Economic Socialization and Saving Behavior among Children

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Received: 2 December 2015          Accepted: 12 April 2016

1- Introduction
During past two decades, families saving rates were studied among wealthy countries and some differences were observed. In some countries, it has reduced and in others an increase was seen. In Iran these trends are seen too. Based on economic reports, Hamedan people have high saving rates. Since early years in life are important in developing economic activities, saving trends and money management, this study is to explore economic socialization quality, educating and forming saving concept among children.

2- Theoretical Framework
Many perspectives and theories exist about socialization. Some of them are psychological, other are social psychological and some others are economic and sociological. Bandera’s social learning theory, self-control theory of Torzen & Mahoney, life styles theories and saving theory were used for conceptualizing in this research.

Piaget in his cognitive theory believes that child during seven to eleven years old acquires complex cognitive abilities and right perception of money value and its use. Children during 11 till 15 begin doing perception of economic interchanges and their roles in it (Seif, 2005).

Bandura says that education is not the only way of learning, but large part of human being learning is done through observing others' behavior and imitation. According to him, children learn new behaviors through mind reproduction and modeling (as cited in Seif, 2007).

Self-control theorists define self-control as a set of self-administrative processes which in its framework learner controls his thoughts, feelings and activities according to goal achievement. Self-control in economic socialization process is a skill for denying things which are enjoyable but not necessary and this leads to success at economic behaviors especially in saving.

From the sociological point of view, socialization is a rational and collective process, originating from goals and interests and life impacts. So, children's
perception of economic and social world, especially about how and when they acquire information about money value and its source and or when they understand especial economic concepts , requires the study of children learning during childhood including early- year trainings, individuals personality and their especial economic statuses in society.

In addition, some different studies have been done about economic socialization and its effective factors. Parents are of the most effective factors on children economic socialization trend. Some researchers such as Denhardt and Jeffre (1971), Christine Roland-levy (1990), Mortimer et al. (1994) Wong et al. (2007), and Akhter et al. (2012) have studied the impacts of this factor and found nearly similar results.

3- Methodology
The main area of this study is knowledge of children about the economic world. The method was qualitative and grounded theory was used for analyzing data. Deep interviews were used for gathering information. Interviews were recorded and coded and then were analyzed. 40 boys and girls and their parents were interviewed. Samples were selected through theoretical and purposive method.

4- Results
According to interviews, most of parents familiarize their children with the manner of spending, saving and managing money through giving pocket money to them. Among results, many differences were found about the manner of economic behaviors with children of different sexes. These differences were observed mostly among middle and lower classes. In addition, the parents say that, they give more pocket money to boys than girls. Children of different ages have different views about saving. Children under 8 were displeased with depositing their money to bank, but children of 8 to 10 had better perception of money. They save their money for buying their necessary things. Saving behaviors are different among different classes, in a way that low classes educate their children to save their money at home but higher classes’ children learn to save it at the bank. Savings are done for reducing food expenditures among lower class children but in higher classes are for clothing expenditures. Then, economic behaviors differ with family income resources. Some savings are for today’s need satisfaction, some for rainy days, and some for money management itself.

5- Conclusion
Different factors such as gender of children, their age, their parents’ life style and income, and their class status were studied. Results indicate the children’s enthusiasm about economic behaviors, especially saving behavior, their view about money are affected by their parents. In fact, parents’ encouragement for saving along with their educating is effective in children’s saving behavior, which
facilitates the action of saving for children. Giving pocket money can be viewed as an especial goal of parents for money management. This behavior not only educates children with money management and economic behaviors but also gives them a feeling of peace of mind, sense of having a status in family and trusting their parents.

Keywords: Economic behaviors, saving, children, grounded theory

Reference (In persian)

Reference (In English)


