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The Influence of Parental Financial Socialisation and Financial Literacy on University Student's Financial Behaviour

HANIN KHALISHARANI[a], MOHAMAD FAZLI SABRI[b*],
IRNI RAHMAYANI JOHAN[a], NIK AHMAD SUFIAN BURHAN[b]
AND AHMAD NASIR MOHD. YUSOF[b]

[a]*Department of Family and Consumer Sciences, Faculty of Human Ecology, IPB University, Indonesia*
[b]*Faculty of Human Ecology, Universiti Putra Malaysia, Malaysia*

ABSTRACT

Children away from their parents while pursuing higher education at universities face new challenges in managing their finances and preparing to be financially independent. This study analysed and compared the effects of parental financial socialisation and financial literacy on Indonesian and Malaysian university students' financial behaviour. In total, 204 students from the Faculty of Human Ecology at IPB University and Universiti Putra Malaysia participated in the study. Data were gathered using a self-reporting questionnaire using the convenience sampling method. The independent sample t-test and multiple regression analysis were performed on the data. The results of the t-test showed that Malaysian students scored significantly higher in parental financial socialisation and financial behaviour but lower in financial literacy than Indonesian students. Moreover, the regression analyses revealed that parental financial socialisation and students' financial literacy were highly significant in influencing the sampled students' financial behaviour. However, by splitting the sample based on the student's country of origin, this study demonstrated that Malaysian students' financial behaviour was only significantly influenced by parental financial socialisation, while Indonesian students' financial behaviour was only significantly determined by financial literacy. These findings implied that Malaysian parents were more involved in shaping their children's financial behaviour or decisions. In contrast, Indonesian students were more independent from their parents, and their financial literacy level predominantly influenced their financial behaviour.

JEL Classification: G41, G53

Keywords: College students; Cross-cultural; Financial behaviour; Financial literacy; Parental financial socialisation

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[*] Corresponding author: Email: fazli@upm.edu.my
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INTRODUCTION

When a student chooses to continue their education at university after high school, their financial independence will probably be challenged. However, because students live far from home, some still seek financial assistance from their parents during their education (Shim et al., 2015) and even to fulfil their basic needs. As a result, not all students will obtain financial independence instantly. Due to their lack of financial experience and awareness to begin saving early, young individuals are more vulnerable to financial risks, which leads to problems with their future savings (Utkarsh et al., 2020) and other risky behaviour related to money. Additionally, young individuals may not be financially literate (Ergun, 2018), negatively affecting their savings. All of this involves a process, and university life will gradually enhance students' ability to manage their finances. When individuals no longer need their parents' financial support for an extended period, they are considered financially independent. To better support and prepare young adults for financial decision-making processes and to facilitate financial independence, it is essential to comprehend where and how they acquire basic financial information. They must consider aspects such as; financial knowledge, attitudes, and behaviours, as well as which sources they are learning from as they develop their financial skills.

According to previous research, parents may significantly impact their children's future financial behaviour by discussing personal finances at home (Johan et al., 2021; Lanz et al., 2019). Communication between parents and children to discuss finances is often referred to as financial socialisation. Danes (1994) explained that financial socialisation could be described as the acquisition and development of; values, attitudes, standards, norms, knowledge, and behaviours that affect financial planning and support financial well-being. Furthermore, studies have demonstrated that children's financial socialisation from their parents impacts their financial behaviour (Kim and Chatterjee, 2013; Sohn et al., 2012). Jorgensen et al. (2017) added that more open communication between parents and children about money matters led to statistically significant improvements in cash management. Additionally, the prevalence of budgeting behaviour, increased saving and investing behaviours, more positive credit usage, and increased planning behaviour for long-term financial goals. Together these factors represented good financial behaviour.

Because it is crucial for university students to graduate as financially literate, researching the impact of financial literacy on university students' financial behaviour is necessary. According to Britt et al. (2017), university students were more likely to experience pressure when they didn't exhibit good financial behaviour and had insufficient financial knowledge. Students should be aware that having inadequate financial literacy prevents them from being effective in financial considerations. Thus, they should pay attention to enhancing their level of financial literacy. Financial literacy, both objective and subjective, is positively correlated with; having an emergency fund, participating in retirement planning, spending less than one makes, paying off credit card debt, owning investments, and not having a negative balance in a checking account (Henager and Cude, 2016). It also implies that an individual has demonstrated good financial behaviour. According to the research by Sabri et al. (2021a), financial literacy positively influences a person's financial behaviour.

