Parenting Styles and Financial Literacy in the Philippine Context: Insights from Ateneo de Davao University

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ABSTRACT

Financial literacy is crucial for young adults, yet many young Filipinos struggle with saving, budgeting, and long term financial planning. Since much of the financial learning comes from home, parents influence their financial management through their parenting styles, *authoritative, authoritarian, or permissive.* This study aimed to determine how one's perceived mother and father's parenting style affect their financial literacy levels. The researchers employed a quantitative descriptive causal-comparative method; data was gathered from a total sample size of 170 undergraduate students at Ateneo de Davao University through a Poisson distribution sampling, in which students are chosen randomly and had a fixed chance of being selected. Data collection involved a combination of standardized and validated questionnaires where it utilized Google Forms. Data results showed that the majority of the respondents perceived both their mothers and fathers as having an authoritative parenting style. Most of the respondents were female, belonged to the School of Business and Governance, classified as Christians and lived in a household size containing 3-4 members. Respondents demonstrated high financial knowledge, behavior, and well-being scores indicated young adults' progressive understanding of finance. One-way ANOVA was conducted to determine if there was a significant difference between the variables. Findings revealed no statistically significant difference in financial literacy levels based on their parents' parenting style, suggesting that financial literacy among young adults may be shaped by several external factors rather than parenting styles alone. The study suggests that future studies should examine other influential and external factors, such as socioeconomic background, school-based financial programs, or peer influences.

Keywords: *Authoritative, Authoritarian, Permissive, Parenting Styles, Financial Literacy*

INTRODUCTION

In many developing countries, the Philippines faced challenges in promoting financial literacy, particularly among its young adult population (Bolt, 2024). Financial literacy is the knowledge and skills important to make informed financial decisions and behaviors, and is crucial for individuals to achieve financial well-being (Borden, L. M., Danes, S. M.,Serido, J., Shim, S., Rea, J. K.,2018). However, Standard & Poor's survey have consistently shown that the level of financial literacy in the Philippines was relatively low in both 2022 and 2023, especially among young adults who are entering a new phase of their lives with increased financial responsibilities (Klapper, L., Lusardi, A., Oudheusden, P. V., Hess, J., & Ansar, S., 2023).

According to Medalla (2022) of Bangko Sentral ng Pilipinas, only 25% of Filipinos possessed adequate financial knowledge. In a survey on basic financial literacy, only 20% of Filipinos achieved a perfect score, while 70% correctly answered at least half of the questions. This reflected low rates of savings and limited use of financial products and services. The BSP acknowledged the pivotal importance of financial literacy and has implemented numerous initiatives to improve financial literacy levels among Filipinos, including financial education programs and campaigns.

Parenting styles can significantly influence children's financial behaviors and practices (Sabri, M. F., Gudmunson, C. G., Griesdorn, T. S., & Dean, L. R., 2020). As determined by Doepke & Zilibotti (2017), the three common parenting styles that influence one's development are *permissive* (prioritizing child autonomy but potentially conflicting with parental desires), *authoritative* (balancing influence with child well-being), and *authoritarian* (imposing choices but potentially reducing happiness and independence). Parental influence varies depending on specific factors that characterize parent-child interactions (Xie, J., Wang, M., & Hooshyar, D., 2021). It is indicated that parenting styles can differ across various demographics, such as gender, race and religion (Arafat, Akter, Islam, Shah, & Kabir, 2020). Therefore, parenting styles and the possible effects on children's behaviors, parents can conform and adapt their desired approach to foster positive habits and demeanor, especially their financial literacy.

Existing studies on parenting styles and financial literacy are limited, highlighting the need for further research in this area. While there are a few notable exceptions, more studies are required to understand the interplay between these two constructs fully. Most existing research had been conducted in developed countries such as Europe, Brazil, and the United States (Chao, 2001; Lavrič and Naterer, 2020; Martínez et al., 2019; Clarke et al., 2005).

Although there have been some studies exploring this topic in East, South, and Southeast Asian countries such as China, Hongkong, India, Vietnam, and Malaysia (Sharif et al., 2020; Mahapatra et al., 2016; Bi et al., 2018; Phung, 2022; Zhu & Chou, 2018), the Philippines remains relatively understudied and unintentionally unattended in this regard. Similar studies in the Philippines focused on parenting styles and development, not financial literacy. The Philippines is one country deprived by studies that tackle the relationship between parenting styles and financial literacy. No study found in the Philippines has investigated the said relationship between the two variables. Therefore, this study is crucial in a Philippine context.

