

# **“A PENNY FOR YOUR THOUGHTS?”: EXPLORING INFLUENCES ON YOUNG ACCOUNTING PROFESSIONALS’ FINANCIAL BEHAVIOUR**



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Research dissertation presented for the approval of the University of Cape Town Senate in fulfilment of part of the requirements for the degree of Master of Commerce (Specialising in Financial Reporting, Analysis and Governance) in approved courses and a minor dissertation. The other part of the requirement for this qualification was the completion of a programme of courses.

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**SUPERVISOR: DR. G.D. WILLOWS  
DECEMBER 2023**

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## **ABSTRACT**

As new entrants into the workforce and future financial leaders, young professionals are critical to economic success. Therefore, understanding factors shaping their financial behaviour is crucial to improving their personal financial decision-making abilities. Adopting a qualitative approach consisting of semi-structured, open-ended interviews, this study explores the perceived influences on young accounting professionals' personal financial behaviour through the lens of socialisation. Portraying real stories of young South African accountants, active participants in a developing economy, this paper unravels traditional conceptions of determinants of financial behaviour, thus contributing to extant quantitative results. Among South Africa's diverse population of young accounting professionals, households were found to be most influential on all elements of financial behaviour. Increasingly, social media and the Internet influence spending and savings decisions, however the inability to verify online information poses a challenge to how young professionals consume and apply online information in their lives. Thus, these and other findings are instrumental in guiding parents and guardians, educators, and other interested parties in fostering young professionals' financial well-being.

## **KEYWORDS**

Personal financial behaviour; young professionals; financial decision-making

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## LIST OF ABBREVIATIONS

GDP	Gross Domestic Product
OECD	Organisation for Economic Co-operation and Development
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
TA	Thematic Analysis
TPB	Theory of Planned Behaviour
UCT	University of Cape Town

## CHAPTER ONE: INTRODUCTION

There is an urgent need to promote positive personal financial behaviour as individuals lack the ability to control spending (Kagotho, 2017), borrow excessively (Azma, 2019) and do not possess the propensity to save (Old Mutual, 2022; Boto-Garcia et al, 2022). This concern is exacerbated among young South African accounting professionals (Samkin & Keevy, 2019), who are largely unprepared when making important personal financial decisions (Nomlala, 2021). Increasingly, there is a need for individuals to assume responsibility for their financial futures (Agunsoye, 2021; Langley, 2008; Strauss, 2008). Therefore, understanding factors influencing young accounting professionals' financial behaviour is critical to improving the status quo and ensuring that barriers to positive financial behaviour are prevented or timeously identified and corrected.

Despite forming the backbone of future economic success as participants in the workforce (MacDonald & Giazitzoglu, 2019) and future financial leaders, limited studies have explored accounting professionals' financial behaviour and the determinants thereof. These individuals possess theoretical knowledge of accounting concepts and financial products. However, the ability to demonstrate this knowledge practically may not be easily replicated. Understanding the impact of the financial socialisation process on accounting students may yield insights into the influences on their personal financial behaviour. Accounting students have been the subject of studies on financial behaviour, both locally (Ndou & Ngwenya, 2022; Nomlala, 2021; Sallie, 2015) and abroad (Alvarez & Tippins, 2019; Majid et al., 2021; Tang, 2019). However, there is a paucity of literature on young adults, specifically accounting professionals, entering the workforce for the first time and those who are first-time salary earners.

Thus, through the lens of financial socialisation, this research aims to fill this gap. In doing so, this study explores the influences on the personal financial behaviour of young accounting professionals in a developing country (Guermond, 2022). This will aid in understanding how an individual's financial behaviour is shaped and assist in identifying potential impediments that exist. Moreover, this will support the development of reform to improve the financial behaviour of South Africans, an area requiring attention (Maswena, 2021). Therefore, this research sets out to answer the following questions:

1. How do young South African accounting professionals perceive the influences on their financial behaviour?

2. How are the perceived influences on young South African accounting professionals' financial behaviour shaped by the socialisation process?

To answer these research questions, this study draws on two foundational theories, the theory of planned behaviour (Ajzen, 1985) and financial socialisation (Wade, 1994), to contextualise the experiences of young accounting professionals. The theory of planned behaviour posits that learning takes place through the observation of and exposure to behavioural and attitudinal norms. This suggests that individuals experience actual or perceived pressures influencing their behaviour. Financial socialisation theory suggests that individuals internalise societal standards, values, norms, and knowledge, which influence their personal financial behaviour. This theory argues that such socialisation is an ongoing process, from childhood into adulthood, with individuals being influenced by family, peers, educators and the media. When viewed together, these theories explain how individuals' financial behaviour is shaped by personal experiences and interactions spanning many years and demonstrates how individuals may be influenced to display specific money management, debt management and savings techniques.

This study adopts a qualitative approach consisting of face-to-face, open-ended interviews, supplemented by a short questionnaire, to explore young South African accounting professionals' perceptions of influences on their financial behaviour. Extant literature indicates that most studies on the socialisation of financial behaviour are quantitative (Goyal et al., 2021). This research adopts a qualitative approach to obtain a rich, holistic understanding of the perceived influences of financial behaviour that is unlikely to be obtained from quantitative methods alone (Crowe et al., 2011).

The results highlighted several themes, showing that applying theoretical accounting principles in daily life proved challenging for young accountants (Strauss, 2008). Most participants identified their family as the most significant influence on personal financial behaviour, corroborating the financial socialisation theory. However, South Africa's unique history of racial discrimination has created disparate exposure to financial education and literacy (Nomlala, 2021). This has had a lasting impact on youth today, as many participants believe their parents' and guardians' lack of financial literacy negatively socialised their behaviour. Further, a cultural dynamic highlighted in this study regarding young black professionals' obligation to support families financially poses unique challenges to these participants' financial behaviour.

Despite all participants obtaining qualifications from tertiary institutions, this study found that there is a consensus that educational programmes and existing syllabi did not adequately prepare participants to navigate personal financial management. Therefore, there is an urgent need to develop effective teaching techniques. This indicates that further efforts from the government departments focussed on the education of young South Africans are warranted. Most participants mentioned that social media increasingly informs their financial behaviour. These findings provide opportunities for radical solutions, targeting young professionals in a world where the digitalisation of accounting is increasing (Grosu et al., 2023). Participants' shared experiences are instrumental in guiding parents and guardians, peers, media, educators, and other interested parties in fostering young professionals' financial well-being.

This research paper comprises five chapters. Following chapter one's brief introduction contextualising the financial socialisation of young South African accounting professionals and this research paper, chapter two reviews the literature regarding the concept of financial behaviour. This is viewed in light of the theoretical frameworks adopted by this study, the theories of planned behaviour and financial socialisation. Chapter three describes the method utilised in the research process, from conceptualisation to data collection and analysis. Chapter four presents participants' views, thereby answering the research questions. Finally, chapter five concludes with a reflection on the findings to answer the central research questions.

## **CHAPTER TWO: LITERATURE REVIEW**

Promoting positive financial behaviour amongst South Africans, particularly young professionals, is crucial as the country is considered financially vulnerable (Maswena, 2021). This means that South Africans lack the ability to control spending (Meyer, 2019), borrow excessively and do not possess the propensity to save (Old Mutual, 2022; Willows, 2019). This concern is exacerbated given South Africa's status as a developing country (Maswena, 2021), necessitating immediate action to remedy this. Understanding the influences on financial behaviour is essential to improve the status quo. Therefore, this literature review aims to understand the perceived influences on the personal financial behaviour of young South African accounting professionals. Firstly, the elements affecting financial behaviour will be assessed. Thereafter, through the lens of the financial socialisation theory and the theory of planned behaviour, an understanding of the processes shaping an individual's decision-making process will be explored. Finally, a probe into agents and methods of socialisation will be considered to provide insight into the perceived influences on financial behaviour.

The success of a country's economy is, to some extent, dependent on individuals' ability to make well-informed personal financial decisions (Maswena, 2021). Broader macroeconomic issues, such as high unemployment rates<sup>1</sup>, persistent inflation, and stagnant economic growth (National Treasury, 2022), coupled with the complexities of financial markets, mean that an individual's ability to be discerning is invaluable (Lusardi, 2019). Research demonstrates that financial literacy, a determinant of financial behaviour, is low in developed economies with strong financial markets (Lusardi, 2019). In South Africa, this problem is compounded by a track record of insufficient savings<sup>2</sup> and high levels of personal debt<sup>3</sup> (Webb, 2021). Therefore, understanding the perceived influences on financial behaviour is necessary to identify foundational problems that can be corrected.

Students at schools and universities have been the subject of numerous studies on financial behaviour, both locally (Ndou & Ngwenya, 2022; Nomlala, 2021; Sallie, 2015) and abroad (Alvarez & Tippins, 2019; Majid et al., 2021; Tang, 2019). Maswena (2021) observed the impact of socialisation on the financial behaviour of South African consumers at large. However, there is a paucity of literature on young adults entering the workforce for the first time. This research aims to fill this gap by exploring the perceived influences on the financial behaviour of young accounting professionals. Young professionals, who are often first-time salary earners, form the backbone of future economic success as participants in the workforce (MacDonald & Giazitzoglu, 2019) and future financial leaders. Therefore, it is paramount that potential shortcomings in financial behaviour are identified and corrected.

The field of speciality of young professionals sheds light on financial behaviour. Thomas and Subashree (2020) examined factors influencing engineering students' financial behaviour, while Jennings et al. (2019) explored the financial literacy of medical professionals. However, limited studies have been performed on accounting professionals. These individuals possess theoretical knowledge of financial concepts and products, but the ability to demonstrate this knowledge practically may not be easily replicated. Previously, Ndou (2022) focussed on young, black South Africans in rural areas, with no specific focus on professional qualifications. Ndou (2022) found that financial behaviour was found to be impacted by socialisation, specifically by parents, indicating that they have the highest influence on the financial

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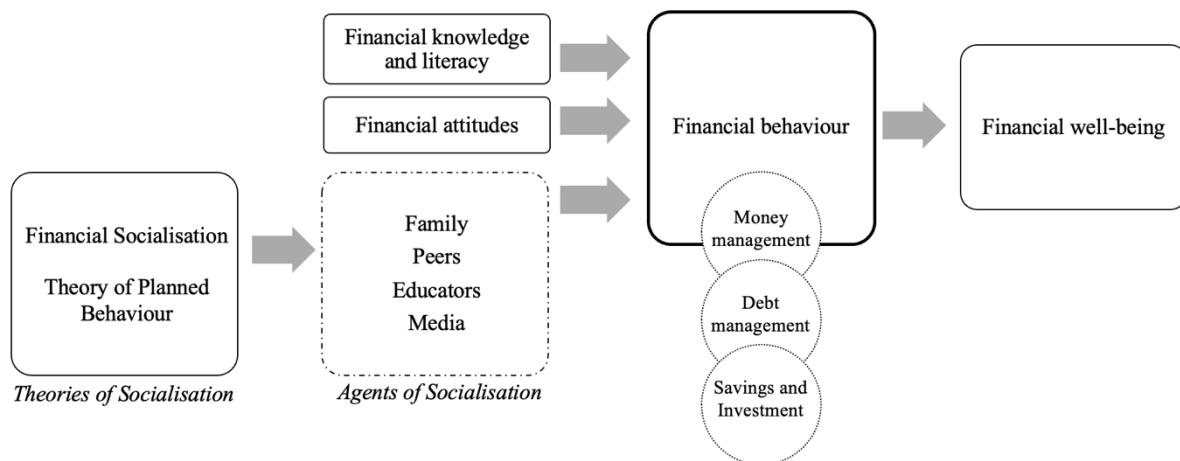
<sup>1</sup> South Africa's official unemployment rate peaked at 34,9% in 2022 (National Treasury, 2022).

<sup>2</sup> South Africa's savings rate is less than 15% of the Gross Domestic Product (GDP) compared to the world average of 25% (STANLIB, 2020).

<sup>3</sup> In 2022, a 53% increase in personal debt management and counselling inquiries was reported (DebtBusters, 2023).

behaviour of individuals. Nomlala (2021) concluded the same when investigating the socialisation of accounting students in a quantitative study. Moreover, extant literature indicates that the majority of studies performed on the socialisation of financial behaviour are quantitative in nature (Goyal et al., 2021). Therefore, this research adopts a qualitative approach to obtain a rich understanding of the perceived influences of financial behaviour that is unlikely to be obtained from quantitative methods alone (Crowe et al., 2011).

Diagram 1 depicts the conceptual framework of this study, which is constructed after analysis of the literature contained in this section. The literature reveals that financial behaviour is developed through a socialisation process and improved through increased financial literacy, knowledge and attitudes.



**Diagram 1: Author's own model of the socialisation process**

This literature review begins by understanding the importance of financial well-being, the endpoint of the socialisation process. Financial well-being is a result of individuals' financial behaviour (Prendergast et al., 2018). Thereafter, the determinants of financial behaviour will be unpacked by assessing financial knowledge, literacy and attitudes. Finally, the financial socialisation process, underpinned by theoretical frameworks, will be explored to determine the influences on an individual's financial behaviour.

## FINANCIAL WELL-BEING

Financial well-being is the state where individuals can satisfy immediate and future financial needs despite unforeseen circumstances or unexpected financial costs arising (Prendergast et al., 2018). It is in society's best interests that all individuals achieve this state, as this reduces poverty and reliance on a country's social welfare system (Iramani & Lutfi, 2021). Promoting

individuals' financial well-being in South Africa is an urgent concern as almost 55,5% of the population lives at or below the poverty line (World Bank, 2020). Furthermore, in 2022, South Africa attained a Gini co-efficient<sup>4</sup> score of 63, meaning that the country has the highest income inequality compared to the rest of the world (World Bank, 2020). Therefore, a fair presumption is that many South Africans have not achieved a state of financial well-being, further justifying this study. Financial well-being is cumulative in nature, building on an individual's financial knowledge and literacy, attitudes, and, ultimately, behaviour. Thus, understanding what influences financial behaviour is critical.

## **FINANCIAL BEHAVIOUR**

Financial behaviour is an individual's actions of managing personal financial resources to achieve financial success (Xiao, 2008). This can materialise through proper money management, credit management, and savings (Maswena, 2021). Financial behaviour shapes an individual's financial predicament by equipping them with the ability to meet immediate and future financial needs, thus achieving financial well-being. Dewi et al. (2020) identified that financial behaviour can explain the motives of financial decisions by integrating behavioural and cognitive psychology theories. Therefore, decisions regarding spending, borrowing, and saving are guided by financial behaviour (Gudmunson et al., 2016).

Positive financial behaviour is demonstrated in how individuals manage cash flows, debt, and investments (Ramli et al., 2022). In contrast, individuals exhibit negative financial behaviour through excessive spending, increased debt, and inadequate investment or retirement savings (Lavonda et al., 2021). Pahlevan (2020) emphasises that poor financial behaviour leads to a lack of financial well-being and exacerbates stress, thus diminishing quality of life.

Literature suggests that financial behaviour manifests through money management, debt management, and savings and investment (Ramli et al., 2022). These categories are supported by the Organisation for Economic Co-operation and Development (OECD) (2020), which surveyed member countries to determine financial behaviour patterns among individuals. Each element of financial behaviour, as depicted in Diagram 1, is discussed below.

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<sup>4</sup> The Gini coefficient measures the extent to which income distribution among individuals deviates from a perfectly equal distribution. A coefficient of 0 represents perfect equality, while 100 implies ideal inequality (World Bank, 2020).

## **Money management**

Money management is the oversight of cash inflows and spending. Spending involves disbursing money to satisfy needs or wants (Rahim et al., 2022). The OECD's survey (2020) found that those individuals who spent time pondering a purchase demonstrated positive financial behaviour. This is also demonstrated through personal budgeting, expense-tracking or paying bills timeously (Utkarsh et al., 2020). However, 35% of South Africans admitted falling behind on paying bills, indicating an inherent inability to manage finances (Old Mutual, 2022). Money management is an important element of financial behaviour, specifically for young adults who may be earning a salary for the first time while navigating daily expenditure, such as vehicle loan instalments or rent. This should, therefore, be considered when assessing the influences on financial behaviour.

## **Debt management**

Debt management is a core component of financial behaviour (Ramli et al., 2022). This refers to using credit cards, loans or mortgages (Glenn, 2018). Young adults are becoming familiar with credit and flexible finance alternatives (Aji & Adawiyah, 2022), such as Payflex<sup>5</sup>. However, attitude and knowledge affect the likelihood of individuals entering risky credit positions (Ramli et al., 2022). In South Africa, 40% of individuals admitted to borrowing money from friends or family to make ends meet, with 27% needing to take out personal loans to meet daily financial needs (Old Mutual, 2022). Furthermore, recurring interest rate increases prolong the burden of poor debt decisions. Therefore, it is critical to understand how borrowing decisions are affected by financial behaviour.