As a result, it would be interesting to investigate whether financial socialisation has a significant role in shaping financial behaviour in addition to financial literacy. The current study has examined financial socialisation and financial literacy's role in influencing young adults' financial behaviour to accomplish this. Furthermore, this cross-country study used Indonesia and Malaysia as selected countries. Indonesia and Malaysia are neighbouring nations with comparable features and a great concern about personal financial growth. Despite Indonesia and Malaysia's levels of financial behaviour indicating very similar percentages, specifically Indonesia's 69.7% and Malaysia's 68.1%, there remain some points of difference (OECD, 2020). To illustrate this, more Malaysians than Indonesians have; formal savings, investments, and insurance; they also have access to more credit; they also keep a closer eye on their money and carefully examine their spending. As a result, this is a reasonable justification for conducting this research. This study has also compared and analysed financial behaviour among Indonesian and Malaysian university students.

This paper is organized as follows. Section 2 reviews the literature, while Section 3 details the sample and methods utilised to conduct the analysis. Section 4 presents the results and discussion and finally, the study's conclusion and recommendation.

LITERATURE REVIEW

Parental Financial Socialisation

This study has concentrated on parental socialisation since parents are young adults' main socialisation agents (Lanz et al., 2019). "financial socialisation" describes young adults' strategies to develop their financial independence before adulthood. It also refers to; how, from whom, and where young adults acquire their financial behaviours, values, and attitudes throughout their development (Danes, 1994). Financial socialisation is the process through which people adopt behaviours and attitudes that impact their financial behaviour in addition to theoretical knowledge received about financial concerns.

The consumer socialisation theory developed by Moschis (1987) and Ward (1974) suggests that financial socialisation occurs through; conversations, observations, deliberate actions, and shared experiences with various socialisation agents available to children or adolescents as they grow up. According to the theory, children and adolescents constantly sharpen their skills, absorb knowledge, and develop attitudes toward issues they will apply as consumers in a complicated marketplace later.

Students' discussions with parents regarding; budgeting, saving, investing, financial products, and spending habits have been considered elements of financial socialisation. Financial socialisation is a factor in determining financial behaviour, given the substantial correlation between parental financial socialisation and financial behaviours discovered in previous research (Sundarasen et al., 2016; Mohamed, 2017; Putra, 2018). Parents who have talked to their children about financial concerns have been more likely to have raised children who have behaved as financially responsible adults. The research results from Jorgensen et al. (2017) and Sabri et al. (2020) also found that parent-child financial communication improved college students' lives in terms of both quality and content.

Jurgenson's (2019) study also recommended that parents discuss money with their children. With such early financial socialisation, they will have a more optimistic attitude toward their financial condition. Additionally, according to current evidence, young individuals must engage in financial socialising to acquire good financial behaviour (Drever et al., 2015).

Financial Literacy

Making a budget, paying bills, using a credit card, and putting money away as savings are just a few of the numerous financial challenges students encounter when they first enrol in college. Many studies have shown that cognitive factors and financial literacy are crucial in spending or monetary management decisions (e.g., Burhan et al., 2015; Sabri et al., 2021b; Sabri et al., 2022). Students' financial literacy level will greatly influence their capability to overcome these obstacles (Lyons et al., 2006). Meanwhile, financial literacy is necessary for better financial planning and behaviour. As a result, several researchers have evaluated the level of financial literacy and its implications (Ergun, 2018). Strong financial literacy can help young adults save money and make complicated financial decisions. According to Dewi et al. (2020), financial literacy is how a person perceives financial knowledge that will be utilised when making financial decisions. An individual's ability to make reasonable financial decisions increases with their level of financial literacy.

Individuals with greater financial literacy are better equipped to; make wise judgments, comprehend financial issues, and behave financially soundly. Financial crises, however, may result from students who lack financial literacy. According to Chen and Volpe's research (1998), students with less financial literacy tended to make poorer financial decisions than their more financially literate friends. According to Hung et al. (2009), people with poor financial literacy frequently lacked an understanding of financial issues, indicated poor financial behaviour, and were unprepared to deal with economic difficulties. Improvements in an individual's financial literacy results in; better financial planning, budgeting, savings, and credit card utilisation (Wann, 2017). Ergun (2018) explored the correlation between financial literacy and university students' demographics in eight European markets, such as Estonia, Germany, Italy, Netherlands, Poland, Romania, Russian Federation and Turkey. The results indicated that students had a medium level of financial literacy in personal finance.

