their finances effectively and are over-indebted. The total population for this study was 153 694 young black African adults between the age of 18 and 35 in Fetakgomo Tubatse and Intsika Yethu municipalities. Table 1 shows the population for this study.

Table 1 showed the population of this study for each municipality. This population was used to determine the sample size. In selecting the sample, variables such as homogeneity, the precision with which the researcher wants to make inferences to the population and the level of confidence desired, methods of data collection, research hypotheses, statistical analyses to be used, financial resources, and attrition rate are important (Dhawan, 2010; Brink et al., 2018). The goal is to choose the sample representative of the population. Yamane (1967) provided a formula to calculate sample size. This formula is very simple and has been used by other studies (Dika et al., 2018; Mohammad, 2018) and found to be very effective in determining sample size. The formula to calculate sample size is as follows:

$$n = \frac{N}{1 + N(e)^2} \quad (1)$$

Where:
n=sample size
n=population of the study
e=significance level (0.05 for this study)

$$n = \frac{153694}{1+153694(0.05)^2}$$

$$= \frac{153694}{384,2375}$$

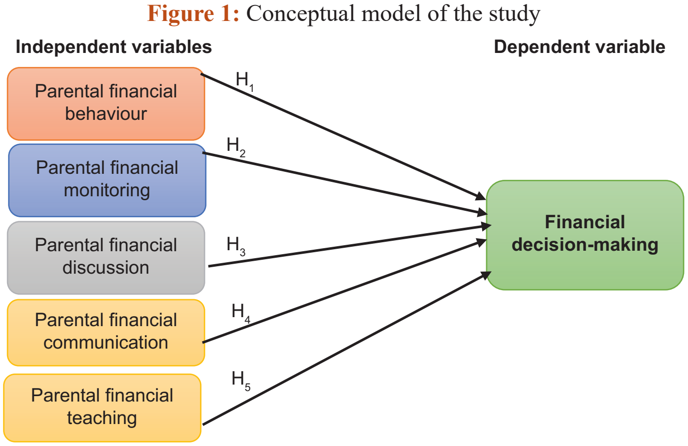
=499,9973
rounded=500

The sample size for each municipality is calculated as a proportionate percentage of the entire population of young black African adults in Fetakgomo Tubatse and Intsika Yethu municipalities. Table 2 indicates sample size for each municipality.

This study designed a sampling procedure to enable data collection which was followed. Cluster sampling, random sampling, proportionate stratified sampling and systematic sampling were used because they afforded all young black African adults in Fetakgomo Tubatse and Intsika Yethu municipalies an equal chance to be included in the sample (Babbie, 2013). Cluster sampling is used to divide and group each municipality into wards, villages, households where young black African adults are visited. Random sampling was used to sample wards from each municipality, where a ward number of each ward is written on a piece of paper, folded, placed in a box and picked one by one until a number of desired wards is reached. Proportionate stratified sampling is used to apportion sample size to each municipality and also to each selected ward based on the population proportion percentage. Simple random sampling is applied again to select villages and households in each ward as young black African adults are visited at their homes to collect data. Thereafter, a systematic sampling method is used, where households are selected per interval. As the first household was selected randomly, a systematical procedure is followed as per the determined interval (Godwill, 2015). A total of 423 young black African adults completed the questionnaire.

This study measured validity and reliability through construct validity and Cronbach alpha. Construct validity was assessed through Exploratory Factor Analysis (EFA) by conducting a Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity. The acceptable value of KMO which is suitable and adequate for EFA

Figure 1: Conceptual model of the study



Source: Author's own compilation

Table 1: Population of black African young adults aged 18-35 years

Municipality	Population
Fetakgomo Tubatse	122,562
Intsika Yethu	31,132
Total	153,694

Source: STATSSA (2011)

is 0.50 and above. While Bartlett's test of sphericity is significant for EFA if the significance value is ($P<0.05$). Factors loadings of ±0.30 to ±0.40 are minimally acceptable, values >±0.50 are generally considered necessary for practical significance (Hair et al., 2014). This study retained a minimum factor loading of. 30 for interpretation. Cronbach alpha was used to measure reliability, as is the most widely used reliability measure of internal consistency (VanderStoep and Johnson, 2009). Cronbach alpha with a score of 0.60 and more were accepted and considered to be reliable (Cohen et al., 2018). Data was analysed further through descriptive statistics and multiple regression. Descriptive statistics described and summarised data by calculating means and standard deviations. Multiple regression was used to test the relationship between parental financial socialisation variables and financial decision-making.

