

## **Electronic Online Supplementary Materials for:**

### **Linking family financial socialization with financial capabilities: Which dimensions matter most for financial identity, behaviors, and anxiety?**

#### **The description of the focus group study that was carried out to construct a culturally sensitive questionnaire on parental financial socialization**

Items targeting financial socialization practices were developed based on the results of focus group discussions. The participants of a focus group study were 25 psychology students ( $M_{\text{age}} = 19.8$ ;  $SD_{\text{age}} = 1.49$ ; 83.3% women), who were invited to participate during lectures and seminars, after presenting them with an ongoing project. Overall, three focus group discussions with 8-9 participants were held.

The focus groups consisted of three parts. During the first warm-up discussion, participants were asked to reflect on the concept of financial well-being. As they reflected, they were directed to focus more on a subjective side of financial well-being, instead of the actual income. This discussion was then quickly followed by a second request, which was to indicate behaviors that they engaged in to promote their financial well-being or prevent financial problems. Once they managed to identify healthy financial behaviors (e.g., saving, monitoring spending, or avoiding debt), they were asked to recall and share the most important conversations with their parents and family experiences which had an impact on how they currently manage their money. This third and final part of the discussion was the main target of the focus group, lasted longest, and the diversity of commentary was encouraged.

After an initial round of discussions on family financial socialization practices, a set of additional prompts were provided to help participants recall important experiences. Specifically,

participants were asked to recall any instances when parents used any of financial socialization practices that were reported in previous studies. The prompts included themes surrounding the promotion of financial self-sufficiency and independent decision making (Sorgente & Lanz, 2017), financial troubles and anxieties (Norvilitis & MacLean, 2010), openness on family financial matters (Gudmunson & Danes, 2011; Norvilitis & MacLean, 2010), promotion of healthy financial behaviors (Gudmunson & Danes, 2011), family discussions on financial matters (LeBaron et al., 2018) and etc. Participants' responses were video recorded and the phraseology that they used to describe their financial socialization experiences was used to develop questionnaire items. When developing questionnaire items, we included all of the content related to family financial socialization generated by the participants (e.g., all examples of parental teachings, parents' comments, significant memories from the family context, etc.). All of the family-related content was first transcribed on paper and then rewritten into items that could be administered in the main study. This resulted in a list of 44 items, which were administered in the main study. Eleven of these items were not included in further EFA analyses due to very low variability and/or weak correlations with the rest of the items.

## The characteristics of the main study sample

ESM Table 1.

Financial situation and basic financial behaviors of study participants and comparative national data

		Study data	Swedbank national study data
<i>Average monthly income</i>	Less than 100 Euros	15%	11%
	101-200 Euros	24%	21%
	201-300 Euros	23%	25%
	301-500 Euros	23%	19%
	501-700 Euros	7%	9%
	701-1000 Euros	6%	3%
	More than 1000 Euros	2%	0%
	Did not respond	--	11%
<i>Sources of income</i>	Parental /caretaker support	85%	72%
	Salary	40%	52%
	Stipendium	13%	27%
	Loans	3%	3%
	Other	15%	6%
<i>How often do you run out of money before you receive your regular income?</i>	Never	34%	34%
	Rarely	19%	19%
	Once a month	11%	8%
	Once 2 or 3 months	21%	19%
	Every month	15%	20%
<i>What do you do when you run out of money?</i>	Reduce consumption	72%	71%
	Use saving	44%	50%
	Borrow from parents	23%	34%
	Borrow from friends	7%	18%
	Borrow from fast credit companies	0%	4%
	Other	11%	1%
<i>Average monthly expenses</i>	Less than 100 Euros	22%	15%
	101-200 Euros	33%	27%
	201-300 Euros	24%	27%
	301-500 Euros	16%	15%
	501-700 Euros	5%	5%
	More than 700 Euros	0%	0%
<i>Student loan?</i>	Yes	8%	9%
	No	92%	89%

## Confirmatory factor analysis results

ESM Table 2.

Standardized Loadings From Confirmatory Factor Analysis (CFA) of Family Financial Socialization Questionnaire with the Final List of Items

My parents...	
<i>Factor 1: Stressing on savings</i>	
...used to say that I should save money and put some aside for a rainy day.	.860
...used to teach me that I should keep saving money for a rainy day.	.762
...used to teach me that I should put some money aside for something unexpected.	.870
<i>Factor 2: Openness on family finances</i>	
...used to speak openly about their financial situation.	.789
...would let me know what their salary was.	.767
...would tell me where they spend their money and how much.	.728
<i>Factor 3: Instructing on money management</i>	
...helped me plan my daily allowance.	.730
...used to tell me where to invest money in order to get a return.	.595
...tried to include me in decisions concerning family finances.	.477
<i>Factor 4: Expecting financial independence</i>	
...kept telling me that one day I will have to become more financially independent from them.	.659
...used to tell me that I should provide for myself.	.580
...often reminded me that I should deal with my financial issues on my own.	.477
<i>Factor 5: Family financial distress</i>	
...often used to be in debt to other people.	.580
...were often worried about money.	.675
...used to quarrel because one of them was overspending.	.563