Financial Behaviour

According to Xiao (2008), financial behaviour is an individual's approach to managing money. Managing cash flow, setting aside money for emergencies, managing credit, preparing long-term goals like retirement plans, reducing risk by buying insurance, and creating estate plans are all examples of good financial behaviour. According to research by Atkinson and Messy (2012) and Bucher-Koenen et al. (2016), people with high financial behaviour were more likely to participate in the stock market and other formal financial markets and make wise financial decisions. They also actively saved money, paid bills on time, carefully evaluated financial products, preferred saving to borrowing during times of crisis, self-evaluated the affordability of products, planned and monitored household budgets, and managed their finances. Spending excessively, depending on employee pension plans, and avoiding financial conversations are examples of bad financial behaviour. Better financial knowledge encourages healthy financial management behaviour and financial capabilities (Sabri and Zakaria, 2015; Mokhtar et al., 2020). Financially literate university students were better equipped to perform good financial behaviours for their financial security and well-being (Dewi et al., 2020).

Dew and Xiao (2013) argued that four factors: consumption behaviour (expenditure), cash flow management, savings and investment management, and credit or debt management, could be used to assess a person's financial management behaviour. Along with those factors, retirement planning was proposed as a financial behaviour dimension by Jorgensen et al. (2017).

Parental Financial Socialisation, Financial Literacy, and Financial Behaviour

A conceptual model was created to frame this research in the context of previous empirical studies in this field (Figure 1). According to existing studies, financial socialisation, financial literacy, and financial behaviour are all associated and have an effect. This study examined how financial socialisation and financial literacy influenced the financial behaviour of university students in Indonesia and Malaysia. This study also outlined the variations in each factor within each group. Six hypotheses served as the foundation for this investigation (Table 1). The methodology used for this investigation is covered in the following section, which focuses on the data collection and analysis and explains the techniques used.

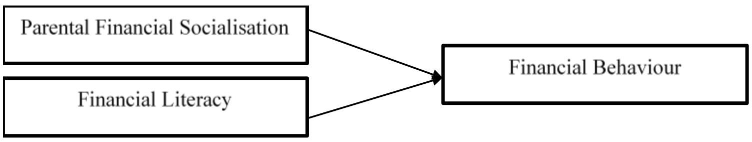

Figure 1 Research Framework

The following were the research hypotheses:

Table 1 Hypotheses of Study

No		Hypothesis
H1	:	Parental financial socialisation has a positive effect towards financial behaviour among university students
H2	:	Parental financial socialisation has a positive effect towards financial behaviour among Indonesian university students
H3	:	Parental financial socialisation has a positive effect towards financial behaviour among Malaysian university students
H4	:	Financial literacy has a positive effect towards financial behaviour among university students
H5	:	Financial literacy has a positive effect towards financial behaviour among Indonesian university students
H6	:	Financial literacy has a positive effect towards financial behaviour among Malaysian university students

RESEARCH METHODOLOGY

Data and Sample

The present study used a questionnaire survey research method. Questionnaire surveys were administered to a sample of two hundred and fourty (240) respondents selected by convenience sampling. However, only 204 respondents were selected for further data analysis after incomplete responses and outliers were removed. The sample consisted of 102 students from Indonesia and Malaysia, respectively. The research took place in the Faculty of Human Ecology (FEMA), IPB University, Indonesia and the Faculty of Human Ecology (FEM), University Putra Malaysia (UPM). Several considerations were associated with the selection of the research locations. In addition to being easily accessible, both universities provide Faculty of Human Ecology academic programs emphasising the relationships between humans and the environment. The faculties also offer various other courses. Such courses include those related to social economics, such as personal finance. The similarities in students' academic disciplines and curriculum models supported the feasibility of the research to be carried out in both universities.

From 204 respondents, there were 34 students eligible to participate from each level of study, except for first-year students. At IPB University, the sample was selected from the Department of Family and Consumer Sciences (IKK) and the Department of Communication Sciences and Community Development (SKPM). While at UPM, the sample was selected from the Department of Consumer Studies (BPG) and the Department of Human Development with Family Studies (BSPM). The detailed research sample technique is illustrated in Figure 2.