5. EMPIRICAL RESULTS AND DISCUSSION

Descriptive statistics showed that majority of the respondents were from Fetakgomo Tubatse municipality (60%). Majority of the respondents were female (66.7%) between the ages of 18-20 years (28.2%). Most respondents were single (28.8%). Most respondent's parents earn less than R 5 000 (32.2%) and between R 5 000 and R 10 000 (27.8%), while minority earning more than R 20 000 (5.5%). For education, most respondents indicated that their parents hold a matric (28.0%). As for occupation most respondents' parents were general workers (12.5%) and self-employed (12.3%). However, there is a high number of parents who are unemployed (11.0%).

This study used KMO and Bartlett's test of sphericity to assess the suitability of data to conduct EFA. Table 3 shows the results of the KMO and Bartlett's test of sphericity.

Table 3 showed that the KMO for all factors ranged from 0.633 to 0.978, above 0.60. The P-value of the Bartlett's test for all factors ($P=0.000$) is smaller than 0.05, is significant. This result is an indication that the correlation structure of construct is adequate to conduct a factor analysis on the items and that all factors are regarded as valid and reliable.

Table 2: Sample size for municipality

Municipality	Population	Proportionate (%)	Sample size
Fetakgomo Tubatse	122,562	79.74	399
Intsika Yethu	31,132	20.26	101
Total	153,694	100	500

Source: Author's compilation, Fetakgomo Tubatse IDP (2018), Intsika Yethu IDP (2019). IDP: Integrated development plan

Table 4 shows the results of the EFA, reliability by depicting the Cronbach's alphas, and descriptive statistics for the constructs and factors of the study.

Table 4 indicated that six factors were extracted by the EFA, with all items loaded onto the factors as expected, with loadings of above 0.30. The overall factor loadings range from 0.320 to 0.977. The Cronbach's alpha coefficients were above 0.6 and were acceptable and considered reliable. The descriptive statistics provided the means and standard deviation. Regarding the means, majority of respondents agreed with the statements measuring financial decision-making (3.80), parental financial behaviour (3.31), parental financial monitoring (3.23), parental financial discussion (3.12), parental financial teaching (3.03) and disagreed with statements measuring parental financial communication (2.90). The standard deviations of all factors are high, showing that the respondents' responses varied. However, parental financial discussions had the highest standard deviation of 1.38 indicating that the responses varied mostly regarding this factor's statements.

The multiple regression analysis was used in this study. Multiple regression analysis is used when more than one independent variable influences a single dependent variable (Pallant, 2016). Therefore, for this study multiple regression analysis is used to test the relationship between parental financial socialisation variables (independent variables) such as parental financial behaviour, parental financial monitoring, parental financial discussion, parental financial communication, and parental financial teaching and financial decision-making (dependent variable). Table 5 shows the multiple regression analysis.

Table 5 showed that the $R^2=0.287$ which explains the variance of the model contribution of 29%. The significance of the R^2 value is tested through the F-ratio value which is equal to 12.894 which is significant, with a p-value equal to 0.000. The result of the variance inflation factor (VIF) analysis indicates that the VIF values for all variables do not exceed the threshold of a generally accepted value of 10 (Pallant, 2016). This indicated that no multicollinearity issues exist with the variables. The results indicated that parental financial communication ($\beta=0.137$; $P=0.027$) had a significant positive relationship with financial decision-making. This meant that children who received parental financial communication were more likely to make sound financial decisions in adulthood. However, parental financial monitoring