The other thing that makes this study significant is that parenting styles in developed countries may differ from those in the Philippines, considering factors like socioeconomic status, culture, and race, where it was confirmed by Yim (2022), which highlighted the importance of considering cultural context and the functional relevance of cultural values for different ethnic groups when understanding child development and parenting practices.

METHODS

The study utilized a quantitative descriptive causal-comparative method. It also employed a Poisson distribution sampling technique wherein the number of students are chosen randomly, and they had a fixed chance of being selected. This method ensures that the inclusion of a student from one course does not limit the chance of a student from another being selected, as it treats each student's selection as an independent event. This approach provided flexibility and ensured that the sample size accurately represented the diversity of the students, resulting in a balanced representation of the undergraduate population that met the study's sample size requirements. The target respondents of this study were first-year to fourth-year undergraduate students during the first semester of the academic year 2024-2025 of Ateneo de Davao University from its five school departments namely the School of Business and Governance, the School of Education, the School of Engineering and Architecture, the School of Nursing, and the School of Arts and Sciences. For the first semester of the academic year 2024-2025, these departments have an enrollment of approximately eight thousand three hundred ninety (8,390) students. However, this research exclusively addressed undergraduate students raised by both parental figures, a criterion that remains consistent irrespective of their current living situation with their parents; whether they are still residing with their parents or not is not a factor in the study. The study mainly focused on respondents brought up by both parents from childhood into young adulthood. The researchers had provided a 20% buffer rate for possible uncertainties during the data collection.

This study employed both self-made and standardized questionnaires. To ensure that the study's objective was met, the study's questionnaire was effectively divided into three sections. The first section consisted of a 5-item demographic profile. Meanwhile, the second section comprised the respondent's perceived parenting styles. It was a 32-item questionnaire from an Intergenerational version of the Parenting Styles and Dimensions Questionnaire (PSDQ-G1) that was originally developed by Robinson, Mandleco, Olsen, and Hart (2001). An additional section was incorporated to reflect modern society's evolving nature of family structures, and the researchers found it necessary to update the measures to align with the study's scope. In the updated version, the choices "Mother" and "Father" were modified to "Mother Figure" and "Father Figure" respectively. The original questionnaire reflected a traditional family structure consisting of a female mother, a male father, and their biological children. The third section of the questionnaire evaluated the financial literacy of the respondents. The researchers adopted a standardized questionnaire from Programme for International Student Assessment (PISA) which consisted of 93 items and selected 15 items that aligned with the study's objectives. This section of the questionnaire was divided into three sections: financial knowledge, financial behavior, and financial well-being. Moreover, the study utilized a five-point Likert scale to measure various dimensions such as Financial Knowledge, Financial Behavior, and Financial Well-being.

Table 2.1 Interpretation Table for the College Student's Perceived Parenting Styles

Item	Dimension	Score	Interpretation
7, 1, 12, 14, 27	Connection	Combined Total Mean Score =	If the mean score is higher compared to both groups, then the parenting style is *Authoritative*.
25, 29, 31, 11, 5	Regulation	(Sum of all item scores) / 15	
21, 9, 22, 3, 18	Autonomy		
2, 6, 32, 19	Physical Coercion	Combined Total Mean = (Sum of all item scores) / 12	If the mean score is higher compared to both groups, then the parenting style is *Authoritarian*.
16, 13, 23, 30	Verbal Hostility		
10, 26, 28, 4	Non-Reasoning/ Punitive		
20,17, 15, 8, 24	Indulgent	Combined Total Mean = (Sum of all item scores) / 5	If the mean score is higher compared to both groups, then the parenting style is *Permissive*.

Note. The data used for the interpretation table for the College Student's Perceived Parenting Styles are from The Parenting Styles and Dimensions Questionnaire (PSDQ). In B. F. Perlmutter, J. Touliatos, & G.W. Holden (Eds.), *Handbook of family measurement techniques: Vol. 3. Instruments & index* (pp.319 - 321). Thousand Oaks: Sage, by Robinson, C. C., Mandleco, B., Olsen, S. F., & Hart, C. H. (2001).