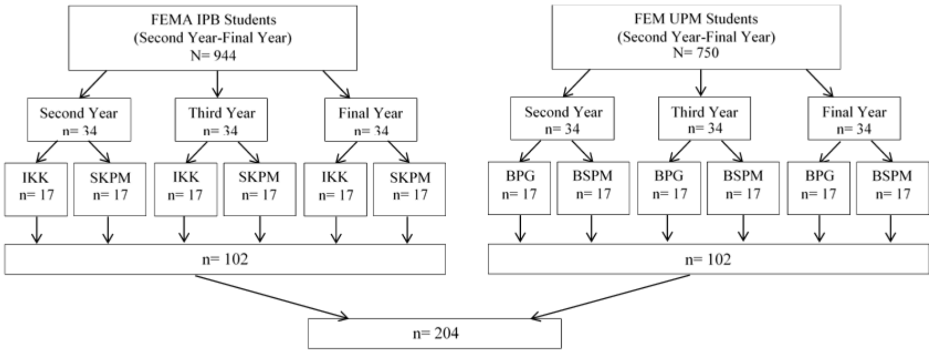

Figure 2 Research Sampling Method

Variables and Measurement

Newcomb and Rabow's (1999) questionnaire was used to evaluate parental financial socialisation. Parental practices, gender beliefs, self and others, current practices, and future plans and expectations were the five major categories. Only the parent practices category was included in this study since the items were most relevant to the issue and outlined what parents should teach their children about money matters. Every item used a 5-Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). There were a total of 22 questions in the parent practices section, divided into three categories: (1) parental money concerns; (2) parental expectations: work and save; and (3) parental influences: grades and money. The following statements were added to the questionnaire to make it complete: "My father taught me fiscal responsibility (paying rent, paying taxes, etc.); "My mother influenced my attitude toward money most; and "While I was growing up, my parents influenced my attitudes toward money the most.". Several items were removed because they didn't pertain to the present study and were found invalid by the validity test. The Cronbach's alpha was 0.819 after reliability and validity tests were completed.

Financial literacy was tested using specifically adapted questionnaires from the Malaysian Financial Planning Council (2018) and Lusardi and Mitchell (2011). The questionnaire had seven categories: taxation, risk management, Islamic products, retirement planning, savings and investments and cash flow management. Saving and investment were covered in Lusardi and Mitchell's (2011) The Three Big Questions. Some items were eliminated after reliability and validity tests were completed because they were invalid, and the reliability was still below 0.6. The Cronbach's alpha was 0.613, with 18 total items after some items were removed. The respondents had two answer choices: "true" received a score of 1, and "false" received a score of 0.

This study employed a questionnaire that was derived from Dew and Xiao (2013), Jacob (2002), and the Malaysian Financial Planning Council (2018) to examine financial behaviour. Four areas of financial behaviour were measured: budgeting, planning, choosing financial products, and maintaining knowledge. "Kept a written or electronic record of your monthly expenses" had to be removed from the list of 17 entries since it was insufficient. With 16 total items after elimination, Cronbach's alpha was 0.807. This study used the 4-Likert scale, which ranged from 1 (never) to 4 (always).

In the present study, analysis was conducted using SPSS 25.0 (Statistical Package for Social Science). Descriptive analysis was used to characterise the response's characteristics. The variables'; frequency, percentage, minimum, maximum, means, and standard deviations were provided. Multiple regression analysis was used to assess how financial behaviour was influenced by parental financial socialisation and financial literacy. The difference in; parental financial socialisation, financial literacy, and financial behaviour between Indonesian and Malaysian students were examined using an independent sample t-test for comparison.