Table 3: Kaiser-Meyer-Olkin and Bartlett's test

Factors of sampling adequacy	KMO measure of sampling adequacy	Bartlett's test of sphericity		
		χ^2	df	Significant
Parental financial behaviour	0.755	833.565	8	0.000
Parental financial monitoring	0.866	3412.603	43	0.000
Parental financial discussion	0.633	329.856	12	0.000
Parental financial communication	0.969	2126.656	14	0.000
Parental financial teaching	0.783	152.687	10	0.000
Financial decision-making	0.978	1234.302	56	0.000

Source: SPSS. KMO: Kaiser-Meyer-Olkin

(β=−0.026; P=0.031) and parental financial discussion (β=−0.144; P=0.025) had a significant negative relationship with financial decision-making. This suggests that young black African adults exposed to parental financial monitoring and parental financial discussion in childhood are likely to have poor financial decision-making in adulthood. The results further indicated that parental financial behaviour (β=0.068; P=0.273), and parental financial teaching (β=0.040; P=0.582) had no significant relationship with financial decision-making.

Considering the results of the multiple regression the decision to accept or reject hypothesis is indicated in Table 6. Therefore, hypotheses H4 is accepted, while H1, H2, H3 and H5 are rejected.

This study produced mixed results in parental financial socialisation field, on one hand in support and on the other hand contradicting the previous empirical studies. The results of this study contradicted the results of previous studies in parental financial behaviour and financial decision-making by indicating that there is no significant positive relationship between parental financial behaviour and financial decision-making. The results differ with previous studies (Jorgensen et al., 2017; Sinha et al., 2018; Rea et al., 2019). Jorgensen et al. (2017) found that individuals who have more opportunities to interact and observe parents perform better in making financial decisions. Sinha et al. (2018) found that observing parents' financial activities, young adults will gain valuable knowledge and experience in managing financial affairs and making sound financial decisions. Rea et al. (2019) indicated that financially socialised individuals perform better in making sound financial decisions in their adulthood and achieve financial well-being. The results of this study further contradicted the results of previous studies (Danes and Yang, 2014; Bucciol and Veronesi, 2014; Bakar and Bakar, 2020) in parental financial monitoring and financial decision-making by indicating that there is a negative relationship between parental financial monitoring and financial decision-making. Danes and Yang (2014) found that children whom their finances were monitored by their parents apply positive financial decisions in day-to-day financial activities in adulthood. Bucciol and Veronesi (2014) showed that monitoring the use of money of children at young age instils sound financial decision-making. Bakar and Bakar (2020) found that parental financial monitoring leads to better understanding of financial transactions, money management and sound financial decision-making by young adults. The results of this study are inconsistent with previous studies in parental financial discussion and financial decision-making by revealing that there is a significant negative relationship between parental financial discussion and financial decision-making. This differs with the results by Ullah and Yusheng (2020) who found that parental financial discussion is the ultimate influence towards young adult's financial decision-making. The results of this study support the results of the previous studies (Shim et al., 2015; Isomidinova and Singh, 2017) in parental financial communication and financial decision-making by indicating that there is a positive relationship between parental

Table 4: Validity, reliability and descriptive statistics results

Factors variables	EFA factor loadings			CA (α)	Descriptive statistics	
	Items	Highest	Lowest		μ	SD
Parental financial behaviour	5	0.945	0.631	0.946	3.31	1.24
Parental financial monitoring	4	0.938	0.419	0.860	3.23	1.17
Parental financial discussion	5	0.879	0.555	0.923	3.12	1.26
Parental financial communication	4	0.927	0.665	0.945	2.90	1.38
Parental financial teaching	6	0.951	0.320	0.909	3.03	1.29
Financial decision-making	4	0.977	0.470	0.826	3.80	1.13

Source: SPSS. EFA: Exploratory factor analysis, SD: Standard deviation

Table 5: Multiple regression analysis for parental financial socialisation and financial decision-making