## **Savings and investment**

Savings and investment relate to how individuals preserve financial resources for future use (Hastings & Mitchell, 2020). This includes financial planning products, such as stocks and bonds, and products designed specifically for savings, including endowment funds, savings accounts, retirement annuities, and pension funds (Avdeenko et al., 2019). Engaging in savings activities demonstrates positive financial behaviour. However, young professionals seemingly lack a predisposition to save due to low income and increased consumerism culture (STANLIB,

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<sup>5</sup> Payflex is a credit-solution company providing 6-week interest-free credit to online consumers (Payflex, 2023).

2020). Moreover, 52% of South Africans have admitted to dipping into savings to fund current financing needs, indicating a lack of foresight and poor financial behaviour (Old Mutual, 2022).

## **FINANCIAL KNOWLEDGE AND LITERACY**

The OECD (2020) broadly define financial literacy as a combination of knowledge, skills, attitudes, and behaviour necessary to make sound financial decisions to achieve financial well-being. However, this definition has been widely contested. Kaiser et al. (2022) argue that financial literacy and knowledge are interchangeable as both are inextricably linked. In contrast, Cera et al. (2021) indicate that the terms are not synonymous as financial literacy extends beyond knowledge to include financial attitudes and behaviour. These sentiments are echoed by Thomas and Gupta (2021). Nevertheless, a strong association between financial literacy and knowledge exists (Thomas & Gupta, 2021). Therefore, knowledge that shapes financial decision-making constitutes financial literacy (Yong et al., 2018). Consequently, this research takes the approach pursued by Kaiser et al. (2022) and Rai et al. (2019), proposing that financial knowledge represents financial literacy.

A rigorous review performed by Goyal et al. (2021) indicated that most academic research determines that financial literacy and, therefore, knowledge is an antecedent to financial behaviour. This is supported by Rahim et al. (2022), who confirms that financial literacy is the possession of financial knowledge and the ability to use said knowledge to inform financial decisions. Financial literacy and knowledge, therefore, affect financial behaviour.

The relationship between financial knowledge, literacy, and behaviour has been widely researched (Antoni, 2021; Pahlevan et al., 2020; Utkarsh et al., 2020). Yong et al. (2018) found a positive relationship between financial knowledge and behaviour, indicating that higher knowledge promotes positive financial behaviour. This was corroborated by Hastings and Mitchell (2020) and Lusardi et al. (2020), who found that higher financial literacy is a strong predictor of sound retirement savings. Zulfaris et al. (2020) showed how greater financial literacy improves students' money management. This was supported by Nejad et al. (2018), who found that these students frequently used a multitude of financial products, including mobile banking, showing an ability to regularly manage financial resources. Furthermore, risky credit decisions are tempered through increased financial knowledge (Białowolski et al., 2019). Therefore, all aspects of financial behaviour, being money, credit, and investment decisions, are positively correlated with financial knowledge and literacy.

It is evident from the literature reviewed that the relationship between financial literacy, knowledge and financial behaviour is confirmed. Therefore, this study will not consider the effects of financial knowledge and literacy on financial behaviour. Instead, the focus will be on understanding the socialisation of financial behaviour.

## **FINANCIAL ATTITUDE**

Financial attitude is an individual's judgments, opinions and thoughts regarding personal finance (Lavonda et al., 2021). Lavonda et al. (2021) concluded that the desire to actively monitor spending results in sound money-management behaviour. This opinion was shared by LeBaron (2019), who found that impulsive attitudes negatively affect financial behaviour. Yahaya et al. (2019) established that positive financial attitudes manifest through the importance a person places on paying bills timeously. Further, Alshebami (2022) found that self-control increases savings behaviours. Therefore, results indicate that financial attitudes are an essential component of financial behaviour as it aids individuals with the ability to make sound financial decisions regarding spending, borrowing and saving, thus exhibiting positive financial behaviour.

Hariato (2021) pointed out that in developing countries, financial attitude does not produce positive financial behaviour. Instead, an individual's behaviour depends on the financial resources available to them (Hariato, 2021). This means that having money allows you to pay bills or make investments, which is a positive behavioural trait. This is relevant for South African young professionals whose average salary compared to GDP has stagnated (World Inequality Database, 2023). Nevertheless, financial attitude is closely linked to a state of mind (Lavonda et al., 2021), meaning that positive attitudes are linked to positive financial outcomes.

The extant research confirms a relationship between financial attitudes and financial behaviour. Therefore, this study will not consider the impact of financial attitudes. Instead, the focus will be on the socialisation of financial behaviour.

## **THEORETICAL FRAMEWORKS**

This section draws on foundational theories to provide context on the perceived influences of financial behaviour. These are the theories of planned behaviour (Ajzen, 1985) and financial socialisation (Wade, 1994).

## **Theory of Planned Behaviour**

The theory of planned behaviour (TPB) posits that learning takes place through the lens of behavioural and attitudinal norms (Ajzen, 1985). According to Ajzen (1985), there are three factors influencing behaviour. Firstly, an individual's attitude towards the subject matter (Cwynar et al., 2019). This means that an individual's perceived outcomes of actions influence decisions. Secondly, subjective norms influence behaviour, meaning individuals may feel societal pressure to act a certain way. Finally, the perceived difficulty of tasks incentivises individuals' behaviour (Ndou, 2022).

The TPB assumes rational behaviour (Obagbuwa et al., 2021), meaning individuals carefully deliberate all available information (Kwenda & Sihlongonyane, 2021). This implies that information-seeking people engage with those around them, such as family, peers, educators or media, to become informed. This engagement forms individuals' personal attitudes. However, the TPB concedes that factors beyond their control influence individuals. For instance, limited financial resources distract a person from financial goals (Kwenda & Sihlongonyane, 2021). Moreover, Jokonya (2017) explains that the TPB does not consider the complexity of human behaviour, like emotions. Nevertheless, the TBP theorises that attitudes and behaviour are inextricably linked, confirming that the socialisation process is plausible (Obagbuwa & Kwenda, 2020).

## **Financial Socialisation**

Jarvis (1983) defines socialisation as the process by which people internalise societal circumstances to conform in a manner that is deemed appropriate. Thus, socialisation is more than simply learning skills or knowledge. It includes integrating the values and norms of interactions into daily life. Individuals are socialised in various contexts. For example, political socialisation is adapting to a community's political climate (Andersson, 2020). Professional socialisation relates to training or values individuals require to perform professional duties (Howkinss & Ewens, 1998). Financial socialisation relates to the allocation and management of financial resources (Refrigeri & Manolescu, 2022).

Financial socialisation outlines the manner in which individuals acquire standards, values, norms, knowledge, and attitudes that influence personal financial behaviour (Wade, 1994). Le Baron and Kelley (2021) describe how an individual's decision-making process is shaped by

exposure to people, experiences, and teaching. Moreover, socio-demographic characteristics such as gender, race, and income contribute to socialisation (Wee & Goy, 2022).

Childhood experiences through family interactions are of particular importance (Sabri et al., 2022). Sabri et al. (2019) stress that family, specifically parents and guardians, are strongly associated with developing positive financial behaviour. Childhood interactions shape the mindset of individuals as they become professionals later on (Maswena, 2021). However, Gudmunson et al. (2016) argue that financial socialisation is an ongoing process. This suggests that while behaviour can be moulded early in life, personal experiences and interactions spanning many years also influence behaviour. This includes interactions with peers, media, or educators (Nomlala, 2021). Ultimately, the financial socialisation process causes individuals to adapt their financial behaviour in response to various exposures. Understanding financial socialisation is a prerequisite for evaluating financial behaviour and financial well-being (Tsuroyya & Nuryana, 2021). This is because if an individual's financial habits are influenced by financial behaviour, financial socialisation shapes the standards upon which such behaviour is predicated.

## **AGENTS OF SOCIALISATION**

The socialisation process depends on mechanisms to transfer knowledge and attitudes (Antoni, 2021). These mechanisms are referred to as socialisation agents (Xiao, 2008). Socialisation agents are people or organisations who exercise a degree of influence due to the frequency of their interactions with a person or the nature of such interactions (Maswena, 2021). Key agents are parents and guardians, peers, media and educators (Nomlala, 2021). Thus, it is crucial to understand the way these agents engage with individuals throughout the socialisation process.

### **Family**

Parents, guardians and family members are primary socialisation agents, meaning they directly shape financial behaviour (Maswena, 2021). Studies show that parents or guardians are the most influential (Nomlala, 2021). Siblings or romantic partners can also play a role (Maswena, 2021). Family acts as agents through financial discourse, direct teaching, or monitoring behaviour (Antoni, 2021). Furthermore, the frequency of communication is relevant (Alshebami & Aldhyani, 2022), validating the notions of the TBP and financial socialisation theory. It can be argued that the impact of a family is insignificant, as any influence exerted is incidental (Ameer & Khan, 2020). However, how children are raised influences financial

behaviour (Curran et al., 2018), as children also learn through observation of financial management techniques and active participation (Tsuroyya & Nuryana, 2021). Active financial discussion, in particular, was found to reduce financial distress later in life, further proving why family engagement is critical (Erentaitė et al., 2019).

While the family is considered an agent, Hall and Mokomane (2018) explain why this term may be inappropriate in a South African context. Family refers to social groups related by blood or bonds of marriage or adoption (Hall & Mokomane, 2018). However, the premise of an agent is that constant or consistent interaction is required for socialisation to occur (Xiao, 2008). Often in South Africa, children do not live with their parents; therefore, there is a lack of engagement and, consequently, opportunity to be socialised (Hall & Mokomane, 2018). A more appropriate term is households. A household is an arrangement of co-residence with shared consumption and production (Hall & Mokomane, 2018; Stats SA, 2021). This is fitting as an individual is socialised through cohabitation and exposure to behaviours and attitudes. Thus, this research refers to households, families, and parents and guardians synonymously.

Financial behaviour may be influenced by socio-demographic factors, such as gender, race, education, and income levels of household members (Maswena, 2021). Almost 42% of South African households are headed by women (Stats SA, 2021). Therefore, gender dynamics are prevalent as this affects the family as socialisation agents. Empirical data shows that women make conservative investment decisions (Gudjonsson et al., 2022). Women also have a higher propensity to save, despite research suggesting that women are less financially literate than their male counterparts (Zwaan et al., 2020). In contrast, men are risk-seeking in their approach to financial decisions (Zwaan et al., 2020). Walczak and Pienkowska-Kamieniecka (2018) found that men display more positive financial behaviour by consistently tracking financial expenses. In the context of socialisation, this means that children observing, discussing, or learning financial behaviour may be influenced by the extent of exposure to which gendered household members they interact with.

Gender impacts the extent to which individuals are socialised (Chowdhury & Gibson, 2019). For instance, women experience increased socialisation by family and become more financially disciplined than their male counterparts (Walczak & Pienkowska-Kamieniecka, 2018). This is likely due to women's sense of familial responsibility (Willows & October, 2023). Despite this, families generally invest more time directly teaching sons financial management techniques and motivating men to find work earlier (Sabri et al., 2022). This contrasts with Agnew et al.

(2018), who found that males are more likely to be financially socialised by parents than their female counterparts. Pahlevan et al. (2020) found that, for males, financial socialisation from family members negatively influences behaviour. It was suggested that this is because males are more defensive and attempt to rebel by acting in contradiction to expectations (Pahlevan et al., 2020). Males whose families engaged in stock market investments and retirement savings displayed better savings behaviours. On the other hand, compulsive buying habits were found to be a trait among females (Sabri et al., 2022), showing the disparate effects of gender.

Race is a pervasive issue in South Africa. Most studies identify black individuals as having reduced financial knowledge (Ndou & Ngwenya, 2022), corresponding to negative financial behaviour. The compounding effect results in children growing up in black households being less informed when making financial decisions (Ndou & Ngwenya, 2022). Furthermore, Maswena (2021) found that black households are less equipped to manage financial difficulties or unexpected financial emergencies, demonstrating negative financial behaviour. Black South Africans were found to rely more on informal savings methods (Old Mutual, 2022), potentially due to lower financial literacy. White South Africans, to a greater extent, demonstrated positive financial behaviours, such as opening savings accounts, investing in shares, and credit management compared to other races (Wee & Goy, 2022). In an American study, white and Asian students, as opposed to black participants, were found to be more likely to use formal savings mechanisms (White et al., 2021). It was posited that this was due to a mistrust in traditional banks (Hunter & Sawatzki, 2019). The same could apply in South Africa as black communities often rely on informal savings mechanisms such as stokvels<sup>6</sup> or burial societies to save (Old Mutual, 2022). Therefore, different races may offer different opportunities for financial discussion and good financial behaviour in the household.

Financial instruction from family can improve savings and investment behaviour. In a study by Webb (2021), all racial groups who received strong investment teaching regarding financial products and savings strategies were associated with better financial behaviour, indicating that all races are equally financially socialised. Further, many black South Africans are burdened with Black Tax, a term used for additional money paid by black professionals to support their families (Willows & October, 2023). This is supported by Old Mutual's (2022) findings, where 47% of respondents stated they would depend on children for financial support during

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<sup>6</sup> A stokvel is a savings "pocket" where, regularly, individuals contribute money and receive either a rotating lump sum or a share of the money at the end of an agreed-upon period (Willows & October, 2023).

retirement. Therefore, while an individual may be socialised to demonstrate positive financial behaviour, familial obligations may interfere with their ability to do so.

Approximately 13,6% of South African households contain three generations (comprising grandparents, parents and children), while the majority of households (42,1%) are classified as double-generational (comprising parents and children) (Statistics South Africa, 2021). Therefore, as a large proportion of households are double-generational, age is not a contributing factor when assessing socialisation agents, as the parent-child relationship dominates most South African households (Nomlala, 2021).

Individuals with higher levels of formal education demonstrate an increased understanding of financial concepts (Nanziri & Leibbrandt, 2018). Therefore, households with individuals with diplomas or higher degrees have increased levels of financial education and can positively socialise children (Matemane, 2018). Ndou (2022) found that parents' poor financial knowledge contributes to poor credit decisions among children. However, Rahim et al. (2022) found that households where both parents are educated encourage children to emulate their parents' behaviours, positively impacting socialisation. In contrast, Ndou (2022) found no correlation between education levels and retirement savings amongst black South Africans. However, this can be attributed to the participants of this study, predominantly black, low-income individuals, not earning enough based on their education levels to enable retirement savings. Consequently, the higher the family's education level, the more financially educated children are likely to be.

South Africa's income inequality further exacerbates the impact of negative financial socialisation as income levels affect financial behaviour (Ndou, 2023). Wealthy households display higher financial literacy than low-income households (Reyers, 2019). Therefore, young professionals growing up in higher-income households are expected to be positively socialised due to exposure to increased financial literacy. Solomon et al. (2018) explained how higher-earning individuals are more confident in making financial decisions. A higher income increases the freedom to make financial decisions regarding effective resource allocation (Montalto et al., 2019). Therefore, having access to salaries for the first time may also affect young professionals' behaviour, despite how they have been socialised.

## **Peers**

Individuals' exposure to peers, including friends and workplace colleagues, grows as individuals age because household interaction is reduced as they leave home to work (Sabri et al., 2019). Thomas and Subhashree (2020) added that the increased exposure is due to technology and access to smartphones and social media. Therefore, once individuals start work, earn a salary and gain financial independence, the influence of peers rises (Khalisharani et al., 2022).

Peers influence behaviour positively and negatively. Peers can emphasise the value of money or encourage conservative expenditure. In South Africa, a developing country with diverse schools, universities and workplaces, young professionals from different financial backgrounds, cultures, and races interact (Vietze et al., 2019). This exposes them to different mindsets contrasting those from childhood. Modelling different behaviours can be beneficial. Despite this, Antoni (2021) found that peer interactions do not strongly influence South African youth.

As people age, the need for social approval heightens (Lučić et al., 2021). Therefore, more weight is placed on peers' judgements. This means that young professionals may hold these opinions in high esteem when making financial decisions (Maswena, 2021). Moreover, these relationships can heighten stress when individuals endeavour to fit in (Nomlala, 2021). This pressure is exacerbated by materialistic thinking and craving desirable items, affecting spending priorities and, ultimately, financial behaviour (Lučić et al., 2021).

Sabri et al. (2019) concluded that peers have a detrimental impact on socialisation as the nature of shared information is inaccurate. Relying on the recommendations of peers without research leads to uninformed decisions. This risk is heightened if interactions take place on social media (Alvarez & Tippins, 2019). Therefore, peers are influential in the socialisation process. However, the extent of influence must be examined.