Furthermore, each independent variable and the dependent variable were measured by adding up all the answers to get the overall score, which was then transformed into an index form and categorised according to predetermined class intervals. Then, an index comprising; financial behaviour, financial literacy, and parental financial socialisation was created. The index score was calculated based on the responses given to each statement. It was then totalled up and classified using the index percentage shown below:

$$\text{Index} = \frac{obtained\ score - minimum\ score}{maximum\ score - minimum\ score} \text{ x } 100 \qquad (1)$$

After calculating the index, a cut-off was determined by identifying the category. Low categories ($0 \leq FLI \leq 60$), moderate ($60 < FLI \leq 80$), and high ($FLI > 80$) were used to categorise variable indices (DEFINIT et al., 2013). Except for parental financial socialisation, which was categorised into low (below average) and high (above average) level groups, the average values for the financial behaviour and literacy variables were divided into three levels, specifically low, medium and high-level groups. Apart from analysing the overall data, this study was also interested in examining the unique effects of independent variables for each country. The regression models were defined in the following equations:

$$\text{Model 1: } Y_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \qquad (2)$$
$$\text{Model 2: } Y_2 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \qquad (3)$$
$$\text{Model 3: } Y_3 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \qquad (4)$$

where Y_1= Financial behaviour (total sample), Y_2 = Indonesian students' financial behaviour, Y_3 = Malaysian students' financial behaviour, X_1 = Parental financial socialisation, X_2 = Financial literacy, $\beta_{1\text{-}2}$ = Regression coefficient, α = Constant term and ε = Error term.

RESULTS AND DISCUSSION

Demographic Characteristics

Most of the 204 respondents from Indonesia and Malaysia were female students. Malaysian students were 1.7 (years) older on average than Indonesian students. University students typically range in age from 18 to 25. In Indonesia, 50% of the respondents had an allowance of less than or equal to Rp 1.000.000; in Malaysia, an equal percentage had an allowance of Rp 1.000.001 to Rp 1.500.000.

Regarding family, the fathers and mothers from the two countries had more than twelve years of formal education. This result indicated that most parents (about 52.9% of fathers and 43.1% of mothers) had completed their senior high school education and continued to complete their education. In Indonesia, almost 19.6% of the respondents were from high-income families, and in Malaysia, roughly 13% were from upper-class backgrounds.

Table 2 Demographic Characteristics

Variables	Indonesia (n=102)	Malaysia (n=102)
	Percentage, %	Percentage, %
Gender		
Male	20.6	16.7
Female	79.4	83.3
Age		
18	4.9	0
19	29.4	0
20	29.4	10.8
21	31.4	31.4
22	4.9	39.2
23	0	13.7
24	0	3.9
25	0	1.0
Students Allowance per Month (IDR)		
≤ 1.000.000	50.0	16.7
1.000 001 - 1.500.000	28.4	50.0
1.500.001 - 2.000.000	16.7	16.7
≥ 2.000.0001	4.9	16.7
Father's Length of Formal Education (years)		
≤ 6	5.9	7.8
7 – 9	6.9	7.8
10 – 12	27.4	38.3
> 12	59.8	46.1
Mother's Length of Formal Education (years)		
≤ 6	10.8	7.8
7 – 9	7.8	2.9
10 – 12	35.3	49.1
> 12	46.1	40.2
Indonesian Family Income (IDR)		
Low (< 4,279,704)	40.2	
Middle (4,279,704 – 10,623,786)	40.2	
High (> 10,623,786)	19.6	
Malaysian Family Income (IDR)		
Low (< 14,824,000)		61.8
Middle (14,824,000 – 32,708,000)		25.4
High (> 32,708,000)		12.8

Parental Financial Socialisation

According to the average index of all respondents, parental financial socialisation was split into two groups in this study. Students with scores below 50.73 were classified as having low levels of parental financial socialisation, while those with scores of 50.73 or higher were classified as having high levels of parental financial socialisation. The statistical information in Table 3 relates to parental financial socialisation.

Table 3 The Frequency Table, Mean, Standard Deviation, and Independent Sample T-Test Results of University Students' Parental Financial Socialisation

Level of Parental Financial Socialisation	Indonesia (n=102)	Malaysia (n=102)	Total Sample (n=204)
	%	%	%
Below average (< 50.73)	67.6	36.3	52
Above average (≥ 50.73)	32.4	63.7	48
Total percentage, %	100.0	100.0	100.0
Mean ± Std. Dev.	46.92 ± 8.29	54.54 ± 12.95	50.73 ± 11.50
p-value (*t*-test)	0.000**		

Note: Significance level: **p* <0.05; ***p* <0.01.

In terms of parental financial socialisation, this study revealed that Malaysian and Indonesian respondents had distinct levels, with more than six in ten Indonesian respondents scoring poorly. In contrast, a comparable percentage of Malaysian students, six out of ten, recorded high scores for parental financial socialisation. Overall, 48% of the respondents experienced high levels of parental financial socialisation, compared to 52% of respondents who fell into the low category.