The scoring scheme for the Interpretation Table for the College Student's Perceived Parenting Styles grouped each item into subcategories that correlate to a particular dimension. In turn, these dimensions were associated with parenting styles that are *authoritarian, authoritative,* and *permissive*. The *authoritative* parenting style was measured by the dimensions of Connection, Regulation, and Autonomy and the items are then added together to get the mean score and if the score was higher compared to the other groups it tells that the perceived parenting style was *authoritative*. Next, The *authoritarian* parenting style was grouped under dimensions of Physical Coercion, Verbal Hostility, and Non-reasoning/Punitive and was then added together to get the mean score. If the score was higher than the other two groups, it suggests that the perceived parenting style was *authoritarian*. Lastly, *permissive* parenting style was measured by the questions under the dimension of Indulgent. The scores are then added to the mean score, and if it was higher compared to the other two groups, it indicates that the perceived parenting style was *permissive*. In the event of a tie in the assessment of a respondent's parenting style, where a respondent exhibits two parenting styles for one parent (e.g., the Mother Figure displaying both *authoritarian* and *authoritative* traits), such cases were excluded from the study. They were considered part of the 20% potential uncertainty buffer. This study primarily focused on selecting respondents based on specific criteria outlined in this research to ensure the accuracy and reliability of the data analysis.

Ethical considerations were strictly observed throughout the conduct of the study to ensure the integrity of the research, protect respondent privacy, and promote socially responsible outcomes. Participation was entirely voluntary, and informed consent was obtained from all respondents after a clear explanation of the study's objectives, procedures, and potential risks. Respondents were assured of anonymity, given the right to refuse to answer any question, and allowed to withdraw from the study at any point without penalty. Necessary approvals were secured from the School of Business and Governance, other relevant academic departments, and appropriate ethics bodies prior to data collection.

The researchers upheld honesty and transparency in all stages of the study by adhering to principles of academic integrity and avoiding plagiarism, falsification, and fabrication in data collection, analysis, and reporting. Measures were also taken to minimize potential biases in the research design, data gathering, and interpretation of results by recognizing and addressing possible financial, cultural, or personal influences. To safeguard data privacy, all responses were anonymized and stored in secure, password-protected databases with restricted access, in compliance with applicable data privacy regulations. Upon completion of the study, all research data were securely destroyed to prevent unauthorized access or recovery.

RESULTS AND DISCUSSIONS

The results were gathered using One-way ANOVA to determine if there were significant differences in the financial literacy levels of respondents based on their parent's parenting style. Tukey HSD Post Hoc Test was also used to identify pairwise group comparisons and homogeneous subsets. The outcome was that financial literacy levels of the respondents did not significantly differ according to their mother's parenting style, as presented by the high p-value for mothers (p = 0.848). This p-value is well above the significance threshold of 0.05, suggesting that the parenting styles, whether authoritative, authoritarian, and permissive, had no statistically significant difference on the financial literacy scores of the respondents. Respondents who have authoritative mothers had a slightly higher mean financial literacy score (mean = 3.7613) compared to those with authoritarian mothers (mean = 3.7520) and permissive mothers (mean = 3.7511). This meant that the different parenting styles of mothers did not have a significant impact on the financial literacy levels of the college students.

Similarly, the results showed that there was no significant difference in financial literacy levels based on the respondents' perceived parenting styles of their fathers (p = 0.227), which was greater than the 0.05 threshold. Respondents whose fathers exhibited an authoritative parenting style had the highest mean score (mean = 3.8084), followed by those with authoritarian (mean = 3.6706) and permissive (mean= 3.6225) parenting styles. These differences in mean scores were not statistically significant, indicatingthat the father's parenting styles did not significantly impact the financial literacy scores of the respondents. Further suggesting that the results showed that financial literacy levels of college students were not significantly influenced by differences in their father's parenting styles.

Table 3.1 Financial Literacy Level of Respondents According to their Perceived Parenting Styles

Parents	Parenting Styles	Mean	F-Value	P-Value	Remarks
Mother	Authoritative	3.7613	0.165	0.848	Not Significant
	Authoritarian	3.752			
	Permissive	3.7511			
Father	Authoritative	3.8084	1.497	0.227	Not Significant
	Authoritarian	3.6706			
	Permissive	3.6225			

Based on the results of the one-way ANOVA, which have indicated that there is no statistically significant difference in financial literacy levels based on their mother's parenting styles (F = 0.165; p = 0.848) and father's parenting styles (F = 1.497; p = 0.227). These p-values were much greater than the commonly used significance level threshold of 0.05, leading to an indication that parenting styles whether authoritative, authoritarian or permissive does not have a measurable impact on the financial literacy scores of the respondents. These results further asserted that external factors beyond parenting styles, such as socioeconomic status, peer influences, and formal education can likely influence financial literacy development.