## **Educators**

Educators include formal financial education, such as school programs that teach individuals fundamental financial concepts (Zhu, 2020). Formal education fosters increased financial knowledge and gives young professionals confidence in their abilities, allowing them the freedom to make informed financial decisions (Maswena, 2021). It is often exposure to educational courses that prompts students to discuss financial planning, budgeting and savings

with other agents (Zhu, 2020). The South African secondary school syllabus includes a mandatory course referred to as Life Orientation (Department of Education, 2011). The course focuses on encouraging self-development by including topics ranging from health, social and environmental responsibilities to preparation for the world of work (Department of Education, 2011). Notably, there are no topics focused on preparing students for managing personal finances, debt or savings. Furthermore, the quality of formal education in South Africa is lacking (Nomlala, 2021), questioning the effectiveness of this agent.

In South Africa, young professionals specialising in the field of accounting undergo rigorous educational training as part of obtaining a professional qualification. The South African Institute of Chartered Accountants (SAICA) has developed an accredited programme for accounting education offered at tertiary institutions, ensuring appropriate resources are available to meet the requirements of an accounting professional set out in SAICA's competency framework (Nomlala, 2021). Therefore, the extent and level of educators' influence on the lives of young accounting professionals may vastly impact financial behaviour.

Financial professionals, such as financial advisors or planners, also constitute education (Jin & Chen, 2020). Consultation with professionals provides an added level of assurance when making financial decisions. However, given the plight of South Africa's economy, not all individuals have access due to a lack of finances to pay for services or geographic constraints. This results in financial exclusion, a hindrance to positive financial behaviour (Demirgüç-Kunt et al., 2020). Nevertheless, the influence of educators on financial behaviour cannot be underestimated.

## **Media**

Both traditional and new-age media play a role in socialisation by conscientising individuals to adopt behavioural characteristics (Beutler & Gudmunson, 2012). Traditional media includes newspapers, magazines, and advertisements through television and radio (O'Rourke, 2020). New-age media refers to digital platforms, including social media (Rahim et al., 2022). This has become widely used among young adults (Rahim et al., 2022). Bamforth et al. (2018) found that technology influences money habits. This engagement on social media affects financial behaviour. Nowadays, individuals interact with a much wider community through comments, likes or shares on social media. Therefore, the media is an agent for sharing information about financial products, which can influence financial behaviour (Bapat, 2020; Harrigan et al., 2021).

Using social media has been linked to overconsumption and irresponsible spending (Maswena, 2021). However, it is a valuable tool to spread information about financial products (Alvarez & Tippins, 2019). Research suggests that individuals who obtain financial information from media exhibit higher levels of financial knowledge (Pennycook & Rand, 2021). Young adults can easily access financial information by following channels or accounts specialising in this field (Alvarez & Tippins, 2019). Sabri et al. (2019) warned that social media is ineffective as it promotes one-way communication, limiting the ability for dialogue and engagement, which results in ineffective socialisation. Further, the inability to verify online information poses a unique challenge (Pennycook & Rand, 2021). Therefore, the integrity of online financial information influences the emanating financial behaviours.

## **FINANCIALISATION TECHNIQUES**

Individuals can be socialised in two ways (Maswena, 2021). The first is direct or explicit socialisation. This refers to intentional teaching and lessons that result in the development of financial behaviour (Vijaykumar, 2022). Direct socialisation is a purposeful act to educate (Maswena, 2021). Socialisation can also occur implicitly through indirect techniques (Maswena, 2021). This includes modelling or observation encouraging individuals to emulate behaviour (Ndou, 2023).

Both socialisation methods impact financial behaviour equally (Riaz et al., 2022). Therefore, agents must consciously convey positive financial behaviour in words and actions. This can be done in several ways, including financial instruction, pocket money, observation, social media, donations, and vacation work. Each of these are discussed next.

### **Financial instruction**

Financial instruction is conveying financial concepts through instruction or advice (Antoni, 2021). It is an effective way to enlighten individuals on various financial matters, such as taxes, interest, budgeting, credit card usage, and savings products (Antoni, 2021). Research shows that when individuals seek information, family and educators are the first resources approached to fill this knowledge gap (Wee & Goy, 2022). These agents are, therefore, well-poised to provide positive financial instruction, given the frequency of interactions and the perceived authority they possess. Pahlevan (2020) found that children who discuss finances at home had lower levels of debt and increased savings as adults. Khan et al. (2020) expanded on the financial instruction of children by identifying that a family's early involvement in encouraging

investments is important to foster similar behaviour in the adult years. Therefore, financial instruction is critical to shaping financial behaviour. However, it should be noted that financial instruction is ineffective if individuals hear or are taught something but do not apply this in their personal lives, rendering the transfer of knowledge ineffective (Chew & Cerbin, 2020). Thus, agents must be mindful of ensuring that deeper learning through financial instruction is prioritised.

### **Pocket money**

Money management can be taught through pocket money or allowances (Swacha-Lech, 2021). This is a regular cash transfer from a parent, guardian or family member to a child (Zulfaris et al., 2020). Pocket money is often provided to incentivise compliance with behaviour, such as chores (Antoni, 2021).

Children who received allowances were shown to have reduced reliance on credit facilities in adulthood (Maswena, 2021), positively impacting debt management. Furthermore, Oseifuah (2014) found that earning an allowance increased the propensity of individuals to save later in life. Pocket money also provides the opportunity to engage in discourse regarding money-management techniques, such as budgeting or tracking expenditures (Agnew et al., 2018). This provides an opportunity to educate children on the value of money and positive consumer behaviour (Maswena, 2021). Therefore, all components of financial behaviour are positively affected. While this mechanism corroborates Wade's (1994) findings that higher earnings support positive financial behaviour, in South Africa, this may be challenging as not all households have the financial means to afford such rewards.

### **Vacation work**

Mihály et al. (2017) confirmed that students who earn an income are more self-supporting and more likely to exhibit positive savings behaviour. Therefore, encouragement from agents to obtain jobs to earn income replicates the effects of pocket money, promoting positive financial behaviour.

### **Observation**

Socialisation can be administered through observation and modelling. Observing agents' ongoing habits influences individuals, inspiring the replication of such habits (Maswena, 2021). This includes reading, listening to, or watching finance-related materials to remain updated on market activity, budgeting, or selecting savings products. This creates positive pressure,

theorised by the TBP, to emulate such behaviour (Pahlevan et al., 2020). Conversely, children observe parents' financial worries, including arguing about finances or stress regarding inability to pay bills. This negatively socialises financial behaviour (Pahlevan et al., 2020). Therefore, agents must be cognisant of how financial well-being is portrayed to impressionable children.

Observations of peers and media are relevant. Impulsive buying is a phenomenon impacting young professionals (Ong et al., 2021). This can lead to excessive spending or credit card use (Ong et al., 2021). Younger generations' priorities are evolving, with many choosing instant gratification (Glenn, 2018). For example, purchasing luxury items and fast food rather than saving for retirement (Manju, 2016). This may be especially relevant for young professionals, with many having access to income for the first time. However, interactions with these agents are unavoidable despite these risks.

The aforementioned direct and indirect mechanisms must be considered when assessing the socialisation of financial behaviour. These mechanisms can impact how an individual is socialised and are therefore critical to understanding the process behind an individual's financial decision-making.

In conclusion, barring broader macroeconomic concerns, the country's financial predicament necessitates improvement. This involves critically evaluating individuals' financial behaviour. Efforts to understand financial attitudes and literacy exist. However, the impact of socialisation on financial behaviour remains, from a South African standpoint, under-researched. Given its unique positioning as a developing economy with a diverse population, understanding socialisation is critical. This includes examining the effectiveness of various socialisation agents and mechanisms to identify improvements. As future leaders and active participants in the economy, young professionals are key. Therefore, understanding the perceived influences on their debt, savings, and spending decisions is crucial to future financial success.

### **CHAPTER THREE: RESEARCH METHODOLOGY**

This research aims to better understand the perceived influences on the financial behaviour of young South African accounting professionals through the lens of socialisation. This will aid in understanding how an individual's financial behaviour is shaped and assist in identifying potential impediments that exist. Moreover, this will support the development of reform to

improve the financial behaviour of South Africans, an area requiring attention (Maswena, 2021).

## **RESEARCH QUESTIONS**

This research sets out to answer the following questions:

1. How do young South African accounting professionals perceive the influences on their financial behaviour?
2. How are the perceived influences on young South African accounting professionals' financial behaviour shaped by the socialisation process?

## **RESEARCH DESIGN**

To answer these questions, a qualitative research approach will be adopted. A qualitative study, which involves the collection of data and identification of similar elements (Gavin, 2008), is suited to understanding issues, events, and individuals' behaviours, thereby allowing the researcher to gauge participants' perceptions and interpretations of life events and interactions (Leedy et al., 2010). Current literature confirms a relationship between financial behaviour and the socialisation of South African individuals, indicating that individuals can be socialised to demonstrate certain financial behaviours (Maswena, 2021; Ndou, 2023; Nomlala, 2021). However, most of this research is quantitative in nature (Goyal et al., 2021). Therefore, the qualitative approach adopted by this study will aid in obtaining a rich understanding of the perceived influences on financial behaviour that is unlikely to be obtained from quantitative methods alone.

## **RESEARCH PROCESS**

To gather qualitative data, participants engaged in a series of semi-structured interviews supplemented with a short questionnaire. The questionnaire (Appendix A) was designed to obtain personal characteristics about the participants, including gender, race, income bracket, and parents' or guardians' highest academic qualification. Through the literature reviewed and theoretical frameworks adopted, these influences have been identified as instrumental in the socialisation process (Ndou, 2022; Gudjonsson et al., 2022). The interview questions were developed based on key themes identified in the Literature Review that influence an individual's financial behaviour. Before conducting the interviews, ethical clearance was obtained from the University of Cape Town's Commerce Faculty Ethics Committee. A pilot

interview was conducted to determine whether the interview questions or methodology required revision. Finally, the results of the interviews were thematically analysed and evaluated.

### **Population and participant sampling**

Sampling is the process of selecting a representative group from a large population (Taherdoost, 2016). Purposeful sampling was used to select participants for this study (Palinkas et al., 2015). This is a non-probability technique whereby the researcher selects participants who, in the researcher's opinion, possess the information required to meet the study's objectives (Palinkas et al., 2015). The number of participants interviewed depends on how many interviews are necessary until saturation is reached. Saturation is the process of continually sampling data to obtain a holistic, comprehensive understanding of the research area until such point that no new information is obtainable (Etikan et al., 2016).

The first step in sampling is identifying the population from which the sample will be obtained (Taherdoost, 2016). This study is focused on identifying the perceived influences on the financial behaviour of young South African accounting professionals. There are many routes to becoming an accounting professional. However, recognition from a professional designation is preferred. Accountants with a professional designation are better perceived in the marketplace (Chetty et al., 2019) and noted as possessing critical skills by the government (Government Gazette, 2022). Such designations are achieved after meeting specific entrance requirements, such as tertiary qualifications, qualifying board examinations, and work experience (UCT, 2023). The South African Institute of Chartered Accountants (SAICA) is the leading accountancy body in South Africa, with global recognition (SAICA, 2023). Being the dominant accounting professional body in South Africa<sup>7</sup>, young professionals pursuing a CA(SA) designation through the SAICA training programme formed the focus of this study. Thus, the population of this study includes all young South African professional accountants.

Young professionals are broadly defined, with ages ranging between 24 and 35 years (Belcher, 2015). However, to understand the perceived influences on accounting professionals' financial behaviour, with limited influence of work colleagues or corporate experience, first-time salary earners formed the focus of this study. Therefore, the population of this study was narrowed down to new entrants into the workforce, currently undertaking their first year of a SAICA

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<sup>7</sup> As of December 2023, SAICA has a membership of 50 749 registered members (SAICA, 2023), compared to 15 000 members registered with the South African Institute of Professional Accountants (SAIPA) (SAIPA, 2023), indicating SAICA's dominance in the market.

training contract<sup>8</sup> at a Cape Town-based audit firm. Audit firms were selected as this industry has the highest number of SAICA-accredited training offices and, therefore, the largest intake of first-year SAICA candidates (SAICA, 2023). Thus, most young accounting professionals entering the workforce do so at an audit firm<sup>9</sup>. A Cape Town firm was selected as this city is where the author of this study resides. Participants were contacted by the researcher with the permission of their employer.

To summarise the characteristics of the sample of this study, the inclusion criteria have been included in Table 1 below. Inclusion criteria are the characteristics of the participants included in a study (Conelly, 2020). These criteria assist in determining if a participant should be included in the sample.

**Table 1: Inclusion Criteria for Interview Participants**

<b>Characteristic</b>	<b>Inclusion Criteria</b>
<i>Age</i>	24 to 35 years old
<i>Location</i>	Cape Town
<i>Industry</i>	Auditing
<i>Work experience</i>	New entrants to the work force; First-time salary earners
<i>Educational background</i>	Accounting
<i>Professional body affiliations</i>	SAICA CA(SA) training programme

Apart from the aforementioned characteristics, other differentiating factors, such as race and gender, were not significant for the selection process. These differentiating factors were accounted for using purposive sampling until saturation, that is, continually sampling data to obtain a holistic, comprehensive understanding of the research area until such point that no new information is obtainable (Etikan et al., 2016). Through the interviews conducted with the sample, the researcher identified a repetition of issues raised by the participants, thus confirming that saturation was reached.

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<sup>8</sup> SAICA's training programme requires candidates to complete a three-year training contract at a registered training office upon completing a SAICA-accredited postgraduate programme (SAICA, 2023). Thus, participants of this study will be in Year 1 of 3 of their training contracts.

<sup>9</sup> In 2022, 82% of SAICA-accredited training offices were firms providing audit and assurance services. This was determined using the database of training offices obtained from SAICA's website (SAICA, 2023). Thereafter, training offices were stratified into industries, such as Financial Services, Government Institutions, Audit and Assurance, etc. and the proportion of firms classified as Audit and Assurance was calculated as a portion of the total number of training offices.

### **Designing interview questions**

A questionnaire (Appendix A) was designed to obtain personal characteristics about the participants, including gender, race, income bracket, and parents' or guardians' highest academic qualification. These factors have been identified as instrumental in the socialisation process and thus impact financial behaviour (Gudmunson et al., 2016; Ndou, 2023). While age and highest academic qualification have been included in the questionnaire, this was done to confirm consistency amongst all participants. It is likely that participants will be of similar age and education level, given the inclusion criteria utilised and the entrance requirements for SAICA trainee accountants (SAICA, 2023). The socio-demographic data obtained may assist in understanding whether any of the personal characteristics displayed by participants can shed light on the participants' lived experiences as it relates to financial behaviour (Willows & October, 2023). Prior to the commencement of the interviews, participants were presented with this short, close-ended questionnaire to ascertain these characteristics.

The interview questions were developed based on key themes identified in the Literature Review, including the financial socialisation theory, agents of socialisation, and mechanisms of socialisation, as indicated in Table 2 below. These themes are crucial to understanding the influences on financial behaviour of young South African accounting professionals, specifically demonstrated through money management, debt management and savings and investment techniques. The interview questions are included in Appendix B.

**Table 2: Key themes identified in the Literature Review**

<b>Theme identified in literature review</b>	<b>Interview Question Number</b>
<b>1</b> Financial Socialisation theory	3, 9, 10
<b>2</b> Agents of socialisation	4, 5, 6, 7, 8
<b>3</b> Mechanisms of socialisation	5

The interview begins with two broad questions regarding the participants' understanding of financial behaviour. These questions were intended to allow the participants to become comfortable with the interviewer and encourage them to think in the context of financial behaviour before answering the questions relating to the remaining themes. These also gave the interviewer insight into the thought processes adopted by participants when making financial decisions. Henceforth, all questions were framed with financial behaviour in mind, requiring participants to consider money management, debt management, and savings.

The section in the interview questions dealing with socialisation agents outlined how participants perceived their financial behaviour as being influenced by those around them. Focus was placed on family, friends, educators and the media as socialisation agents, as these were identified as being strong influences by previous quantitative research (Maswena, 2021; Ndou, 2022; Nomlala, 2021). These questions aided the researcher in identifying which of the agents, if any, are most influential, while allowing for the identification of further socialisation agents. Context on each agent and the nature of their interactions with participants were explored to determine if the experiences and interactions with these agents influence individuals' money management, debt management and savings behaviour. The socialisation agents theme is significant as it provides valuable insight into a previously proven quantitative relationship (Nomlala, 2021). In this study, further insight into the perceived influence of these agents on individuals' financial behaviour was explored. Further, the questions allow for determining further agents not identified by the literature, thus contributing to the existing literature.

The section in the interview questions of mechanisms of socialisation seeks to understand how participants perceive any socialisation that may have taken place. These techniques are adopted by agents, consciously or unconsciously, and can influence money management, debt management and investment or savings (Vijaykumar, 2022). Therefore, understanding the mechanisms of socialisation can shed light on how to improve interactions with individuals to instil positive financial behaviour.