The average parental financial socialisation index for Indonesia, Malaysia, and the entire group was 46.92, 54.54, and 50.73, respectively. The independent t-test revealed a statistically significant difference between Malaysian and Indonesian students regarding the parental financial socialisation score ($t_{171.967}$=5.003, p< .01). The average parental financial socialisation experienced by Malaysian students was 7.61 higher than Indonesian students.

Financial Literacy

In terms of financial literacy, this study revealed that Malaysian and Indonesian respondents had different levels; more than half of Indonesian respondents (53.9%) scored highly, compared to almost half of Malaysian respondents who scored moderately, and only about a third of Malaysian students who scored highly. Table 4 presents the findings of the frequency, mean, standard deviation, and independent sample t-test.

Table 4 The Frequency Table, Mean, Standard Deviation, and Independent Sample T-Test Results of University Students' Financial Literacy

Level of Financial Literacy	Indonesia (n=102)	Malaysia (n=102)	Total Sample (n=204)
	%	%	%
Low (≤ 60)	4.9	23.5	14.2
Moderate (61 - 80)	41.2	47.1	44.1
High (> 80)	53.9	29.4	41.7
Total percentage, %	100.0	100.0	100.0
Mean ± Std. Dev.	80.17 ± 11.71	69.49 ± 16.18	74.83 ± 15.07
p-value (*t*-test)	0.000**		

Note: Significance level: *p <0.05; **p <0.01.

Four out of ten respondents were categorised as having a moderate level of financial literacy, and a similar number was found for the high-level category (Table 4). The average score for Indonesia was 80.17, while Malaysia's score was 69.49, for a total of 74.83. The independent sample t-test results revealed a significant difference between Malaysian and Indonesian students in terms of their financial literacy scores ($_{t184.009}$=-5.396, p<.01). Malaysians scored 10.67 points worse on the financial literacy level than Indonesians.

Financial Behaviour

According to Table 5, 76.5% of Indonesians, 50.9% of Malaysians, and 63.7% of all respondents scored poorly on financial behaviour. The average financial behaviour index for Indonesia, Malaysia, and the entire respondents were 52.81, 58.00, and 55.41, respectively. The independent sample t-test results revealed a significant difference between Malaysian and Indonesian students in terms of the financial behaviour index ($t_{186.689}$ = 2.896, p<.01). Malaysian students had a 5.18 higher average financial behaviour than Indonesian students.

Table 5 The Frequency Table, Mean, Standard Deviation, and Independent Sample T-Test Results for Students' Financial Behaviour

Level of Financial Behaviour	Indonesia (n=102)	Malaysia (n=102)	Total Sample (n=204)
	%	%	%
Low (≤ 60)	76.5	50.9	63.7
Moderate (61 - 80)	22.5	43.1	32.8
High (> 80)	1.0	6.0	3.5
Total percentage, %	100.0	100.0	100.0
Mean ± Std. Dev.	52.81 ± 10.80	58.00 ± 14.51	55.41 ± 13.02
p-value (*t*-test)	0.004**		

Note: Significance level: *p <0.05; **p <0.01.

The Effect of Parental Financial Socialisation and Financial Literacy towards Financial Behaviour

Table 6 shows the results of the regression analyses for students' financial behaviour predicted by parental financial socialisation and financial literacy levels. For the total sample (n=204) presented as Model 1, the regression was highly significant (F-statistic = 14.795; p<.01), showing that the model fitted the data better than the model with no independent variables. Accordingly, parental financial socialisation and financial literacy contributed 12% of the total sample's overall variation in financial behaviour. Other unobserved variables contributed to the remaining 88%. Financial literacy negatively affected financial behaviour (β= -.244, p< .01). Despite the negative effect of financial literacy towards financial behaviour, the effect of parental financial socialisation on financial behaviour found a different result. There was a significant positive influence of parental financial socialisation towards financial behaviour among university students (*β= .197, p< .01*).