Independent variables	Dependent variable decision-making financial				
	Standardised coefficient			Collinearity statistics	
	β	t	Significant	Tolerance	VIF
Parental financial behaviour	0.068	1.098	0.273	0.415	2.408
Parental financial monitoring	−0.026	0.481	0.031	0.533	1.878
Parental financial discussion	−0.144	2.244	0.025	0.387	2.584
Parental financial communication	0.137	2.216	0.027	0.418	2.394
Parental financial teaching	0.040	0.551	0.582	0.301	3.320
R^2=0.287; F=12.864; significant=0.000					

Source: SPSS. VIF: Variance inflation factor

Table 6: Hypotheses decision

Hypotheses	Decision
H_1: There is a significant positive relationship between parental financial behaviour and financial decision-making	Reject
H_2: There is a significant positive relationship between parental financial monitoring and financial decision-making	Reject
H_3: There is a significant positive relationship between parental financial discussion and financial decision-making	Reject
H_4: There is a significant positive relationship between parental financial communication and financial decision-making	Accept
H_5: There is a significant positive relationship between parental financial teaching and financial decision-making	Reject

Source: Author's own compilation

financial communication and financial decision-making. Shim et al. (2015) found that perceived financial communication is an effective way for parents to socialise and develop positive financial decisions of young adults. Isomidinova and Singh (2017) found that parental financial communication is linked with positive financial outcomes in adulthood. The results of this study contradicted those of the previous studies on parental financial teaching and financial decision-making by showing that there is no significant positive relationship between parental financial teaching and financial decision-making. Grohmann et al. (2015) showed that parents through financial teaching actively influence their children to make better financial decisions. However, this study results supports that of Ullah and Yusheng (2020) who found that financial socialisation through parents have no direct effect on the financial well-being of adults.

6. CONCLUSION AND RECOMMENDATIONS

This study through multiple regression analysis investigated the impact of parental financial socialisation on financial decision-making of young black African adults in rural and low-income area in South Africa. Parental financial socialisation was measured through parental financial behaviour, parental financial monitoring, parental financial discussion, parental financial communication, and parental financial teaching. The multiple regression analysis results showed that parental financial communication had a significant positive relationship with financial decision-making. While parental financial behaviour, parental financial monitoring, parental financial discussion, and parental financial teaching had no positive relationship with financial decision-making. In fact, parental financial monitoring and parental financial discussion had a significant negative relationship with financial decision-making. Thus, hypothesis H4 was accepted, while hypotheses H1, H2, H3 and H5 were rejected. Therefore, because one hypothesis was accepted, while four hypotheses were rejected, it is concluded that parental financial socialisation has no impact on financial decision-making of young black African adults in rural and low-income area in South Africa.

This study contradicted the results of previous studies that found that parental financial socialisation had an impact of financial decision-making. This indicate that the field of parental financial socialisation still need to be investigated further to understand the impact it has on financial decision-making because financial decision-making is important to young black African adult's financial well-being. Thus, young black African adults must demonstrate sound and positive financial decision-making to ensure that they manage their finances effectively to achieve healthy financial outcomes. It has been shown that parents can have an important role to play in improving financial decision-making of young black African adults through financial socialisation. Therefore, it is recommended that parents must play an active role in demonstrating sound financial decisions because their children will be watching their actions which will leave a lasting impression on their children for the foreseeable future until they reach adulthood. Parents are encouraged to monitor, teach, and discuss financial matters with their children at an early age to ensure that children are able to demonstrate sound financial decisions at adulthood. Furthermore, this study recommends that financial educators, financial service professionals, financial institutions and financial counsellors should design and implement financial education programmes aimed at parents to improve their financial decision-making so that they are able to teach their children sound financial decisions to ensure that children are in a better position to deal with financial matters throughout adolescence until adulthood.

This study contributed to the body of knowledge of parental financial socialisation and financial decision-making by showing that parental financial socialisation has no impact on financial decision-making of young black African adults in rural and low-income area in South Africa. However, this study suffers from some limitations because it relied on young black African adults relaying their upbringing and what their parents taught them. It is recommended that future studies also include parents and ask them financial socialisation questions, rather than only relying on young adults to recall their childhood financial socialisation. It is further recommended that future studies can access how parental financial socialisation affect youth adults across transition age groups and compare the variance of changes on financial decision-making of young adults.

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