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# The Decline of Household Saving Practices and Its Impact on Financial Socialization of Children: A Socio-Educational Perspective

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## Abstract

The increasing use of digital and cashless payment systems is changing how children encounter and understand money within the household. This study examines the decline of traditional tangible saving practices, particularly the household piggy bank, and explores how parents and educators perceive this shift in relation to children's financial socialization. Using a qualitative descriptive approach, the study was conducted in the United Arab Emirates with 30 participants, comprising 20 parents and 10 educators. Data were collected through semi-structured parent interviews and educator focus groups and analyzed using a hybrid inductive-deductive thematic approach. Three main themes emerged: reduced visibility of money and financial modeling, perceived changes in delayed gratification and self-regulation, and the need for families to adapt financial education practices to digital environments. Participants generally perceived that reduced exposure to physical money may make saving, spending, and the limits of financial resources less visible to children. However, these findings represent parent and educator perceptions rather than direct measurements of children's financial behavior. The study suggests that combining digital financial tools with visible and intentional learning practices may help families maintain important opportunities for teaching saving, planning, and responsible spending in an increasingly cashless society.

## Keywords

Financial Socialization, Children, Household Saving, Digital Payments, Cashless Society, Financial Literacy, Parental Financial Education, United Arab Emirates

## 1. Introduction and Problem Statement

### 1.1. Introduction

Traditional family practices have long played a pivotal role in shaping children's economic awareness, foundational financial behavior, and broader socio-educational development. Within the domestic sphere, the household piggy bank represented far more than a mere container for loose change; it was a structured educational artifact. Through collective family participation, the piggy bank served as a tangible mechanism through which parents modeled the principles of saving, introduced the psychological discipline of delayed gratification, and fostered an early sense of shared financial responsibility.

Contemporary household financial practices are changing as digital payment systems, including contactless cards and mobile wallets, become more common. As physical currency is used less frequently in everyday family transactions, tangible saving practices may also become less visible. This shift may influence the ways in which parents demonstrate saving, spending, budgeting, and financial responsibility to children.

### 1.2. Problem Statement

Although financial literacy receives substantial attention in education and public policy, changes in household payment practices may reduce some opportunities for children to observe tangible money-management activities. As cash transactions are increasingly replaced by digital and contactless payments, children may have fewer opportunities to observe the physical exchange, counting, and accumulation of money within the household.

In a digital economy, money is often represented through cards, applications, and account balances rather than through physical cash. This may make some financial processes less directly observable to children. The central problem addressed in this study is the decline in visible, tangible household saving practices and how parents and educators perceive this change in relation to children's financial learning, self-regulation, and understanding of saving and spending.

### 1.3. Research Objectives

This study aims to achieve the following specific objectives:

1. Examine the historical and pedagogical role of household tangible saving practices in early childhood family education.

2. Analyze the specific social, technological, and behavioral factors contributing to the decline of traditional saving tools like the piggy bank.

3. Explore parents' and educators' perceptions of how reduced exposure to tangible saving practices relates to children's financial awareness and spending behavior.

4. Explore and formulate practical family-based strategies for supporting financial responsibility within a digital, increasingly cashless economy.

### 1.4. Research Questions

To address the research problem, this study seeks to answer the following four interconnected questions:

1. How did traditional, tangible household saving practices historically contribute to the multi-dimensional financial socialization of children?
2. What specific social, technological, and economic shifts have directly driven the decline of these domestic physical saving tools?
3. How do parents and educators perceive reduced exposure to tangible, observable saving methods in relation to children's financial learning and behavioral self-regulation?
4. What modern, adaptable socio-educational approaches can contemporary families implement to preserve core financial learning values in a digital environment?