Finally, the socialisation section of the interview questions aims to understand the participant's perceptions of how they feel they may be socialised in future. This section is based on the financial socialisation theory, which proposes that specific agents and methods of socialisation influence an individual's financial behaviour, ultimately corresponding to the aforementioned themes and theoretical frameworks (Wade, 1994). This helps the researcher understand if the participants believe their experiences and interactions with those around them influence their financial behaviour, and if so, to what extent. Further, awareness of the socialisation process allows individuals to be more discerning regarding how they seek information.

### **Interview Process and Pilot Study**

Face-to-face, semi-structured, open-ended interviews were conducted. Face-to-face interviews encourage greater engagement (Braun & Clarke, 2012) and allow the interviewer to observe social cues, which can guide the direction of the interview, such as body language or tone of

voice (Leedy et al., 2010). Semi-structured interviews allow the interviewer to prepare focused, pre-determined questions while presenting the opportunity to explore ideas that may arise during the interview (Obagbuwa et al., 2020). This can enhance the understanding of the perceived influences on financial behaviour by allowing the interviewee the autonomy to share their experiences, facilitating the collection of richer data. Finally, open-ended questions provide flexibility as the interviewee is not limited or restricted in their responses, ensuring that all considerations can be explored (Obagbuwa et al., 2020).

A pilot interview was conducted with two first-year audit trainees to determine whether the interview questions and methodology were appropriate or required amending. This also allowed the researcher to confirm whether the semi-structured questions facilitated an open dialogue and allowed the interviewee to share anecdotes and perceptions of how they may have been socialised. Upon completion of the pilot interviews, this was achieved by asking the individuals for feedback on their experiences and any recommended changes to the interview questions or style of questioning. The interviewer found that the proposed interview questions were adequate in answering the research question. Therefore, the original draft of questions remained the same.

For each interview, the researcher assumed the role of interviewer. Each interview lasted an average duration of 30 to 45 minutes. To initiate the interview proceedings, the interviewer welcomed the participants and expressed gratitude for their willingness to participate in the research process. Thereafter, participants were informed about the purpose of the interview and how information would be used. The anonymity and confidentiality of participants were assured, with a reminder that they could exit the research process at any point. Permission was requested from participants to record the interviews and take brief notes while the interview was conducted. The interviewer did not use the participants' names or identifiable information for this. The participants signed a consent form to confirm their willingness to participate and acknowledge their understanding of the process. This consent form is included in Appendix C. Thereafter, participants were presented with the questionnaire and upon completion, the interviews were conducted.

Following the interviews, the recordings were transcribed using Descript, an online programme for recording, transcribing, and editing data. To confirm the accuracy of the transcription, it was compared to the electronic recording and interview notes. Once again, all interview recordings and transcriptions were discreetly labelled to maintain anonymity. For example, transcriptions were labelled "Participant One", "Participant Two", and so forth. This allowed

the researcher to keep track of which interview related to which participant without using identifiable information relating to the participant.

### **Results analysis**

A thematic analysis (TA) process was adopted in analysing the interview transcriptions. This involves systematically analysing qualitative data to code, or identify concepts with similar ideas, to better understand broader themes emerging in the data set (Braun & Clarke, 2012; Braun & Clarke, 2019). Braun and Clarke (2019) identified a trio of TA approaches. These are referred to as coding reliability, code book, and reflexive TA.

Coding reliability starts with the development of themes (Braun & Clarke, 2019). This process requires the themes to be determined by the researcher prior to the data analysis process, with reliance on the theoretical frameworks adopted by the study. Thereafter, when coding the data, evidence for the existence of the predetermined themes can be corroborated or disproved.

The second approach is a code book approach (Braun & Clarke, 2019). In this instance, a defined list of codes is prepared by the researcher based on a theoretical framework or through familiarisation of the data set (Braun & Clarke, 2019). However, as posited by Campbell et al. (2015), this relies on the findings themselves existing in the data waiting to be identified, minimising the opportunity to identify novel ideas emerging from the data itself.

The final method, which was applied in this study, is referred to as reflexive TA (Braun & Clarke, 2019). In this method, coding and theme development are treated as a flexible process after thorough engagement with the data set and theoretical frameworks. The coding and theme identification is therefore, a deductive process, allowing the researcher to identify themes emerging from the data (Braun & Clarke, 2019). This approach requires the researcher to immerse themselves in the interview transcripts, develop codes and finally, identify broader patterns underpinned by a core concept, the themes, in order to present the findings. This process is iterative in nature, allowing the researcher to reflect on the concepts emerging from the data set through the lens of the theoretical frameworks (Campbell et al., 2015). The flexibility of reflexive TA (Braun & Clarke, 2019) allows this method of analysis to be combined with most theoretical frameworks, including the financial socialisation theory and theory of planned behaviour, adopted by this study. In addition, reflexive TA promotes creative and interpretative theme development, stemming from the personal anecdotes and experiences shared by participants (Clarke et al., 2017), which is conducive to this study. Further supporting

the use of reflexive TA, this approach has been successfully utilised to analyse data collected from face-to-face interviews (Niland et al., 2014; Willows & October, 2023).

The reflexive TA process consisted of five steps (Braun & Clarke, 2019). These are data familiarisation, code generation, theme construction, theme review, and theme finalisation and reporting. The data familiarisation step (Braun & Clarke, 2019) allows the researcher to review and reacquaint themselves with the interview transcripts by re-reading and re-listening to interview recordings, allowing engagement and thorough immersion with the interview data (Braun & Clarke, 2019).

Thereafter, during the code generation step (Braun & Clarke, 2019), the researcher utilised a qualitative analysis tool, Nvivo, to codify the transcribed data. Nvivo allows users to import, organise, codify and connect data according to key themes (Lumivero, 2023). Codes were assigned to statements of a similar nature, allowing the researcher to make links and identify relationships within a single transcript and across multiple transcripts. Three types of coding techniques were adopted (Saldana, 2013). The first, descriptive coding, allowed the researcher to summarise passages and statements appearing in a transcript into a singular word or short phrase. Secondly, simultaneous coding was used where multiple codes apply to a single statement. This was necessary where the transcript contained particularly insightful, rich data which transcended one code. Finally, attribute coding allowed the researcher to identify participants' descriptive data, including race, gender and parents' or guardians' education levels. This provided insight into relationships between participants' attributes and financial behaviour.

The third step in reflexive TA, theme construction, entailed reorganising codes previously identified into broader categories from which themes can be derived. Codes containing data with similarities and relationships were grouped to form overall themes. The researcher also considered the underpinning themes upon which the interview questions were premised, including agents and mechanisms of socialisation, in order to form broader categories. In doing this, as recommended by Clarke et al. (2017), the researcher made use of visual mapping aids, a functionality of Nvivo (Lumivero, 2023), in order to identify potential themes in relation to each other and the overall dataset. This aided in the comparison and evaluation of the data.

Once themes were identified, these were reviewed in the fourth step of the thematic analysis process. In this phase, the researcher confirmed that all themes identified were of sufficient

quality (Braun & Clarke, 2019). Further, confirmation that all codes were accurately assigned to their designated themes was undertaken. If not, the codes were reallocated to ensure the appropriate interpretation of the theme.

The final step relates to theme finalisation and reporting, whereby the researcher ensures that each theme identified relates to the research questions, does not overlap with other existing themes, and is focused on a singular issue or phenomenon (Braun & Clarke, 2012). This ensures that all qualitative data obtained can be easily communicated when presenting the results of the study.

### **Limitations of this study**

This study seeks to understand the influences on the financial behaviour of young South African accounting professionals. As the population consists of all South African accounting professionals between the ages of 24 – 35 (Belcher, 2015), it is a broad population. However, the research participants of this study were limited to young professionals engaged in their first year of the SAICA training contract at a Cape Town-based audit firm (Table 1). Therefore, the results of this study are not generalisable across the entire population of young South African accounting professionals. However, participants with similar work experiences<sup>10</sup>, including working hours, job responsibilities and field of speciality, were selected. Therefore, while the results may not be universally applicable, this research is able to shed light on how young accounting professionals perceive influences on financial behaviour in the context of a developing country, specifically South Africa, a previously under-researched area. These perceptions are instrumental in guiding parents and guardians, peers, media, educators, and other interested parties in addressing any shortcomings identified in financial behaviour.

In the context of a qualitative study, validity means the study's findings are accurate from the perspective of the researcher, participants and readers of the study (Cresswell, 2011). The validity of this study is, therefore, dependent on the participants' contributions and their perceptions, cognitions, and beliefs when responding to the interview questions (Leedy et al., (2010).

When conducting the data collection process, the author engaged in various techniques to ensure the validity and trustworthiness of the data collected. Specific strategies employed

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<sup>10</sup> The interviews were conducted with participants in July 2023, meaning participants had received a salary for six months of the year thus far.

included, firstly, conducting pilot studies, which allowed the researcher to assess the reasonableness of the length of time for the interview and the clarity, relevance and completeness of the questions presented. Through the pilot interview process, the researcher was able to reflect on the interview process and questions posed to ensure the participants were able to critically reflect on their experiences. This provided a better understanding of the subject matter. Secondly, the researcher ensured that the interview setting was conducive to sharing personal experiences by creating a friendly, hospitable environment. This was improved through face-to-face interviews, which encouraged greater engagement (Braun & Clarke, 2012). All participants expressed that they felt comfortable sharing their experiences in the environment created, thus enhancing the credibility of their responses. Finally, participants were provided with copies of the interview transcripts, which they could review to ensure the accuracy and completeness of their responses, thereby minimising the risk of lack of credibility of responses from both the participants' and researcher's perspectives.

Reliability, in the context of a qualitative study, refers to the consistency of the researcher's approach to data collection and analysis across different projects (Cresswell, 2011). As data for this study is collected through interviews, this creates an opportunity for subjectivity in interpreting results. This is an inherent limitation of qualitative studies (Leedy et al., 2010). The researcher's comparison of the transcripts to the recordings, as well as allowing for participants to review the transcripts for accuracy, supported by the use of Nvivo to codify the data according to key themes emerging from the interviews, increased the reliability of the data. Furthermore, given the reflexive TA (Braun & Clarke, 2019) adopted, the ongoing comparisons of data with the underlying codes, with reference to the study's research questions and theoretical frameworks, were reflected upon by the researcher throughout the data analysis process to ensure the reliability of data.

Given that the study was conducted through a qualitative design, with interview questions being guided by the themes emerging from the review of literature, it is possible that certain influences on financial behaviour were not identified. However, interview questions were designed in an open-ended manner to allow for any considerations not previously deliberated on by the researcher. Furthermore, the semi-structured nature of the interviews allowed the researcher to explore concepts not previously identified in the review of literature, thereby adding to the extant findings on personal financial behaviour.

Finally, with the reflexive TA adopted, the researcher's bias may have influenced certain findings. This concern is echoed by critics of the reflexive TA approach (Braun & Clarke, 2021), as researchers may allow their own social position to influence the data analysis. However, the use of reflexive methodologies allows for a data-led analysis (Braun & Clarke, 2019), thus ensuring that all overarching themes emerging from the interview process can be considered. Additionally, the researcher remained cognisant of their positioning, outlined below, and engaged in thorough reflection throughout the research process to limit potential bias.

### **Positionality and reflexivity statement**

When conducting qualitative research, it is critical for researchers to reflect on their personal social and cultural identities, privileges, and experiences, as this shapes the interpretation of the data (Wilson et al., 2022). The concept of reflexivity invites researchers to acknowledge and disclose their personal characteristics in order to determine how this may influence their research findings (Holmes, 2020). This informs the researcher's positionality, which is the position that the researcher has adopted within the research study (Holmes, 2020). This does not highlight further bias, nor eliminate any bias, but is intended to shed light on how these personal characteristics may impact all stages of the research process (Martin et al., 2022).

The researcher is an Asian female, young South African accounting professional. The researcher's educational background, which mimics that of the participants, has been both helpful and challenging in navigating the researcher's personal financial behaviour. These experiences contributed to the basis of this study but may also result in an unconscious bias when analysing the data related to this study. In particular, the researcher may unconsciously gravitate towards specific themes or seek evidence to support certain personally favoured positions. To limit such bias, interventions such as using a diverse pool of participants and conducting pilot studies were undertaken. Additionally, the reflexive TA approach was utilised with the aim of limiting any bias, conscious or unconscious, that may exist due to the researcher's past experience.

The inclusion of this statement serves to recognise the impact of the researcher's identity on this study. In disclosing this, readers can critically assess whether the researcher's bias influenced the findings (Martin et al., 2022). Moreover, this statement serves to center the experiences shared by the interviewees, highlighting the unique perspectives of the participants who share the similarity of being young South African accounting professionals.

## **CHAPTER FOUR: RESULTS AND ANALYSIS**

The results from the interviews conducted in this study are presented and analysed in this chapter through the lens of the theories of planned behaviour and financial socialisation. The interviewer applied the methodology described in Chapter Three: Research Methodology to analyse and present the results.

Table 3 presents descriptive statistics for the sample of this study consisting of 12 participants. These statistics were obtained from the questionnaire (Appendix A). These include the gender, race, parents' or guardians' highest level of education and whether or not participants have dependents whom they are required to support financially. These factors have been identified as instrumental in the socialisation process and thus influence financial behaviour (Gudmunson et al., 2016; Ndou, 2023). To ensure the anonymity of the participants, pseudonyms have been used.

**Table 3: Descriptive Statistics of Interview Participants**

	<b>Pseudonym</b>	<b>Race<sup>11</sup></b>	<b>Gender<sup>12</sup></b>	<b>Parent/guardians' highest education level<sup>13</sup></b>	<b>Does the participant have financial dependents?</b>
<b>1</b>	Thandi	Black	Female	Diploma	Yes
<b>2</b>	Hlubi	Black	Female	High School	Yes
<b>3</b>	Naledi	Black	Female	High School	Yes
<b>4</b>	Adrian	Coloured	Male	High School	Yes
<b>5</b>	Siviwe	Black	Male	Diploma	Yes
<b>6</b>	Lin	Asian	Female	High School	No
<b>7</b>	Thobeka	Black	Female	Diploma	Yes
<b>8</b>	Thuli	Black	Female	Degree	No
<b>9</b>	Lala	Black	Female	Diploma	Yes
<b>10</b>	Richard	White	Male	Diploma	No
<b>11</b>	Luvuyo	Black	Male	High School	Yes
<b>12</b>	Reeva	White	Female	Diploma	No

<sup>11</sup> All categories of race are designations stipulated by the South African government. All participants self-identified their race and had the option not to divulge this information during the interview process. The sample consisted of 66,6% Black participants, 16,6% White participants and 16,6% Asian/Coloured participants. This is comparable to the demographics of South Africa, comprising of 81,4% Black South Africans, 7,3% White South Africans and 10,9% Asian/Coloured South Africans (0,4% have been disclosed as “Other”, however is negligible for this study) (StatsSA, 2019). A lower proportion of Black participants in the study is accepted as there is a lower proportion of Black South Africans employed in the South African professional business sector (StatsSA, 2019).

<sup>12</sup> Gender refers to the socially constructed roles, behaviours and identities of women, men, and gender-diverse people. All participants self-identified their gender and had the option not to divulge this information during the interview process. Gender is included as a descriptive characteristic due to extant literature suggesting that gender impacts the extent to which individuals are socialised (Chowdhury & Gibson, 2019).

<sup>13</sup> The National Qualifications Framework (NQF), implemented by the South African Qualifications Authority (SAQA), ranks qualifications based on the level of complexity, amongst other factors. Based on SAQA’s rankings, the lowest qualification included in Table 3 is High School (NQF Level 1-4), followed by Diploma (NQF Level 5-7), with the highest ranked qualification being attaining a university degree (NQF Level 7-10) (SAQA, 2023). In South Africa, very few people progress to advanced NQF-levels of study (StatsSA, 2019), therefore, it is reasonable that no parents or guardians of participants have received the highest ranked qualification.

Thereafter, the results are presented according to key themes identified during the interview and thematic analysis process. The following key themes were identified:

- I. The misconception of financial behaviour
- II. Positive financial behaviour begins at home
- III. Peers are helpful and a hindrance
- IV. Education, or a lack thereof
- V. The importance of media for a younger generation
- VI. Underestimated agents: Religion, health, and financial institutions

### **THEME I: THE MISCONCEPTION OF FINANCIAL BEHAVIOUR**

This theme investigates young professionals' understanding of financial behaviour and their ability to exercise positive financial decision-making. There is an expectation that participants are familiar with the term financial behaviour as they possess theoretical knowledge of financial concepts and products (Ndou, 2023). However, two participants (17%) conceded that they were unsure of the meaning or practical application of this term. Seven participants (58%) isolated spending patterns as a representation of financial behaviour, noting that financial behaviour is “*how you spend your money*” (Lala). On the other hand, three participants (25%) identified that financial behaviour was not simply how you spend money, but rather, a broader concept encompassing saving and borrowing tendencies:

*“The way I understand [financial behaviour] is...the way you view money, the way you view debt, the way you view savings, and the way you view financial planning in general. When I say financial planning, things like family, death, retirement...”*

– Adrian

It is evident that despite participants having theoretical knowledge of financial products and concepts, their understanding of financial behaviour and the practical implications for personal financial management is lacking. This lack of awareness may translate into negative financial behaviour if individuals neglect saving or increase their reliance on debt when making personal financial decisions (Maswena, 2021). More broadly, this has devastating consequences in the South African context as these participants are entering the workforce and, as accounting professionals, may be expected to demonstrate improved financial decision-making.