Table 6 Comparison of Multiple Regression Analyses Predicting Students' Financial Behaviour between Indonesian, Malaysian, and the Total Sample

	Dependent Variable: University Students' Financial Behaviour					
	Model 1; Total Sample (n=204)		Model 2: Indonesia (n=102)		Model 3: Malaysia (n=102)	
Variables	β	Sig.	β	Sig.	β	Sig.
Parental Financial Socialisation	.197	.005**	-.028	.772	.291	.004**
Financial Literacy	-.244	.001**	-.283	.004**	-.157	.111
Adj. R-square	.120		.061		.118	
F-statistic	14.795		4.286		7.730	
Sig.	.000		.016		.001	

Note: Significance level: *p <0.05; **p <0.01.

Further, this study split the sample based on the student's country of origin. The regression results for Indonesian students presented as Model 2 showed a significant F-statistic value of 4.286 (p<.05), which implied a combined effect of parental financial socialisation and financial literacy towards the dependent variable of interest. This model contributed about R^2=6.1% of the Indonesian respondents' financial behaviour variation. Therefore, unobserved variables contributed to the remaining 93.9% of the variation. However, in contrast to the whole sample (Model 1), only financial literacy significantly affected financial behaviour among Indonesian students. Financial literacy was found to be significantly negative (*β= -.283, p< .01*) towards financial behaviour, while the effect of parental financial socialisation (*β= -.028, p> .10*) was not significant even at the 10% level.

Finally, Model 3 presents the effects of parental financial socialisation and financial literacy towards financial behaviour among Malaysian students. The F-statistic (7.740) was significant at the p<.01 level, indicating sufficient evidence to conclude that the regression model fitted the data very well. The regression model explained R^2=11.8% of the total variation in students' financial behaviour. This adjusted *R*-square value was twice as large as the Indonesian sample (R^2=6.1%). Thus, unobserved variables contributed to the remaining 82.3%. Accordingly, parental financial socialisation had a significant positive effect on financial behaviour among Malaysian students (*β= .291, p< .01*). Nevertheless, the significant effect did not apply to financial literacy. The findings showed that financial literacy among Malaysian students had no significant influence on individuals' financial behaviour, even at the 10% significance level.

According to earlier studies, students must obtain better financial socialisation from their parents if they want to grow up to have responsible financial behaviour. Financial socialisation is related to fostering good financial behaviour. The impact on financial behaviour in this research, however, was interesting. The empirical results of this study matched those of previous studies and presented surprising results. Parental financial socialisation significantly influenced Malaysian university students' financial behaviour. The results of this study were in line with those of Mohamed (2017), Putra (2018), and Sundarasen et al. (2016). As previously mentioned, parents who communicate with their children about money matters are more likely to have children who behave responsibly regarding their finances. Parent-child financial communication may improve the quality and content of life for university students, according to the findings of the research by Jorgensen et al. (2017) and Sabri et al. (2020). The research by Jurgenson (2019) also suggested that parents should talk to their children about money because of this early socialisation. They will see their financial circumstances with more optimism in the future. However, this phenomenon only occurred among Malaysians, not Indonesians. Malaysian adults pay more attention to their finances than Indonesian adults, given that more of them; manage expenses, track money flows, have insurance, and save and invest money (OECD, 2020). The descriptive analysis also revealed that 63.7% of Malaysian students experienced more parental financial socialisation than Indonesian students. Traditions like this should be continued and extended for the next generation, where parents are more involved in educating their children's financial behaviour and decisions.

Meanwhile, among Indonesian students, parental financial socialisation did not have a favourable influence on financial behaviour. This study's results was alingned with Gumilar and Sakinah (2021), who discovered that parental involvement had minimal impact on a child's desirable financial behaviour. In addition, the descriptive results stated that 67.6% of Indonesian students had little exposure to their parent's financial socialisation. Kamaruddin and Mokhlis (2003) argued that the most significant mentors of consumer socialisation appeared to be peers. This situation was possible since many students left their parents' homes during college and started to establish their methods of managing money, and because of this situation, peers had a strong influence. However, once students started to gain financial independence, the impacts of financial socialisation by parents were expected to fade gradually. This principle has been supported by ground-breaking studies that demonstrated how people started to depend more on their financial behaviour patterns and those of their love partners once they graduated from college (Curran et al., 2018; Sabri et al., 2020).