## 2. Theoretical Framework and Literature Review

### 2.1. Theoretical Framework

This study synthesizes three foundational theoretical lenses to evaluate the socio-educational shifts in domestic financial upbringing:

| Theoretical lens | Main learning mechanism | Relevance to this study |
|---|---|---|
| Family Financial Socialization Theory | Observation, interaction, and direct instruction | Explains how families communicate financial values and practices. |
| Social Learning Theory (Bandura) | Observation and behavioral modeling | Supports examination of how visible or less-visible payment practices may affect opportunities for observation. |
| Behavioral Economics | Tactile/visual feedback and the "pain of paying" | Provides a lens for considering differences between physical and digital saving and spending experiences. |
| **Theoretical lens** | **Learning mechanism** | **Relevance in a digital environment** |
| Family Financial Socialization Theory | Observation and interaction | Visible family practices support discussion of saving, spending, and financial responsibility. |
| Social Learning Theory (Bandura) | Observation and behavioral modeling | Reduced use of physical cash may decrease opportunities for children to observe financial actions directly. |
| Behavioral Economics ("Pain of Paying") | Tactile and visual feedback | Digital transactions may make payment less tangible and can change how spending is experienced. |

Family Financial Socialization Theory: Gudmunson and Danes (2011) explain that financial attitudes, values, and habits can develop through both explicit instruction and implicit processes such as observation and modeling within the family. From this perspective, reduced use of visible saving tools such as a piggy bank may reduce one opportunity for children to observe saving practices and for families to discuss financial decisions.

Social Learning Theory (Bandura): Bandura's framework emphasizes learning through observation, behavioral modeling, and reinforcement. A parent placing money into a visible saving container provides a directly observable example of saving behavior. In digital contexts, comparable financial actions may be less visible to children unless parents intentionally explain or demonstrate them.

Behavioral Economics (Delayed Gratification and the "Pain of Paying"): Behavioral economics literature describes a psychological response sometimes referred to as the "pain of paying". Physical saving and spending can provide tactile and visual feedback, while digital transactions may make the movement of money less tangible. This difference may influence how financial choices are experienced and discussed within families.

### 2.2. Literature Review

Scholarly research recognizes the family as an important setting for early financial socialization. Prior studies indicate that parental modeling, discussion, and opportunities to practice financial decision-making are associated with later financial attitudes and behaviors (Shim et al., 2010; Lusardi & Mitchell, 2014). These studies provide broader support for the importance of early financial learning, although they do not establish that use of a physical piggy bank itself produces specific adult outcomes.

Recent research has also considered how changing financial practices affect opportunities for financial socialization. LeBaron and Kelley (2021) review developments in family financial socialization, while Loke (2022) shows that financial discussion, parental role-modeling, and parent-child interaction can support children's experiential financial learning. Sarı (2025) further emphasizes the role of parents in financial education, and Maria et al. (2024) examine links among financial socialization, financial literacy, and saving habits. Together, these studies support the continuing importance of intentional family financial education as financial practices evolve.

## 3. Methodology

### 3.1. Research Design

This study employs a qualitative descriptive research design. A qualitative approach was used to examine how parents and educators describe and interpret changes in children's financial learning as household practices move from physical to digital forms of money. The study focuses on participants' experiences and perceptions rather than on statistical measurement of children's outcomes.

### 3.2. Target Population and Sample Selection

The study was conducted in the United Arab Emirates (UAE) and focused on parents and educators from UAE families. Participants were selected purposively because their roles provided direct experience of children's financial learning. The supplied study materials do not document a formal urban-rural comparison or detailed socioeconomic classification; therefore, these characteristics are not inferred.

The study utilized purposive sampling to recruit participants across two distinct cohorts:

**Cohort A (Parents):** (N = 20) parents (aged 30 - 50) with at least two children between the ages of 5 and 12, ensuring their children are currently navigating peak stages of early cognitive and financial developmental socialization.

**Cohort B (Educators):** (N = 10) primary school educators and early childhood counselors with over 7 years of institutional experience, capable of observing intergenerational behavioral shifts in children's spending habits.