Participants highlighted the stress and anxiety financial decision-making causes them, with Thobeka explaining, “*I really don't look forward to [making decisions] because, at this point*

*in time, my expenses exceed my income*". Siviwe, who is supporting his family while paying off student loans, added, *"It does cause anxiety because you have so many things that you have to do, but not a lot of money. I don't think we will ever have enough money for our problems."* Participants further supported Montalto et al.'s (2019) findings that higher income increases freedom to effectively allocate resources when making financial decisions:

*"[With] more money...[I] can start looking towards the future and building generational wealth, trust funds<sup>14</sup>, retirement annuity funds and life [insurance] policies."* – Thandi

*"I'm also interested in investing, but maybe after articles<sup>15</sup> because I will earn more than now...If I have more money to play with, I'll do more with my money."*  
– Lin

It is evident that some participants attribute the discomfort of financial decision-making to the salary they are earning as first-year article clerks<sup>16</sup>, with Thandi suggesting that *"just an extra R3 000 would alleviate so much pressure"*. Therefore, participants corroborated Solomon et al.'s (2018) findings that higher-earning individuals exercise freedom when making decisions.

Some explained how their monthly income necessitated reliance on credit despite high levels of debt being linked to negative financial behaviour (Ramli et al., 2022). Thobeka admitted, *"I have more expenses than income. I've gone into [a] negative [bank] balance, so lately, I've been relying on my credit card account and my overdraft facility."* However, others conceded that, in comparison to the South African population, the salary is sufficient and, had it not been for poor planning on their part, they would not feel anxious about personal financial decisions:

*"... Although we don't get millions, it's still way better than most South Africans. I honestly think it's enough. I'm just not managing it the way I should."* – Hlubi

One participant shared his concerns that South Africa's current economic plight, compounded by the country's turbulent past, prevented personal financial growth:

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<sup>14</sup> A trust fund, also referred to as a guardian fund, is a trust into which parents or guardians of a minor child make financial contributions. This is designed to give families peace of mind that policy proceeds paid out by the trust will be used in the child's best interest (Sanlam, 2023).

<sup>15</sup> "Articles" refers to SAICA's mandatory training programme all aspiring Chartered Accountants must complete.

<sup>16</sup> On average, first-year article clerks at a Cape Town-based audit firm earn R156 000 per annum, compared to the average basic salary of employees in the business services industry of R194 350 per annum in March 2023 (Statistics SA, 2023).

*“The economy is basically owned by 20% of people, and the rich get richer. Poor people spend more than half [their income] on basic expenses and taxes. They’re left with [very little] money. You can’t save that. We’re spending on what we need – we don’t think for the future. So maybe that’s the reason why the poor don’t progress...resources are not equally distributed.” – Luvuyo*

Not only do participants misunderstand that financial behaviour includes how they manage money, credit and savings, but they also perceive external factors beyond their control, such as their income level (Montalto et al., 2019) and the socio-political state of the country (Maswena, 2021) to be influences of their financial behaviour. However, increased financial freedom through increased income does not guarantee improved financial behaviour (OECD, 2019), as demonstrated by the financial socialisation theory. Rather, a lack of foundational financial skills and education breeds irresponsible financial behaviour. Further, as theorised by the TPB, individuals’ psychological and cognitive biases impact individuals’ behaviour as much as external influences. Thus, it is crucial to foster positive financial behaviour by reinforcing financial knowledge, literacy and positive attitudes amongst all influential agents of socialisation to ensure that positive financial behaviours can be exhibited going forward.

## **THEME II: POSITIVE FINANCIAL BEHAVIOUR BEGINS AT HOME**

Many participants described managing their finances by preparing budgets and tracking personal expenditures. Luvuyo explains how he budgets because he perceives his salary as limited compared to his personal expenses. He was influenced to budget by his parents, who taught him this skill using their grant<sup>17</sup> income. He explained, *“With the grant, you’re just going to buy food...not fancy things. [My parents] didn’t have flexibility, so they needed to prioritise.”*

Tracking expenses, a trait of positive financial behaviour (Ramli et al., 2022), is a technique that many households taught participants when they were younger, indicating this agent’s ability to socialise children positively:

*“Writing down expenses is one thing that my mother taught me. Every month, [I] sit down and see [what] takes priority. I open my spreadsheet [and] write my expenses. My [student] fees are guaranteed. Then I have to pay for rent and food. Other [expenses] change depending on priorities I have [for] that particular*

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<sup>17</sup> Luvuyo is referring to the Social Relief Distress grant, administered by the South African Social Security Agency (SASSA), awarded to all South Africans who are between the ages of 18 and 60 years and have no financial support from any source (SASSA, 2023).

*month. Let's say I take myself out on a date or buy new clothing or entertainment.”*

– Siviwe

Financial instruction is also a mechanism used to inform participants about saving. Lin, who saves 70% of her monthly salary using formal savings products, shared how her mother explicitly instructed her to save as much as possible, explaining, “*I [was] influenced by my mom because she doesn't spend money on luxury stuff. She has savings skills. She was the one that taught me [to] think wisely about how you spend.*” This supports Gudjonsson et al.’s (2022) findings that women display a higher propensity to save, as well as White et al. (2021), who found that Asian people were more likely to encourage saving through formal means. However, an emphasis on saving was not limited to female household figures. As hypothesised by Sabri et al. (2022), Luvuyo claims his father specifically taught him financial management techniques as he was a male, sharing, “*he said I'm going to be the man of the house and [all responsibilities] will be facing me.*” Luvuyo explained how his father reiterated the importance of saving:

*“My daddy kept on saying, ‘Boy, for you to be okay, you must save, save, save.’ To eat in school, he would give [me] R120<sup>18</sup> and say, ‘We don't expect you to finish that money every day. Don't be reckless because tomorrow is coming.’”* – Luvuyo

Although financial instruction is a robust mechanism of socialisation (Antoni, 2021), the effectiveness of this method is restricted when there is limited communication regarding financial behaviour. This is the case for several participants, with Thandi sharing that “*you never really know with your parents if there is a financial situation because there's never [anything] said explicitly to you*”. This sentiment was echoed by Adrian, who explained that the lack of active financial discussion at home increased his parents’ stress levels, which negatively impacted the rest of the household:

*“My father was always someone that, around the 15th of the month<sup>19</sup>, gets in a mood. They become stressed and then they take that out on everyone else. It just becomes a bad vibe, so it has shaped the way I do things.”* – Adrian

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<sup>18</sup> This is equivalent to \$6.32 in November 2023.

<sup>19</sup> Most South Africans receive their monthly salaries between the 25<sup>th</sup> of the month and the last day of the month. Therefore, Adrian is referring to a period of the month where his parents may have spent majority of their monthly income, however, still have a few days remaining before receiving their next salary payment.

This supports Erentaite et al.'s (2019) findings that increased financial discussion reduces stress. The financial socialisation technique, specifically observation, can, therefore, inspire individuals to exercise positive financial behaviour (Maswena, 2021). Now, Adrian actively budgets to avoid feeling similar pressures before payday.

Reeva recalls instances of how reduced financial discussion provided her with limited insight into her household's financial predicament growing up. At times, this “*causes stress and anxiety*” because she “*wants to save money*” but is not sure how to go about this:

*“My parents never had savings. We lived month to month. It was a very “go with the flow” situation. They didn’t talk about it, but you could see what was happening. I remember when I was younger, one afternoon, the DSTV<sup>20</sup> didn't work anymore. [DSTV] switched it off because we didn't pay our account. Or sometimes, the lights would go off, and it was because my parents didn't pay the account.”* – Reeva

These experiences starkly contrast Thuli, who described how her mother would involve her and her siblings in household financial decisions, giving each of them financial responsibilities. Thuli believes this resulted in her increased awareness of financial concepts:

*“I've always been in charge of money even though I was the youngest. I thought I wanted to be a banker, so she [mother]...encouraged me. Growing up, my mom used to take me to the bank with her. When she collects money, she would give it to me so that I'm in charge. She supported me and [built] up my confidence, and she involves us in decisions.”* – Thuli

When households involve children in discussions, a specific socialisation technique referred to as financial instruction, the effects can last into adulthood. It should be noted that Thuli's mother, when compared to other participants' parents and guardians, possessed the highest education level and, therefore, may corroborate Nanziri and Leibbrandt's (2018) and Matemane's (2018) findings that individuals with higher levels of formal education are more likely to socialise children positively. In South Africa, given the historical challenges of access to tertiary education, alternative means of educating parents and guardians should be explored so that they have the ability to reinforce positive financial habits despite not having received

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<sup>20</sup> Digital Satellite Television (DSTV) is a broadcasting company offering media entertainment channels at an additional cost.

formal education themselves. Participants held this view, with Luvuyo sharing, “*Our parents weren't fortunate enough to [learn]. How can you teach something that you don't know?*” Naledi reiterated this, revealing, “*I'm not saying they're bad people, they just lacked [financial] knowledge.*” Therefore, the preconception that educated households positively socialise children (Ndou, 2022) may hold.

Nonetheless, a lack of financial literacy did not deter households from instilling positive financial behaviour. Participants recall how their parents would share their sentiments informally (Tsuroyya & Nuryana, 2021) to implement positive financial traits. Thandi explained, “*No one ever sat me down and taught me how to budget. [But] my uncle always [said], 'If I can't buy it twice, I can't have it'.* Thandi now lives by this motto when considering spending decisions and affordability. Parents and guardians also use practical examples to reinforce the importance of budgeting and money management, as explained by Richard:

*“I would ask, ‘Mom, can I borrow money?’ She'd be like, ‘No, [if] you spent it all, you have to wait. You need to learn how to budget.’ So it was more of a practical example of her teaching me through pointing out my own mistakes.”* – Richard

While this is not explicit financial teaching or instruction, it has taught Richard the importance of tracking expenditures. Evidently, explicit teaching and formal financial instruction are not the only effective methods of teaching children positive financial habits.

Four participants (30%) were encouraged to obtain part-time jobs or vacation work by their families, and all agreed that this positively impacted their financial behaviour. Adrian claimed that after working his vacation job, he could better “*understand the value of money*”. Lin agreed, stating, “*it's not easy to earn money, so my spending behaviour change[d]. I spent less than usual*”. Richard added that it was the encouragement from his parents that altered his ability to be financially resourceful and taught him how to carefully weigh up the benefits and risks of spending, saving and borrowing decisions:

*“My parents said that if you want something, you've got to make a plan. You can go work as a waiter, as a bartender... but you're not going to get it from us. So I've always been able to make a plan to make money because [I] started at such a young age. Because of that, I've always been able to put [financial decisions] into context: this is how hard I've worked to accumulate this money, is the trade-off worth it?”* – Richard

Of the twelve participants interviewed, five (42%) received periodic allowances or pocket money. The perceived impact on individuals' ability to manage money in adulthood differed. Some felt it benefitted them because they *"had to ensure that [they] prioritise and spend appropriately"* (Luvuyo), confirming Agnew et al.'s (2018) conclusions as to how this mechanism of socialisation instils positive financial behaviour. Another participant remarked that the manner in which she received her allowance did not adequately prepare her to manage her money in adulthood:

*"My dad never had a fixed income. So, some months, we didn't get an allowance. It was difficult to plan, especially [when] I wanted to save because you never knew how much you were getting."* – Reevea

Therefore, it is vital that, when considering whether to provide an allowance, households consider the frequency and amount of the allowance. Another participant conceded that, although she was able to manage her allowance as a child, she did not exercise that same discipline once she started earning a salary, in contrast to Oseifuah's (2014) findings that pocket money increased individuals' propensity to save:

*"My mom was a nurse, and she would work seven days far [away]. So she'd give me money for the days that she would be gone. I had to manage that, and I did it very well [over] the entire week. You know, as [a] kid, I could have gone and spent it, but I think I was more disciplined then than I am now. I think I changed because [now] I [feel] like I deserve [to spend my salary]."* – Hlubi

Hlubi added that her lack of ability to save is because she is an *"impulsive shopper"*, which she attributes to observing the financial behaviour of her mother growing up (Sabri et al., 2022). However, despite her self-awareness of these issues, Hlubi still struggles to manage her spending habits:

*"My mom was a single mum of three and never did anything for herself because she just spent on her kids. I would feel so sorry for her. Like, you're working so hard, but you not enjoying the fruits of your labour. I said, I'll never be that person; if I want something, I'm gonna buy it. But, you just can't just spend and then expect your future self to have something. I know my behaviour is very selfish because I'm spending money that I could be saving for the future or giving to somebody"*

*that truly needs it. And I'm just buying boots or a coat. Like that's really selfish, to be honest.*” – Hlubi

Interestingly, many participants expressed that it was observation of negative financial behaviours and habits which have influenced their financial behaviour today. As purported by the theory of planned behaviour (Ajzen, 1985) and Maswena (2021), it is continued observation of such behaviours that determine financial habits:

*“I think we confuse teaching. You can teach me something by doing it wrong, and [then] I learn to do it right. So that's how [my parents] taught me. They did things [where] I had to tell myself, I'm not doing that...”* – Naledi

Siviwe and Adrian agreed with this statement as they vehemently assert that they have never, and most likely will never, make use of credit products:

*“[My parents would] fight because [my father] would have debts that no one knows about... I don't want [debt], especially from the loan sharks<sup>21</sup>. That's who my dad used to borrow from.”* – Siviwe

*“[I] don't borrow or spend on credit. My father had a very successful business at one point, but things went a bit south, and he was living off a lot of credit...he had to go into debt review<sup>22</sup>. So learning how dangerous credit can be, [I] stay away from it completely.”* – Adrian

Naledi elaborated on how her parents' reliance on credit for everyday expenses emphasised the importance of budgeting, a practice which she strictly follows despite her parents' lack thereof:

*“So my parents would get their salary... I don't know how they spend it because, in our household, you don't get to ask – it's their money. But you would find they get paid on the 1st, and on the 15th, they're already borrowing. Their credit score is not that nice, so they can't go to the bank. We have loan sharks, so they would go there. That's risky; I think is addictive. Most times, they would go there [loan sharks] because they don't have money for transport to go to work, but that's*

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<sup>21</sup> Operating outside of South African law, a loan shark is an individual or entity that loans money at high interest rates and has strict terms of collection upon failure to repay.

<sup>22</sup> Debt review, or credit counselling, is a process whereby individuals struggling to meet debt obligations enlist the assistance of a debt counsellor who negotiates payment terms with all the individuals' creditors (Standard Bank, 2023).

*something you can plan for; hence I budget. You can sit down and say, this is how much I'm getting. Obviously, you need money to go to work, so this is much how much you can use.*" – Naledi

This sentiment was shared by Thobeka, who observed her parents' poor spending habits and reliance on credit, as well as their negative attitude towards saving, which has encouraged her to change her outlook on saving and money management:

*"My dad, every weekend, can spend R2 000<sup>23</sup> [on alcohol]. For the rest of the month, [he] does not have money. He has to borrow from me or my mom or increase his credit card. My mother was under debt review. Her name had just been cleared and then she bought a car. I was very uncomfortable because she's just come out of debt review, but my mom [says], "you only live once...she's a child of God, she's not going to live like a poor person." So she bought a car. Two months later, they buy a house...And I just have sleepless night thinking of the financial decisions they've made. You look at their income, their spending patterns...it's not sustainable."* – Thobeka

Two participants recalled how seeing their parents rely on stokvels encouraged them to pursue community funding schemes as an adult, as opposed to debt alternatives. This involves arrangements where individuals in a community contribute money and receive a rotating lump sum or share of the money after a specified period (Willows & October, 2023). They explained how using stokvels was less onerous and stressful than debt alternatives, as when their parents or guardians used these means of financing, *"life was better"* (Naledi). Further, as these methods *"saves interest [expense] from the credit card"* (Thuli), it is often preferred. This supports Hunter and Sawatzski's (2019) findings that informal savings mechanisms have been used by South Africans and will likely continue to be used (Old Mutual, 2022).