According to a prior study on financial behaviour, raising people's financial literacy is necessary to promote responsible financial behaviour (Arofah et al., 2018; Sabri et al., 2021b; Urban et al., 2015). Financial literacy is essential to promote good financial behaviour. However, this study came to a different conclusion than previous research, which has consistently asserted that financial literacy positively influenced financial behaviour. The multiple regression analysis revealed that financial literacy negatively affected financial behaviour among all respondents and Indonesian students. This finding implied that better financial behaviour might not necessarily result from having good financial literacy. The results of the descriptive analysis supported that most Indonesian respondents had a financial literacy level that fell into the high-score category (53.9%), while the majority of Malaysian students were at a medium level (47.1%) of financial literacy.

In contrast, for the results regarding financial behaviour, whether they belong to Indonesian students, Malaysian students, or all respondents, most fell into the low-achiever category. In other words, individuals are sufficiently financially literate, but their daily financial behaviour does not reflect their moderate to high levels of financial knowledge. This situation may also occur because, according to Kanserina's (2015) research, adolescence has been thought to be the most consumptive age group compared to other age groups. Young people are less likely to manage their finances carefully and prioritise their wants above their needs. Therefore, looking at the findings obtained in the current study, it could be that Indonesian respondents have had inadequate exposure in practising their 'high financial literacy', leading to undesirable financial behaviour or decisions.

It has been shown that Malaysian students' financial literacy did not significantly influence their financial behaviour, which led to some intriguing findings. It is worthwhile to suggest that Malaysian respondents might not have put their financial knowledge into practice, leading to a nonsignificant relationship between financial literacy and financial behaviour. This result was consistent with the studies by Dewi et al. (2020), Reswari et al. (2018), and Purwidianti and Tubastuvi (2020), which found that financial literacy had no significant effect on financial behaviour. The results of this study indicated that individuals would behave in any way they like, whether in a good or bad way, regardless of whether they are financially literate. Additional analysis of the variables relating to internal factors, such as; self-control or self-efficacy, is required in future studies. Tang and Baker (2016) also argued that self-esteem was linked to financial behaviour and financial knowledge as a stimulant for desirable financial behaviour.

CONCLUSION AND RECOMMENDATIONS

Implementing and cultivating good financial behaviour is essential for university students who live far from their parents. To live, individuals must establish self-control and handle their finances properly. Financial behaviour refers to how individuals act to manage their finances responsibly and effectively.

The findings of this study have shown that undergraduate students in Indonesia and Malaysia have moderate to high levels of financial literacy. The results indicated that they are sufficiently financially literate. Even though most students were found to have a moderate level of financial literacy, they still need to deepen their knowledge of money to become more financially literate and understand how to manage money wisely in their daily lives. This situation was especially true for those far from their parents while attending university. Their concept of money has to be well-implemented in their lives as well so that there is no longer a desire to spend more money on items that are not essential. As they are ready to start a career following graduation, they must be capable of self-control and mindful living and gain financial independence.

Moreover, the findings showed that parental financial socialisation among all respondents did not show satisfying results, as more students were less likely to experience parental financial socialisation. However, increasing parental participation can strengthen the bonds between families and schools. Parents may teach their children the fundamentals of; saving money, purchasing responsibly, and using credit early on. University courses can help students better understand their and their family's financial situations. This situation would be most beneficial when university personal finance courses are customised to meet the specific financial needs of each student. It should encourage healthy financial knowledge and attitudes. Families and educational institutes must encourage the young to save, train them not to be impulsive with unnecessary, unplanned buying, and be achievement orientated.

Along with the supporting regulations, it is also expected that all executives and policymakers, whether in Indonesia or Malaysia, work to promote the community's financial behaviour on a larger scale and to provide more effective financial education that results in behavioural changes for every community, without exception. They may develop policies and programs that encourage parents to start conversations with their children about money-related topics, such as the value of; saving, family finances, spending habits, and financial goods. As a result, these dialogues may encourage good financial behaviour. In the meantime, Malaysia's government must begin educating its citizens about the benefits of managing savings over debt, as debt can lead to bankruptcy if it is not properly managed. The availability of loans open to the general public will cause people to live unhealthily regarding their finances.

This research is perhaps the first attempt to examine and compare the financial behaviour of university students in Malaysia and Indonesia. The study's dependence on a convenience sample for data collection was one of its shortcomings. Future research can use more reliable sampling techniques and consider other areas of Malaysia or Indonesia. In this study, parents were considered the only source of financial socialisation. Future studies may examine additional socialising facilitators, including peers and social media.

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