## 3.3. Data Collection Instruments

Interview and focus-group discussions addressed household financial practices, children's material desires, digital money tracking, patience, consumerist attitudes, and awareness of monetary scarcity. Parent interviews were conducted individually, while educators participated in two focus groups of five participants each. Transcripts were generated from the sessions and used for thematic analysis. The original study records did not include a separate formal saturation assessment. Accordingly, the manuscript does not retrospectively claim that formal saturation was reached. The adequacy of the dataset is instead described through the defined purposive sample, participants' direct relevance to the research questions, and transparent reporting of the coding process. This limitation is considered when interpreting the transferability of the findings.

Data collection was executed through two highly structured qualitative instruments:

**Semi-Structured Parent Interviews:** Conducted individually to allow parents to speak openly regarding their domestic financial setups, observations of their children's material desires, and personal challenges with digital money tracking.

**Educator Focus Groups:** Two separate focus groups comprising 5 educators each were organized to facilitate peer-to-peer discourse regarding observable changes in children's patience, consumerist attitudes, and awareness of monetary scarcity.

## 3.4. Data Analysis Plan

The analysis followed three linked stages. First, transcripts were examined through initial open coding to identify statements relevant to the research questions. Second, related open codes were grouped into axial codes according to shared conceptual directions. Third, these axial codes were synthesized into three overarching themes. Theme 1 addressed visible financial modeling and the loss of tangible money practices; Theme 2 addressed perceived changes in delayed gratification and self-regulation in digital environments; and Theme 3 addressed family adaptation strategies. The findings are interpreted as participant perceptions rather than direct measurements of children's outcomes.

Coding transparency and researcher position: A working codebook was used to organize code labels, practical definitions, and links to the research questions. For example, a statement describing children seeing a parent tap a phone rather than handle cash was coded as "reduced visibility of payment", grouped under the axial category "observable financial modeling", and incorporated into Theme 1. Statements describing difficulty waiting before spending were coded as "perceived difficulty delaying spending", grouped under "perceived self-regulation in digital environments", and incorporated into Theme 2. The analysis used a single-researcher design; therefore, inter-coder reliability was not calculated. The researcher's interpretation was guided by the research questions and theoretical framework, and conclusions were limited to the perceptions reported by participants.

The interview and focus-group transcripts were analyzed using a hybrid inductive-deductive thematic approach. Initial open codes were identified from participants' statements while attention was also given to concepts linked to the research questions and theoretical framework. Related codes were then grouped into broader axial categories and reviewed for conceptual consistency before being organized into the three final themes. Because the analysis used a single-researcher design, inter-coder reliability statistics were not applicable. The interpretation was kept focused on participant perceptions and was not treated as direct evidence of child-level behavioral outcomes.

## 4. Data Analysis, Results, and Discussion

Following the thematic processing of the qualitative transcripts, three comprehensive primary themes emerged.

### 4.1. Emergent Theme 1: The Loss of the "Visual Ledger" and Behavioral Modeling

Most interviewed parents (85%) expressed concern about what they described as the reduced visibility of money in everyday family life.

| Environment | Visibility of financial process | Perceived learning opportunity |
|---|---|---|
| Traditional cash environment | Physical accumulation and exchange are visible | More direct opportunity for observational learning |
| Modern digital environment | Payments and balances may be less physically visible | Observation may require additional parental explanation |
| **Environment** | **Payment experience** | **Perceived learning implication** |
| Modern digital environment | Payments may occur through tapping or swiping with limited physical cues | Children may require additional explanation to connect purchases with earning, saving, and available funds. |

In a traditional household, the piggy bank acted as a highly visible, static physical ledger. A participant (Parent #04) noted: "*When I was a kid, the piggy bank sat on my dresser. I saw it every single day. I felt its weight increase. My own kids never see money. They see me tap my phone against a terminal. To them, the phone is the source of the item, not work or savings.*"

This participant account can be interpreted through Social Learning Theory as illustrating a possible reduction in opportunities for direct observation of financial processes. Digital transfers and payments may be less visible to children than physical cash transactions. Participants therefore perceived a need for parents to make the links among earning, saving, and spending more explicit when using digital payment methods.