Observation is a powerful tool to socialise children positively. Reeva suggested she has an *"urgency to save because I don't see my parents save."* Thandi added that she would prioritise saving because she observed her parents and *"see[s] how frustrating it can be to not have financial freedom"*. In contrast, Thuli observed her mother's positive behaviour, attributing this to the fact that she prioritises saving by *"treating it like an expense"* as an adult:

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<sup>23</sup> This is equivalent to \$105.31 in November 2023.

*“My mom was a single mom. I [would] see that she always struggles [to] pay our school fees. So I decided that I don't want to bother her for small things [expenses] so she can focus on school fees and food. So, what I'd do is, [with] money she gives me for lunch, I'd save it...like little bits. It's something I started just to try and help.” – Thuli*

Not only does observation encourage positive savings behaviour, but it also improves money management. Naledi remarked, *“I buy things in bulk, like, 10kg rice. I buy, buy, buy and stock up the fridge so that I [am] covered for at least three months. I got that from [my mother]”*. Reeva added that her dad's financial savviness encourages her to shop around for competitive prices, *“My dad is very good with finding deals. If I see a sale, I get triggered in my brain, then I want to [buy] because of that.”* However, this is not always a positive trait as it encourages spending because she perceives this to be a *“deal”*, rather than expenditure borne from necessity.

Observation while growing up is not limited to observing individuals in households, but the broader community participants were a part of. As Naledi explained, *“You can only dream as much as you know. You can't dream of a Ferrari when you don't know Ferrari.”* This created aspirational goals which encouraged participants to think long-term when making financial decisions, a function of the theory of planned behaviour. Positive role models while growing up can, therefore, also influence financial behaviour positively as individuals attempt to achieve similar goals. Reeva explained further:

*“My uncle is quite wealthy...they travel and go overseas. I also want to live that life, and that's why I save so that I can one day be in that position as well.” – Reeva*

However, for Siviwe, observing those in his community had an adverse impact on his saving patterns, as the anxiety of what his hard-earned money may be spent on deters him from saving:

*“My fear is dying without spending my [savings]. Because what if I die tomorrow and don't even spend the money saved? Especially in the townships<sup>24</sup>, for example, someone takes a retirement policy and they die before [it is paid out]. You see how*

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<sup>24</sup> This term has no formal definition but is commonly used to refer to residential areas that, historically, were used to uphold racially segregated living arrangements.

*the people who are left are so careless with money that they did not work hard for.*” – Siviwe

Finally, not only do participants feel their financial behaviour has been influenced by families previously, but many believe that going forward, their financial behaviour will continue to be moulded by their households. Thobeka explained how she has to be mindful of saving because “one of [her] biggest concerns is being a burden to those loved ones that will still be around in the event that [she’s] not”. Luvuyo agreed, saying, “I don't want to be a liability towards my family”, which is why he is actively trying to save a portion of his monthly income. Adrian voiced his need to save for the future well-being of his family:

*“I was always the main responsibility bearer, you know, brown households<sup>25</sup>, first son, the usual...As the first-born son, I feel it is a responsibility.”* – Adrian

In contrast to Chowdhury and Gibson’s (2019) findings, gender did not impact individuals’ ability to be socialised, as all participants perceived, to some extent, households impacting their behaviour. Moreover, the responsibility to display positive savings behaviour extended beyond gender, as most participants, predominantly Black individuals (Willows & October, 2023), explained how they are a “victim of Black Tax”, as termed by Thobeka:

*This Black Tax, it's an obligation. I don't have a choice. My parents bought a house [but] they did not have money for the transfer fees. My dad's bank did not allow him to take out a loan. My mom had just come out of debt review, so she did not qualify for a loan – I had to step in. I ended up obtaining an overdraft for R160,000. R100 000 for the transfer fees, R40 000 so my mom could pay off her accounts and focus on the bond and R20 000 was for me to close off all my accounts so that I could focus on the overdraft. Every time I go into my account and see R160 000, it gives me panic attacks. I don't want to lie. I just...I dread month-end now. That overdraft isn't because of a decision that I made, but it is because of supporting my parents in their decisions.”* – Thobeka

Thobeka added that her parents have been the biggest influences on her financial behaviour, stating that “decisions are purely influenced by external parties rather than myself. So [my financial behaviour is] driven by unforeseen circumstances that I can't predict and plan for.”

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<sup>25</sup> By using the term “brown households”, Adrian is referring to non-white individuals.

Thuli added that she prioritises saving every month, saying, “*My siblings might need something, so I think it also makes me save money every month.*” Siviwe agrees, adding that he has to plan for the future as he is responsible for his younger sister:

*“If my sister's going to go to university, I also have to include her in my budget. You can't say no because you're going to start looking like a bad person.”* – Siviwe

He added that now, “*more money [means] more problems*” as his family know he is earning a salary and thus, there is more financial dependence on him. This will continue to limit his financial freedom. This corroborates Old Mutual’s (2022) findings that many black South Africans depend on children for financial support upon retirement, a common issue in developing economies (Nomlala, 2021; Maswena, 2021).

Conversely, five participants, four of whom do not have any financial dependents, noted that financial decisions will most likely not depend on family going forward. Instead, Lin admitted that she receives money from her parents, as opposed to financially supporting them, saying, “*My parents are supporting me...so I'm not paying any rent...I'm not really worried.*” Richard described how his entrepreneurial endeavours, encouraged by his mother, which include trading in foreign currency, cryptocurrency and sneaker and watch sales, allow him to earn additional income, which affords him greater financial freedom. This confirms Mihaly et al.’s (2017) findings that those encouraged to find alternative means of income are more self-supporting and display positive financial behaviour.

Evidently, households have a significant influence on the financial behaviour of individuals, with all participants explaining how they perceive their financial behaviour to be shaped by the teachings and actions of family members. Individuals explained how financial instruction by parents and guardians, specifically regarding budgeting and expense tracking, are practices they employ as adults, positively impact behaviour. However, observing families’ financial actions has an equally influential role. Thus, while households may not be aware of it, their actions and attitudes towards saving, spending and borrowing play a role in shaping children’s behaviour, as posited by the theories of planned behaviour and financial socialisation. Such observation persuades individuals to choose or avoid financial situations, such as utilising credit.

As participants perceive their financial behaviour to be shaped mainly by their households, this raises the question of whether family members are adequately equipped to share financial knowledge and skills. Extant literature suggests this is not the case (Ndou, 2022), with the

problem exacerbated by South Africa's turbulent history preventing black South Africans from obtaining adequate financial education. Participants' parents and guardians were most impacted, which participants believe influenced their financial behaviour. This is due to their parents' or guardians' lack of financial knowledge and display of negative financial behaviour, requiring individuals to act differently.

### **THEME III: PEERS ARE HELPFUL AND A HINDRANCE**

This section will focus on the impact of secondary socialisation agents, being peers, and the extent of influence they exercise on young accounting professionals. Corroborating Antoni's (2021) findings that peer interactions do not strongly influence South African youth, the majority of the participants did not perceive their financial behaviour to have been influenced by peers, either friends or work colleagues. Rather, many concede that their conversations with peers are unproductive, where they "*spend time complaining about how our salary is not really a salary*" (Thobeka) as "*[the salary] is not enough*" (Thandi). However, two mechanisms of socialisation are apparent when analysing the interview transcripts, the first being financial instruction and the second being observation and modelling.

Firstly, as young professionals with accounting and finance knowledge, many expressed that they often find themselves giving advice to others rather than receiving advice, saying, "*A lot of my friends come to me for financial advice [and] I try my best to guide them appropriately*" (Adrian). Some believe this will continue, stating, "*I think I'll give financial advice. I mean, I'm in a finance role, a finance environment - I'm supposed to be the expert*" (Naledi).

However, when seeking financial advice, most participants expressed that there is limited communication regarding money management, debt management and savings among peers:

*"I feel like people just treat finances like it's a hush-hush thing when it's a reality of life. We don't talk about it, starting from how much people get paid... and you can't force anyone to talk about it."* – Hlubi

Adrian agreed, sharing that, especially in the workplace, colleagues are expected to be financially informed as they have a theoretical knowledge of the concepts through studying or work experience. Therefore, many feel ashamed if they are financially uninformed:

*"CAs don't seem to talk [about financial behaviour] because it's this perception where everyone assumes that you're a CA [so] you know what you're doing... It's*

*become a very taboo subject. It's like, "Everyone else has it figured out, so I should have it figured out". You feel ashamed while, at the same time, judging other people about it.*" – Adrian

Many participants expressed that the limited communication amongst peers, specifically workplace colleagues, was attributable to the diverse backgrounds, cultures, and circumstances each individual comes from, with Reeva sharing that *"everyone's situations are so different"*. While this was posited to be beneficial to financial behaviour (Vietze et al., 2019), participants expressed that this made them self-conscious about discussing financial issues at work, preventing them from learning from one another's experiences:

*"People come from different backgrounds. It can be an uncomfortable conversation at the office when you are discussing savings and investing opportunities because some people haven't been exposed to that. There is, I don't even want to call it animosity, but something in the air when those conversations [happen] that is uncomfortable."* – Richard

Notably, all participants who expressed discomfort about discussing personal financial matters with peers were either White or Asian participants. Once again, South Africa's legacy of racial inequality may be impacting the ability of young South Africans to share and learn from each other's experiences:

*"It's quite a personal thing. Like, I don't want to tell people how much I'm making or investments. My friends...most of them are paying their rent, which I don't. [We] plan to go out this Sunday, but some of them worry about the price. [It's] the kind of thing I don't worry about. They have different pressures, but I don't feel like I have that."* – Lin

This issue persists beyond work colleagues to friends. Therefore, as individuals age and leave home to work, although their exposure to peers increases (Sabri et al., 2019), this does not translate to transparent dialogue with peers, contrasting Khalisharani et al.'s (2022) findings:

*"My friends come from different backgrounds. I have a friend who can lean on family [for financial support]. I can't do that, so I need to make do with what me and my partner have. I see the way my friend spends... she's more free to spend*

*however she likes because [her] mom and dad are there to support [her].” –*

Thandi

In contrast, friends from similar backgrounds or those who receive financial support tend to have conversations more frequently, once again disputing Vietze et al.’s (2019) findings:

*“Me and my friends do have serious conversations [about saving], but I feel like all of my friends have some type of security, whether it's a trust [or] inheritance.”*

– Reeva

Despite the pervasive feelings of limited communication, Lala described how, when she did follow advice from a friend, it resulted in her being placed under debt review, which created further anxiety. This shows that relying on the recommendations of peers without research can lead to poor financial consequences (Sabri et al., 2019):

*“My friend was like, “You should consolidate your debt, and then after some time, you can go and buy your car.” So I tried to do that, but...I was [placed] under debt review. That was a bad decision, and that was something my friend told me to do.”*

– Lala

Thuli felt that receiving advice from peers, especially those with limited financial knowledge, can harm socialisation, saying, *“Friends that are not in finance, it's difficult because the understanding is not there”*. She finds that she places less weight on her peers with no financial background, in contrast to Maswena’s (2021) findings.

While some prefer not to follow the advice of others, other participants found that creating a network of knowledgeable individuals is beneficial to their financial behaviour in the long run:

*“I always look at finding people more knowledgeable than myself. I'm not rich in money, but I'm rich in people. I try to find people that [are] CAs. I try to consult with individuals that I know have more knowledge than me, try to collate everyone's experiences together to make an informed decision for myself.” –*

Adrian

*“One of my mate's dads went to Kearsney<sup>26</sup> so he was already well off, but he got a large sum of money for his 21st birthday...it's a common thing. I think he invested in a large, blue-chip South African JSE Top 100 company and made a lot of money from that. Over dinner, I would always ask, “How did you get to where you are now?” I would throw it into a conversation because I like to know stories because you can learn from that. I've definitely applied [his advice].” – Richard*

Many expressed that, with more open communication, there is an opportunity to learn from the mistakes of others, with Lala explaining how, at the moment, opportunities to engage with peers are *“non-existent with my colleagues because if we do have conversations, it's mainly about work or social things, never about money.”* This emphasises the importance of transparency amongst peers, especially as there are opportunities to learn from each other's mistakes:

*“There's a lot we could learn from each other. I know there are people at work who have side hustles, tutoring and so forth. To have open conversations around that, I think we could help each other learn. There's somebody who can teach me about saving. If we speak to each other, we would be able to make better financial decisions.” – Thobeka*

*“If I've made a mistake, I'd rather you learn from my mistake than make that same mistake. Rather do something that I didn't because I didn't have the wherewithal to advise you. But if I did something, it's stupid for you to go and [do] the same thing. But if we're not talking, you're not gonna know.” – Hlubi*

The second prevalent mechanism of socialisation is observation and modelling. All participants knew peer pressure can encourage negative financial behaviour, such as overspending. Most insisted that they do not feel peer pressure, claiming that they are *“not somebody who's influenced by friends”* (Thobeka) or they *“have never purchased something because I wanna “Keep up with the Joneses”* (Hlubi).

On the other hand, others admitted that they have, and most likely will continue to fall victim to peer pressure, which may impact their ability to save or manage their money appropriately in future as their need for social approval heightens (Lucic et al., 2021) or because, as Hlubi described, *“lifestyle inflation creeps in”*:

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<sup>26</sup> Kearsney College is a prestigious independent high school in South Africa.

*“I would rather enjoy a moment with friends, then worry about money later. If my friends invite me to go on a trip, I would not even think about it twice – I have FOMO<sup>27</sup>. I am quite influenced by friends. I mean, if we are all saving and we're all saying we can't go out and do stuff, then obviously I would save more.” – Reeva*

*“It's not a peer pressure thing as much as a class pressure thing. For instance, silly example: I'm a CA trainee, right? Everyone wears a K-Way jacket<sup>28</sup> - I'm wearing one right now because it's just part of a uniform. It's so that you are part of the class. So yes, as much as you can say, be an individual, do your own thing, sometimes, if you don't dress the part [or] you don't act the part, you're not going to get the part.” – Adrian*

Richard described how the need for social approval is not always negative and can reinforce positive financial behaviour. He shared how he had received a bursary to a private school and observed how those around him could afford more, driving him to improve his financial predicament:

*“I went to a private school; I always saw those kids with things that I could never have. My whole life, I saw how they lived and the[ir] lifestyle. That made me try to act a certain way in the financial world and assisted in my choice of degree because I knew I would have that security. Seeing them doing the things they did, the way they acted, the conversations that they had with their parents...It definitely impacted my view on how to manage my money. Once I had the chance to change [my life], I was definitely going to make the most of it. That is probably the driving force in terms of the way I act financially.” – Richard*

Ultimately, the influence of peers vastly differs for all participants. Some yearn for increased transparency as they perceive they can learn from more knowledgeable peers. However, others, particularly those who receive financial support, believe financial matters are personal and should not be discussed among peers. This could indicate that a wealth disparity impacts the willingness of individuals to discuss financial decisions amongst peers. Perceived competition amongst peers heightens this lack of transparency. Therefore, colleagues and friends cannot be coerced into discussing these matters or sharing experiences unless there is mutual agreement

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<sup>27</sup> “FOMO” is a slang term for fear of missing out, an anxious feeling that you may miss exciting events if you do not attend events or participate in activities.

<sup>28</sup> K-Way is a brand of outerwear produced by South African retailer, Cape Union Mart.

to do so. Private organisations, such as employers or public organisations, like schools and universities, should be mindful of this before initiating collaborative discussions. Participants believed that peer discussion regarding financial success and failure is invaluable; however, this should be voluntary.

A mechanism to encourage positive financial dialogue includes educational courses or programmes focussed on demonstrating positive financial traits. An example of a successful programme includes the America Saves! Campaign in the United States, which used peer groups to encourage savings (OECD, 2019). The programme participants pledged to a savings goal and were encouraged to update peers on progress periodically. This initiative had significant success amongst non-white participants who, as corroborated in this study, sought out opportunities to learn financial techniques they could not obtain from households. A similar scheme may succeed in South Africa, particularly as black participants expressed a desire to learn from peers. Further, peer pressure was a phenomenon that many participants admitted to; thus, appealing to a large group of individuals can reinforce positive social norms and financial behaviour. Therefore, programmes implemented in South Africa should try to attract a wide range of participants to increase visibility and buy-in from young accounting professionals.

Further, amongst peers, there is an expectation that CAs have financial knowledge; however, this is not always the case. Therefore, there is still room for encouraging financial learning, explored in the next theme.

#### **THEME IV: EDUCATION, OR A LACK THEREOF**

This section addresses the role of educators in developing individuals' financial behaviour. Many participants stressed the urgency of teaching positive financial behaviour from a very young age, specifically in primary and high school, through formal education programmes, as recommended by Zhu (2020):

*“We had a class called Life Orientation<sup>29</sup>, which is the perfect opportunity to teach you about these real-world things. But they don't do it – they teach you about things that are, 80% of the time, completely irrelevant and will never be brought up again” – Richard*

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<sup>29</sup> Life Orientation is the study of skills, knowledge and values about the self, environment, responsible citizenship and a healthy and productive life.