These findings aligned with Enano et al. (2022), which discussed that while parenting styles shape other aspects of development, such as emotional intelligence, these styles do not directly influence financial literacy and its aspects. Similarly, Mahapatra, Alok, & Raveendran (2016), implied that authoritarian and permissive parenting styles may get in the way of developing financial autonomy, but these outcomes may not always reveal as differences in financial literacy, which may indicate that numerous factors beyond parenting styles, such as personal finance education in schools, have a prominent role in conditioning and cultivating financial literacy among students. In Iloilo, Philippines, it found that young adults having basic financial knowledge although unsatisfactory, their ability to plan and carry out financial decisions was poor and limited. This emphasized that parental influences may contribute in equipping their children a foundation for financial literacy but cannot entirely account for its development (Cainglet, Hortillo, & Tan, 2022). Elaborating the need for financial education as proposed by Ndou (2024).

Phung (2022) elaborated that while authoritative parenting fosters open discussions about financial concepts and matters, it is the involvement of parents in financial decision-making that causes a profound impact on children's financial literacy, rather than the parenting styles enforced. These findings implied that although a mother's parenting styles can shape certain behaviors and attitudes in children, it does not impact financial literacy levels . This suggested that students develop financial literacy from different sources beyond maternal influences, supporting the null hypothesis of the study. The lack of significant differences based on parenting styles persisted with Jorgensen & Salva (2010), who concluded that financial knowledge may be attained implicitly through financial modeling, rather than explicit instruction or parenting style.

Furthermore, paternal influence also indirectly determined their children's financial knowledge, behavior and well-being by modeling financial habits, but this influence does not correspond with direct increment in financial aspects (Clarke, Heaton, Israelson & Egget, 2005). These results were also consistent with Kaplan & Knoll (2019), where the findings might indicate that changing societal norms have shifted paternal roles towards more caring and nurturing approaches. Nevertheless, this change may not be that significant to affect financial literacy outcomes among young adults, further supporting the null hypothesis of the study that father's parenting styles do not directly influence financial literacy levels. The differences and similarities in findings may be due to varying cultural, economic, and educational environments. In more developed countries, particularly the USA, Brazil and much of Europe, parents may have greater access to financial tools, enabling them to teach more effectively in terms of financial skills (Sabri, Gudmunson, Griesdorn, & Dean, 2020). Conversely, in developing countries like the Philippines, limited resources and exposure may reduce the likelihood of having exceptional financial skills.

In summary, the findings of this study highlight the complicated relationship between parenting styles and financial literacy. Although authoritative parenting is the most dominant style and that it aligns with positive development outcomes (Enano et al., 2022; Phung, 2022). This did not indicate a significant impact on financial levels. The results might suggest that parenting styles alone might not be the sole factor that influence financial literacy, implying financial literacy is presumably shaped by various factors, such as academic exposure, socioeconomic factors, and external financial education (Lalosa, 2020)

CONCLUSION

The findings of this study provide important insights into the demographic profile, parenting perceptions, and financial literacy of students from Ateneo de Davao University in Davao City, Philippines. A total of 170 respondents participated, the majority of whom were female (62.4%). Most were first-year students (34.11%), followed by second-year (28.24%), fourth-year (20.59%), and third-year (17.06%), with no representation from fifth-year students. In terms of academic program, the largest group came from the School of Business and Governance (45.11%), followed by Arts and Sciences (22.94%), Engineering and Architecture (14.71%), Nursing (14.12%), and the School of Education (2.35%). The household composition of respondents was mostly 3–4 members (47.65%) or 5 and above (42.94%), while only 9.41% reported 1–2 members. In terms of religion, a vast majority identified as Christians (90.59%), while the rest came from Muslim, Buddhist, or other faith traditions.

Students' perceptions of parenting styles revealed that mothers were largely viewed as authoritative (71.76%), while fathers were also predominantly seen as authoritative (63.53%). Authoritarian and permissive parenting were reported at lower levels for both parents, though slightly higher in the case of fathers. These results underscore that most students experience authoritative parenting, which is characterized by a balance of responsiveness and discipline.

Finally, the study demonstrated that students possess a relatively high level of financial literacy, indicating strong proficiency in understanding fundamental financial concepts. Importantly, the analysis revealed no significant differences in financial literacy levels when examined according to either maternal or paternal parenting styles. This suggests that while parenting may shape various aspects of students' development, financial literacy is likely more influenced by external factors such as formal education, personal financial experiences, and broader socio-economic exposure. Future research could look into these factors to identify which specific external influences most affect financial literacy in young adults. Since parenting style alone does not predict financial literacy levels, future studies could explore the effectiveness of formal education in enhancing financial literacy. Analyzing the specific curricula or activities impacting financial knowledge would provide valuable insights.

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