## 4.2. Emergent Theme 2: Perceived Changes in Delayed Gratification and Self-Regulation

Educators in the focus groups described perceived changes in children's tolerance for delayed gratification. These accounts are interpreted as participant perceptions concerning children's experiences in increasingly digital consumption environments rather than as direct measurements of children's self-regulation.

| Dimension | Traditional Cash Economy (Piggy Bank) | Contemporary Digital Economy |
|---|---|---|
| **Feedback Mechanism** | Tactile, acoustic, slow visual growth. | Abstract digits, instant delivery interfaces. |
| **Psychological Friction** | High "Pain of Paying" (Physical loss). | Zero friction (Seamless background swipe). |
| **Socialization Focus** | Intentional delay, goal-oriented patience. | Instant gratification, continuous consumption. |

Educators also described instances in which children appeared to spend available digital allowances quickly. Because the study did not collect independent allowance records or direct child-level spending data, this finding is presented as an educator perception rather than a measured 48-hour spending outcome.

## 4.3. Emergent Theme 3: Domestic Adaptation Strategies and the Hybrid Dilemma

When asked how they respond to these changes, parents described several practical strategies. Approximately 30% reported trying to maintain a "cash-only pocket money" system at home. Participants noted, however, that this approach can be difficult to maintain when children encounter digital purchasing environments, online gaming platforms, and settings in which cash is not commonly used.

Parents who had moved toward children's banking applications or prepaid cards reported that these tools were practical but felt less tangible than traditional saving methods. In their view, numerical balances on a screen did not always provide the same visible and physical cues for discussing accumulation, spending, and saving.

# 5. Strategic Recommendations and Conclusion

## 5.1. Strategic Socio-Educational Recommendations

To support financial learning as physical saving tools become less common, families, educators, and financial-technology providers can use more intentional and visible approaches to financial socialization. The following four strategies are proposed:

| Modern hybrid approach | Purpose |
|---|---|
| 1. Gamified visual dashboards | Create a visible link between digital balances and saving progress. |
| 2. “Double-ledgering” | Use a physical token or marker to represent digital funds or deposits. |
| 3. Intentional re-introduction of transactional friction | Create a short pause for reviewing goals and balances before digital purchases. |
| 4. Institutional integration | Include age-appropriate financial learning activities in school curricula. |

Developing Gamified Visual Dashboards (FinTech Developers): Financial technology applications for minors could use age-appropriate visual representations of saving goals and progress. For example, a virtual saving container or other clear visual indicator may help make changes in a digital balance easier for children to observe and discuss.

Implementing Domestic “Double-Ledgering” (Parents): Parents may combine digital saving with a simple physical representation. For example, a token, marble, or printed marker can represent a digital deposit and provide a visible reminder of progress toward a saving goal.

Intentional Re-introduction of Transactional Friction: Parents can create short pauses before digital purchases by reviewing saving goals and account balances with children. Involving children in age-appropriate decisions about transfers and purchases may help make resource allocation more visible.

Institutional Integration: Schools could include age-appropriate experiential financial activities that explain the relationship between physical and digital forms of money. Such activities may help children understand that digital balances represent limited financial resources.

## 5.2. Study Limitation

Because the study relied on qualitative accounts from parents and educators, the findings represent participant perceptions rather than direct measurements of children’s financial behavior or self-regulation. The study did not include child participants, independent spending records, or a comparison group. Accordingly, the findings should not be interpreted as demonstrating that reduced cash exposure causes weaker financial understanding or self-control.

### 5.3. Conclusion

The decline of traditional household saving practices, including reduced use of the physical piggy bank, may represent a meaningful change in how children encounter financial learning at home. Participants perceived that reduced exposure to physical currency can make saving, spending, and the limits of available resources less visible. These findings should be understood as parent and educator perceptions rather than as direct measurements of children's behavior.

As digital payment practices continue to expand, families and educators may benefit from combining the convenience of digital tools with visible and intentional financial-learning activities. Hybrid educational tools, age-appropriate visual applications, and parental discussion may help preserve opportunities to practice saving, planning, and delayed gratification. Further research that includes children and direct behavioral measures is needed to test these relationships.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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