Thandi echoed this critique, saying, *“I wish that more was taught in Life Orientation. I really wish, in high school, instead of teaching us how to jump rope, [positive financial behaviour] was taught.”* Their statements support the concerns about the appropriateness of the Life Orientation syllabus and the lack of emphasis on personal financial behaviour. Furthermore, owing to parents’ lack of financial knowledge (Ndou, 2022), some felt that it was crucial for the government and education systems to intervene sooner by informing young people about the impacts of financial decisions or how to exercise positive financial behaviour, requiring urgent intervention from the South African government. Hlubi reiterated Nomlala’s (2021) findings that the current education system is lacking and interventions are necessary:

*“It can’t always come from the home. Some parents don’t have the skills, so they can’t teach their kids, but if it was in the education system, you can’t run away from it...they’re going to teach you. I feel like the Department of Education can introduce something after primary [school], in grade 8 or 9.”* – Hlubi

Other participants felt that university is a more appropriate platform to promote positive financial behaviour, specifically if students pursue a specialisation in finance and accounting, because, as Thandi put it, *“we’re money experts, but we’re never taught to manage our own money.”* At this age, participants felt that individuals are mature enough to understand the importance of positive financial behaviour, as in high school, *“not everyone is mature enough to take knowledge in”* (Naledi). This places the burden of personal financial education on public and private tertiary institutions:

*“The teaching should [start] from university because when I was living at res<sup>30</sup>, people that had NSFAS<sup>31</sup>, spent so recklessly. Within two days, the money is gone, and they don’t have enough money to buy food. In high school, they might forget. But if you’re an adult, you need to be mature enough to think about such things.”*  
– Siviwe

Regarding money management, participants pointed out that they wish they had learned skills to equip them to manage their own money. This includes how to *“budget realistically”* (Siviwe). This would increase confidence in their abilities to make informed financial decisions (Maswena, 2021). Hlubi’s suggestion, which supports the theory of planned behaviour,

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<sup>30</sup> “Res” is an informal term for university residence accommodation provided at a tertiary institution.

<sup>31</sup> NSFAS refers to the National Student Financial Aid Scheme, a bursary and allowance for South African students meeting specified minimum requirements.

suggests that universities should consider informing students about the psychological impact of financial behaviour:

*“They should have taught us not to attach whatever we're going through, our emotions, to shopping. I feel like whenever people are happy, they wanna buy something. Whenever they are sad, they wanna buy something. [For] every emotion, we want to swipe a card and I don't know how those two [feelings] started correlating... And we do it so mindlessly, it becomes normal...”* – Hlubi

Reeva pointed out that her employer addressed the psychology of spending once she joined the working world, saying, *“They did try [and] have sessions where a wellness department with a psychologist spoke to us about [the] psychology of spending.”* However, this raises the issue of whether it should be reinforced from a young age.

Some participants felt that university added to their financial knowledge in practical ways, specifically with savings and investment mechanisms. Luvuyo explained how, during an undergraduate finance course, he learned that *“property appreciates in value and is a safe investment”*, encouraging him to save to invest in property. Thobeka recalls learning about tax-free investments<sup>32</sup> during an undergraduate tax course. This encourages her to set aside a portion of her salary for saving, explaining that she *“[can] save without having to pay taxes [on appreciation], up to [a] certain threshold.”* However, there is scope for more positive financial behaviour being taught, specifically in the form of retirement savings. Lin explains that of particular importance, *“Especially universities...we should be taught about formal investments or savings products.”*

Many participants stressed the need for education regarding credit and loans, saying, *“I wish I was taught how credit actually works”* (Thandi) or *“the procedure to get a credit card or loan”* (Richard). Participants expressed regret about not learning about the dangers of credit:

*“I feel like it should be in the [formal] education system from high school [and] university [so] by the time you get to work, no one is going to be able to force you into credit because you know what it'll do to you.”* – Hlubi

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<sup>32</sup> Tax-free savings accounts allow individuals to accumulate savings without incurring tax on any capital appreciation (SARS, 2023).

Of all educators, participants considered their employers to have had the most significant influential on their personal financial behaviour. Three participants specified that being exposed to Microsoft Excel as an audit trainee encouraged them to maintain accurate budgets and personal financial records as a means of tracking income and expenditure, a trait of positive financial behaviour:

*“I started [using Excel to budget] in February when I started working. It's been working so far because all the urgent bills that need to be paid are paid.” – Siviwe*

However, while employers have assisted with money management techniques, emphasis on savings and investment is an area that is lacking. Reeva agrees that scope for educating young professionals about savings products at work exists:

*What I would've liked [to learn is] where to begin with investing. Like, if you want to buy shares or Bitcoin... I don't even know how much I need to start [investing] or to see a return. I mean, I'm supposed to know these things, but I don't. If you actually want to save, [what are the] methods of saving except for putting your money in a bank account [because] that takes a long time to see a return.” – Reeva*

However, once again, the efforts made by employers to reinforce positive financial behavioural traits did not go unnoticed by some participants. A concern was that, especially in their first month of employment, they were inundated with information which became overwhelming:

*“I must say [my employer] did have a lot of [training sessions] in our induction week, [where] they focused on financial responsibility. But to be honest, at that point, it was information overload because every day we had so many meetings so I didn't really focus.” – Reeva*

One participant raised concerns that relying on employers to emphasise positive financial behaviour, specifically with regard to credit usage, is too late in the socialisation process because *“once you start working, all these banks, credit card facilities, store accounts... all of them are calling you, so we've already racked up debt”* (Hlubi).

Of the twelve participants interviewed, two (17%) had previously or currently engaged in the services of a financial planner. Both admitted that the sole reason a financial advisor seemed appealing to them was that it was a free resource made available to them:

*“We at [employer] are lucky to have financial planners. So, I have made contact with the financial planner to help me with the few decisions that I need to make. It was a free resource available to me, so the access to them helped. If it wasn't, I would never pay someone to tell me how to spend my money. It sounds strange.”*

– Adrian

Despite not being comfortable making personal financial decisions, four participants felt they would not engage the services of a financial planner as they already had the theoretical knowledge to support their financial decisions, or this could easily be obtained from research using the Internet, with Thuli explaining that *“there’s no reason [to use a financial advisor] because I have information already.”* Naledi agreed, adding, *“I read enough, I go to YouTube, I do my research.”* However, contradicting this statement, these participants previously admitted to feeling anxious as they did not possess the skills or knowledge to make sound financial decisions.

Many other participants felt they did not earn enough to justify using a financial planner, supporting Demirguc-Kunt et al.’s (2020) claim that costs deter the reliance on financial advisors. Siviwe questions, *“What are they going to advise me because it's not like I have a lot of money at my disposal”*. Thandi agreed, sharing that *“I feel like you need to have money [to use an advisor].”* In fact, most participants indicated that they have never, and likely will never, utilise the services of an advisor due to the high costs associated with this service, confirming the author’s speculation raised in the review of literature:

*“I'm not interested because [it] cost[s] money. There's no point paying money [to] someone to tell me how I should be spending my money.”* – Thuli

However, one participant did not rule out the possibility, as they are aware that their earnings potential increases when they become a qualified chartered accountant, and they may need assistance and advice in future. However, given participants' previous views on the use of a financial advisor, we can infer that enlisting the assistance of financial advisors for an additional cost is unlikely:

*“CAs are known to get a good amount of money...I'm nervous and scared that when my first big paycheck comes in, I don't want to just spend it like somebody that wins a lotto and spends all their money...So I definitely think that once I start*

*getting a good amount of money, I would want to talk to somebody to help me.” –*

Reeva

Concerningly, despite all participants having attained a university degree specialising in accounting and finance, they did not perceive this to adequately prepare them for personal financial decision-making. This corroborates Chew and Cerbin’s (2020) findings that despite learning about the theoretical concepts of positive financial behaviour, individuals are unable to apply the knowledge learned in practice. Voluntary participation in educational initiatives may not be well received due to “*maturity levels*” (Siviwe) and may result in high attrition rates. Therefore, efforts should be reinforced during compulsory educational programmes. Le Baron and Kelly (2021) purported that financial education is best administered where people are cognitively prepared, for instance, in school. Participants shared this sentiment, identifying Life Orientation as a suitable vehicle for financial education. At this time, students are psychologically salient and absorbing knowledge. Further, this allows for a narrow scope of financial life skills to be taught in a series of repetitive interventions over the 12 years of basic education South African students receive. However, it should be noted that financial instruction is ineffective if individuals hear or are taught something but do not apply this in their personal lives, rendering the transfer of knowledge ineffective (Chew & Cerbin, 2020). Thus, the government and private education sector must be mindful of ensuring that deeper learning through financial instruction is prioritised.

Further, an equally effective educator is the employer, who provides financial capital to individuals in the form of a salary. Using this salary has proved a challenge for young accounting professionals; therefore, employers are well-poised to provide guidance on effectively allocating financial resources in the financialisation of daily life. Programmes can be initiated at work to reinforce appropriate learning targeted towards young accounting professionals, including issues around savings and investment or the risks of overreliance on debt. Programmes can also be targeted to specific demographics who face different challenges, for instance, women. However, caution should be exercised in preventing the stigmatisation of stereotypes.

It should be noted that financial advisors are unlikely to be effective agents of socialisation. Therefore, if educational programmes are implemented, these must be intentional and focused to instil the desired positive financial behavioural traits.

## **THEME V: THE IMPORTANCE OF MEDIA FOR A YOUNGER GENERATION**

This section deals with the influence of media on socialising individuals' financial behaviour. Some participants rely on traditional forms of media, such as books and television, to obtain financial news and information (O'Rourke, 2020). Hlubi recalls how watching segments on television impacted her by demonstrating the negative consequences of credit cards. However, despite being aware of the implications of borrowing, this did not prevent her from making these mistakes as an adult, as she currently finds herself overwhelmed with debt:

*“There used to be this series... Oprah and that lady, Suzie Ormon. They talk[ed] about money; people will tell their story about how [debt] wrecked their life. It shaped my life, but obviously not enough to just stay away from it.”* – Hlubi

Luvuyo explained how reading has encouraged him to think practically about how he makes financial decisions in his personal life, particularly when it relates to investment decisions:

*“There's a book called ‘Rich Dad, Poor Dad’. The poor dad [says], ‘My home is an asset’, while the rich dad said, ‘My home is a liability because you need to pay for the expenses.’ So, I invest. I don't take loans or [use] credit.”* – Luvuyo

Richard disagreed that reading books positively influences financial behaviour as the content is not always generalisable to all individuals. Rather, other forms of media, such as the Internet, were found to be more applicable to his personal financial decisions, supporting Alvarez and Tippins' (2019) findings that reliance on the Internet for financial information is increasing:

*“There's a facade around reading books for financial decision-making...it's more to tell people you've read the book that makes you feel good. That's just my opinion. The information you get in [books], you can easily access [online].”* – Richard

As suggested by Maswena (2021), social media platforms have an influence on participants, albeit a negative one. Many participants admitted to being influenced by what they see on social media, particularly when it relates to spending money, confirming the theory of financial socialisation. Social media influencers and the ease of online shopping have intensified some participants' penchant for spending, with Reeva describing how push notifications serve as a constant reminder of available sales. While these notifications can be disabled, not doing so heightens Reeva's urgency to spend on “limited-time” offers:

*“I think it's easy to spend money because of online shopping. You'll see a picture of somebody with a bag and [think], “Oh, that bag is so nice, I need to have it”. So, you send them a message [asking where they] got the bag and if you have the money, you buy. Especially on Superbalist<sup>33</sup>, the ads and notifications from the app, [where it] has 20% off for the next hour. That influences spending, not saving.” – Reeva*

Hlubi added that online shopping platforms that offer extended payment options have increased her reliance on debt despite the fact that she has already reached her credit limit on store accounts and credit cards. She explained that she uses *“whatever payment method the website offers.”* This supports Bamforth's (2018) claims that technology influences money habits.

In contrast, as Alvarez and Tippins (2019) pointed out, social media is a valuable tool to spread information about financial products, with advertisements playing a role in alerting participants to available financial products. Nonetheless, participants are not swayed by financial promotional marketing, noting that *“it's very rare that I'll see a Standard Bank ad and move to Standard Bank”* (Richard). However, Thobeka remembers selecting her insurance service provider after seeing an advertisement on social media, while Siviwe learned about banking products through an advertising campaign where a financial institution enlisted the help of social media influencers to promote its product:

*“I remember with Absa [Bank], they had this thing promoting one of their accounts. I think banks start using influencers to sell products. It's a good thing because at least now I don't have to do so much research about it because if someone is saying, “Oh, with Absa, you get these rates,” and they post the link, I can easily access it myself.” – Siviwe*

Although Siviwe may use social media to familiarise himself with money management products, he feels strongly that the internet and media personalities are not a reliable source of financial information, saying that he usually ignores information regarding investments on social media as they *“might be a scam”* (Siviwe). Thus, Pennycook and Rand's (2021) concerns regarding the inability to verify online information appears to hold.

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<sup>33</sup> A South African online retailer

Many participants feel that they would be influenced by media positively if they saw more positive examples of financial behaviour, such as saving and investing, as opposed to examples of spending money:

*“People are just posting their cars, vacations... that takes money. They're not posting about savings. It's just about consumerism all the time. They're not talking about buying land, investment property, investing in gold [or] shares...Those are the things that people need to be educated about. Not the latest lip gloss I need to buy, the latest weave I need to buy. The media is teaching everyone wrong.”* –

Hlubi

Participants highlighted that, while the media can be an informative source of information, the onus was on users to seek out the correct information that enables positive financial decision-making, saying, *“It's my responsibility to [find the right people]”* (Lala). Most participants agree that the Internet provides increased access to financial information (Alvarez & Tippins, 2019). However, there must be a conscious decision of what accounts and personalities are followed:

*“[Social media] is a great source, but it can be a bad source. For me, it's the people I've followed on social media. For instance, if you're following someone who constantly buys Louis [Vuitton], you'll start wanting to buy Louis [Vuitton]. So I make conscious decisions to only follow specific account[s].”* – Naledi

Lin, who saves 70% of her salary, indicated that she learned this from social media, specifically Youtubers she follows, who recommended compartmentalising money and saving most of her income. However, she noted that she needed to search for these videos herself, once again illustrating that individuals need to actively seek out financial information on media platforms:

*“I had watched some YouTube videos on how to save money like properly. The Youtuber said she has four accounts. I think one is for like general savings, one is for savings for traveling, and another one was for...urgent money, right. So I think I was influenced by that. That's why I'm saving 70% of my salary.”* – Lin

Six participants (50%) indicated that, for them, the Internet is a primary source of financial information, confirming Harrigan et al.'s (2021) claims that the Internet is an ever-growing source of financial information:

*“I spend a lot of time on YouTube. For me, YouTube is not for makeup tutorials or hair tutorials; it's to find pictures on finances [or] on how to buy a house. For example, when I purchased my car, I acted on impulse and that has affected my financial life negatively. Since then, I watch pictures of how to, when purchasing a car, your do's and your don'ts. Nicolette<sup>34</sup> recently had a video on property. She spoke of this government initiative where [if you] earn less than a R22,000 a month you get subsidised.” – Thobeka*

Evidently, young professionals deem the Internet a source of financial information. Using this to obtain valuable, verifiable information can potentially increase their financial knowledge (Pennycook & Rand, 2021). Some participants are also aware of the risk that social media tends to promote one-way communication (Sabri et al., 2019) and actively seek out dissenting opinions or various viewpoints:

*“I do a lot of research through social media. There's a website called Reddit. I've always felt Reddit [is] an authentic source of news and information because it comes from real people...It might only be opinions, but it's not manipulated to suit a certain agenda. So, I use Reddit and Twitter<sup>35</sup> a lot. Even TikTok. There is elements of risk and you should be doing your own research beforehand.” – Richard*

Participants find themselves seeking out information on the Internet and accepting this at face value without further verification, with Siviwe explaining how he *“doesn't check the person's tweet to confirm [information] for myself”*. This speaks to the dangers social media can pose to financial knowledge and, thus, the negative influence on financial behaviour. He also uses both Twitter and LinkedIn as a source of information. However, he perceived LinkedIn to be more reliable as this is a platform where individuals connect in a professional capacity.

*“I think LinkedIn is a good place to post because it's mostly professional people. I can look at their role; they work in finance or something, so maybe they know what they're talking about.” – Siviwe*

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<sup>34</sup> Nicolette Mashile is a South African media personality and founder of “Financial Bunny”, a financial education agency that seeks to simplify financial and consumer education.

<sup>35</sup> Twitter is a social media platform, now referred to as X.

Others were hesitant to rely on social media for financial advice as there is a perception that those posting have ulterior motives if they are being paid to promote financial products. Thuli raised the fact that she does not take online financial information “*at face value...what if [they are] saying that for followers?*” (Thuli). Thus, some individuals are sceptical of social media.

For participants, it was imperative that financial educational initiatives on social media must be ongoing, and there must be active efforts to advertise these. Thuli said she often hears about colleagues and friends attending seminars, but “*I don't know where to get the information.*” Therefore, if these initiatives, seminars or programmes are not well advertised, they lose the effectiveness of being an agent to share positive financial behavioural techniques. Furthermore, while some participants believe that the onus lies with young professionals to seek out financial information using the internet or social media, others believe that media or, specifically, financial institutions can do more to advertise products to young professionals actively:

*“Bank products don't even pop up. Even in ads that I see watching YouTube videos, 95% of the time, it's for spending on things. If banks advertised other information, I might be influenced to do something different with [my] money” –*

Hlubi

Seemingly, this generation of young accounting professionals is increasingly reliant on the Internet and social media, specifically platforms like YouTube, for financial information. Thus, there is an opportunity for the public and private sectors to embrace technology when developing reforms that can be implemented to improve financial behaviour. Websites and social networking platforms have a role to play; however, young professionals must be cognisant of the quality and verifiability of the information they consume. It is impossible to strictly monitor accounts that individuals follow or content posted by media personalities. Individuals must rely on their professional scepticism and judgement before allowing posts on media to influence spending decisions. An example of leveraging social media successfully was [networthiq.com](http://networthiq.com), a website that encouraged users to benchmark savings and share anecdotes of how personal wealth was accumulated (OECD, 2019). Similar initiatives can be created and shared among young South African professionals. Moreover, other agents, such as educators, are in a prime position to leverage technology to their advantage and can integrate media into the educational programmes they administer.

## **THEME VI: UNDERESTIMATED AGENTS – RELIGION, HEALTH, AND FINANCIAL INSTITUTIONS**

This section highlights other agents of socialisation that, despite not being identified as significant socialisation agents in the literature, were perceived by more than one participant as having influenced their personal financial behaviour. Each agent will be discussed in the order of frequency as identified by participants.

Firstly, religion was found to influence six participants' (50%) spending, borrowing, and saving decisions. Religious beliefs altered the way some participants viewed money, with some relying solely on divine guidance when making financial decisions:

*“God sent me to work to be able to pay [for] things. But He doesn't want me to live in excess, but within my access. God will always be a big part of my financial decisions. That will never change.” – Thandi*

Participants suggested that tithing<sup>36</sup> encourages them to save, as *“if you're a tither, you actually save, giving to whoever needs the money”* (Hlubi). This was reiterated by Lin, who sets aside *“10% for the church”*. It should be noted that these savings do not contribute to the participants' individual savings pool but are passed onto the religious organisation. However, this demonstrates that, when required, individuals do possess the propensity to save. Religious obligations require participants to invest in or use specific products to abide by religious norms. For example, Adrian, who is Muslim, only utilises Sharia financing<sup>37</sup> and tries *“to find Sharia-compliant ways of doing things”*. For others, it is fear of divine consequences that drives financial behaviour:

*“My daddy told with me that God assesses you based on your current situation. So if God give[s] you R10, [and] you fail to make use of it properly, how [can] you expect God to trust you further and give you R100” - Luvuyo*

All six participants influenced by religion agreed that religious institutions, such as churches, have initiatives to encourage positive financial behaviour, where *“Mostly they will tell you to save”* (Hlubi). Some found this beneficial as parishioners, who previously may not have access to information, can learn techniques to improve financial behaviour.

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<sup>36</sup> Tithing is a practice of voluntarily contributing a portion of earnings to a religious organisation.

<sup>37</sup> Sharia financing refers to the way Muslim individuals raise capital in accordance with Islamic law.

*“Our church [has] financial talks [with] different speakers. There are people that don't have access to speak to those [professionals]. You get to learn without going the extra mile to search for it. So if it's brought to [church], it's easier.” – Thuli*

Thuli identified that her pastor is someone she relies on for financial advice, indicating that religious leaders influence financial behaviour. She shared how she approached her pastor for advice when purchasing an apartment: *“After I got the amount from the bank and the interest rate, I gave it to him to see if it's reasonable.”* This is concerning if the religious leaders themselves are financially uninformed and provide poor financial advice, which individuals follow, given religious leaders' perceived authority.

Secondly, two participants shared how health conditions beyond their control impacted their financial behaviour. Hlubi shared how saving was not a priority because there was no guarantee that she would be around in future to reap the benefits of her savings:

*“There was a time where I could have lost my life. I feel like since then, unconsciously, I'm thinking of my mortality. I'm like, “I could die at any time. Why must I be saving?” Something happened that changed the trajectory of my thinking. But now I'm thinking, I could live until I'm 100 or I could die in five years...I don't know. I guess I didn't reconcile the fact that things like that can happen to anybody. I feel like I've internalised to a point where it makes me make bad decisions financially.” – Hlubi*

Reeva shared how her health condition encouraged her to create a *“separate savings account for vitamins and prescription medication; otherwise, I'll just finish [all my money].”* Despite this, she found that she uses her health condition as a justification for her excessive spending:

*“I think I spend a lot because I feel like my medical condition isn't my fault, so I shouldn't be punished for it. In some weird way, I feel like I deserve the reward. I think maybe the biggest influence on my spending habits is my health.” – Reeva*

Financial institutions, specifically banks, were found to influence financial behaviour, particularly savings behaviour. Using multiple account types, participants found this improved their ability to compartmentalise their money and save. Many described how they have *“two or three subaccounts, and the tax-free account”* (Thuli), or *“using FNB<sup>38</sup> Bank[ing] app, [the]*

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<sup>38</sup> First National Bank (FNB) is a large financial services institution in South Africa.

*31 days, and normal savings account*” (Lin) and *“FNB Pocket for an emergency fund”* (Lala). Other participants also explained how banking structures allowed them to improve personal money management by setting up *“budgets on the banking apps”* (Adrian), improving the financialisation of daily life.

Thobeka approached her private banker (a complementary service) for advice when she felt overwhelmed by debt, but despite receiving advice, she was not sure the assistance she received was suitable as the bank had a vested interest in the outcome of her final decision:

*“I feel like because I'm seeking advice from somebody who is my banker, at the end of the day, they will do what is in the best interest of the bank and not necessarily me. They are not independent in the situation.”* – Thobeka

This sentiment was echoed by several wary participants who believe that often, banks encourage behaviours that are not in the best interests of individuals, particularly concerning overdraft or credit facilities, expressing, *“Once you start working, all these banks are just calling you with credit card facilities”* (Hlubi). Nonetheless, some participants believe understanding the risks associated with products and banking solutions is critical because utilising the services offered is unavoidable. Therefore, it is the responsibility of individuals to understand the risks and *“exercise discipline”* (Adrian).

Despite religion, health and financial institutions being identified as additional agents, the four agents identified in the literature, family, peers, educators, and the media, remain critical agents of socialisation. These four agents were identified by all participants to have had an influence, to various extents, on their financial behaviour thus far and may continue doing so in future. Therefore, the onus remains on family, peers, educators, and the media to successfully socialise financial behaviour.

The analysis of the interviews conducted with the research participants aimed to answer two questions:

1. How do young South African accounting professionals perceive the influences on their financial behaviour?
2. How are the perceived influences on young South African accounting professionals' financial behaviour shaped by the socialisation process?

Through the analysis of participants' responses, six key themes were identified. Each theme addressed various agents participants perceived as influencing their ability to manage money, credit, investment, and savings. In particular, as posited by the theory of financial socialisation, four agents were identified by individuals as strong influences on their personal financial behaviour, answering the first research question. These agents are family, peers, educators, and the media. These four agents primarily influenced individuals' personal financial behaviour through instruction as well as observation and the modelling of observed behaviours. While other mechanisms of socialisation were apparent in participants' responses, instruction and observation were perceived by participants as where learning took place. Over time, as supported by the theory of planned behaviour, this learning influenced their financial behaviour and personal financial decisions. Thus, this research answered the second research question. All themes explored described the perceived nature and extent of influence agents exercised on individuals' financial behaviour. This was interpreted using the theories of planned behaviour and financial socialisation to understand the perceived influences on the financial behaviour of young South African accounting professionals and how the socialisation process shapes these perceived influences.

## **CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS**

This study aimed to understand young South African accounting professionals' perceived influences on personal financial behaviour and how these influences impact spending, saving and borrowing decisions. As new participants in the workforce and future financial leaders, positive financial behaviour displayed by these professionals will contribute to broader economic success, an urgent concern for a developing country like South Africa (Guermond, 2022). However, participants conceded to being largely unprepared when making personal financial decisions. With limited information on the financialisation of the daily lives of these individuals, this research sought to understand influences on personal financial behaviour and identified that interactions with family, peers, educators, and the media play a key role.

This study adopted the theories of planned behaviour and financial socialisation to interpret and explain the results of the interviews. It was found that instruction and observing the behaviour of household members growing up positively and negatively influence financial behaviour in adulthood. Black Tax poses unique challenges to participants' ability to demonstrate positive financial behaviour. Being socialised by households who often lack the financial literacy and

knowledge to educate individuals properly further exacerbates negative financial decisions, minimising the positive influence that financial socialisation presents. Therefore, interventions by both the South African public and private sectors, exploring means to better educate previously disadvantaged communities on simple financial management techniques, such as savings or expense tracking, may benefit these households. This will have a lasting impact on future generations who can learn from the positive behaviour exhibited.

Increased exposure to media plays an increasing role in the financial decision-making process. This encourages irresponsible financial behaviour as individuals are encouraged to spend based on exposure to social media and peer pressure. On the other hand, media is invaluable as it enables individuals to perform their own research, with access to the internet, enabling better financial decisions. However, the verifiability of online information often misleads participants in financial decision-making. Thus, these findings provide opportunities for radical solutions, targeting young professionals in a world where the digitalisation of accounting is increasing.

A lack of formal education on financial matters in South African schools compounds the poor financial behaviour young professionals display. This is despite schools, universities, and employers being well-poised to deliver financial knowledge, as young professionals are cognitively prepared to receive information through these avenues. Employers can intervene by introducing formal training sessions and programmes, emphasising the importance of retirement and investment savings and budgeting, as many young professionals earn their first salary once they join their employers. However, earlier interventions at secondary school or university can raise individuals' awareness of the importance of positive financial behaviour. Therefore, the government has the responsibility to urgently address the concerns of deficiencies in the current education system to combat the lack of personal financial education. These messages can also be shared amongst peers, who influence financial behaviour. Constant reminders of the impact and magnitude of positive financial behaviour were found to be beneficial to young professionals and aided decision-making. Thus, behaviour is influenced by the theory of socialisation and exposure to various agents.

This study succeeds in identifying impediments to positive financial behaviour amongst young professionals, adding rich context to existing quantitative findings. South Africa's diverse population of young accounting professionals of various races, genders, ethnicities and cultures formed the ideal backdrop to explore nuances in the socialisation of daily financial habits. The narratives of the young professionals interviewed are compelling, unravelling traditional

conceptions of determinants of financial behaviour by delving into cultural norms and generational challenges, advancing accounting literature. These results and the methodology adopted provide strong underlying support within this literature and offer insights instrumental in guiding all interested parties in fostering young professionals' financial well-being.

## AREAS FOR FURTHER RESEARCH

From the findings concluded in this study, gaps have been identified that would benefit from further research. Firstly, apart from SAICA, there are other professional bodies in the field of accounting and finance which lay out different qualifications and work experience prospective members are required to undergo. Assessing whether other professional bodies more holistically prepare members for financial decision-making, both personally and professionally, can be explored to identify ways to improve financial behaviour amongst all young accounting professionals. In a similar vein, analysis of the existing syllabi should be undertaken to understand if positive financial behavioural techniques are being emphasised throughout the primary, secondary and tertiary education process. This would warrant, amongst other exercises, an evaluation of the Life Orientation syllabus and SAICA's required professional competencies. A final recommended area for further research is scrutinising the availability of online information and assessing the accuracy thereof, particularly with the ever-increasing reliance on technology and digitalisation of financial information.

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## APPENDICES

### APPENDIX A – Questionnaire

#### *SOCIO-DEMOGRAPHIC DATA AND PERSONAL CHARACTERISTICS*

**Q1 Which gender do you identify as:**

- Female    Male    Non-binary    Transgender    Prefer not to say  
 Other: \_\_\_\_\_

**Q2 Which race do you identify as:**

- Black    White    Coloured    Indian    Prefer not to say  
 Other: \_\_\_\_\_

**Q3 What is your age?**

\_\_\_\_\_

**Q4 What is your highest academic qualification to date:**

- High School  
 Diploma  
 Bachelor's degree  
 Post-graduate diploma  
 Honours degree  
 Master's degree  
 PhD

**Q5 What is your parent's/guardian's highest academic qualification to date:**

- No formal education  
 Primary School  
 High School  
 Diploma  
 Bachelor's degree  
 Post-graduate diploma  
 Honours degree  
 Master's degree

**Q6 Which bracket does your current annual income<sup>39</sup> fall into:**

- R0 – R237 100
- R237 101 – R370 500
- R370 501 – R512 800
- R512 801 – R673 000
- R673 000 – R857 900
- Above R857 900
- PhD

**Q7 Currently, do you have financial dependents, of any kind?**

- Yes
- No

If yes, please elaborate:

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<sup>39</sup> The annual income brackets are based on the income tax brackets implemented by the South African Revenue Service for income tax on individuals (SARS, 2023). The final two brackets have been condensed into one category for the purposes of this questionnaire.

## APPENDIX B – Interview Questions

	QUESTION	THEME
1	What do you understand by the term ‘financial behaviour’?	Ice breaker
2	Do you feel comfortable making financial decisions, or do you tend to avoid making financial decisions because it causes stress/ anxiety?	Ice breaker
3	Once you receive your monthly salary, how do you decide how to spend or save this money; or do you feel the need to borrow or rely on credit to supplement your salary?	Socialisation
4	<p>When you need financial advice, who is the person, or what is the resource you go to? (e.g., parents, friends, internet search, financial advisor etc.)</p> <p>Do you generally follow the advice you’ve been given, or find yourself making a different decision?</p>	Agents
5	<p>Tell me about your living situation at home while growing up, and how you perceived financial decisions being made in that environment?</p> <p>a. Did your parents/guardians teach you how to make financial decisions.</p> <p>b. In your opinion, was there financial flexibility at home growing up or do you feel there was pressure to make ends meet?</p> <p>c. Did you receive pocket money or an allowance regularly?</p>	<p>Agents</p> <p>Mechanisms of socialisation</p>
6	Do you and your friends discuss how to manage money, use credit/borrow, and save/invest?	Agents

7	At school, university or once you started working, were you taught about the importance of money management, debt management and saving?	Agents
8	Would you describe yourself as active on social media, or do you get your news and information from newspapers, magazines, radio, and television? In your opinion, is media/internet a good source of financial information or advice?	Agents
9	<p>What financial advice or practices, if any, do you apply in your life from:</p> <ul style="list-style-type: none"> <li>a. Family</li> <li>b. Peers</li> <li>c. Educators</li> <li>d. Media</li> <li>e. Any other source?</li> </ul>	Socialisation
10	<p>In your opinion, who or what do you think will impact your financial behaviour in the future, and why:</p> <ul style="list-style-type: none"> <li>a. Family</li> <li>b. Peers</li> <li>c. Educators</li> <li>d. Media</li> <li>e. Any other source?</li> </ul>	Socialisation

## APPENDIX C – Consent Form



During this process, you will be asked questions to aid the researcher in understanding your perceptions of influences on personal financial behaviour. The process will consist of two parts. Firstly, a short questionnaire on socio-demographic and personal characteristics will be presented to you. This information is captured for analysis purposes. The survey will be followed by an interview. The interview will further unpack your views on financial behaviour and your perceptions of what influenced your personal financial behaviour, specifically money management, debt management, and savings.

The interview will be recorded and subsequently transcribed. On occasion, the interviewer may take notes during the interview. All information gathered will remain anonymous throughout this process.

This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the process at any time.

If you have any queries or concerns, please contact [derisa.govender@uct.ac.za](mailto:derisa.govender@uct.ac.za). If you agree to participate in this research process, please sign the consent form below.

### Acknowledgement by Participant

I have read and understood the above paragraphs.

I understood the purposes, procedures and risks of the research described in the project.

I have had an opportunity to ask questions and I am satisfied with the answers I have received.

I freely agree to participate in this research project as described and understand that all information is kept anonymous, and I am free to withdraw at any time.

I understand that I will be given a signed copy of this document to keep.

Name of Participant \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

### Declaration by Researcher

I have given a verbal explanation of the research project. Its procedures and risks, and I believe that the participant has understood this explanation.

Name of Researcher \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_