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The Role of Children in Managing Family Finances in Chinese Tradition

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ABSTRACT

This study aims to understand children's involvement in Chinese family financial management, including the forms of involvement, influencing factors, the role of cultural values, and their impact on family financial dynamics and efficiency. The study employed a qualitative method with a case study approach. Data were obtained through observation, in-depth interviews, and documentation. Data were analyzed using the Miles and Huberman model, which includes data reduction, data presentation, and conclusion drawing. The research results show that children not only play a role as recipients of money, but are also actively involved in recording expenses, preparing budgets, and monitoring the family's financial situation. This involvement is influenced by Chinese cultural values that emphasize thrift, discipline, and responsibility. In addition to cultural factors, children's self-awareness and their parents' circumstances and needs also determine their level of participation in family financial management. This involvement has a positive impact in the form of increased transparency and efficiency of financial management, while strengthening communication and openness within family relationships. Furthermore, children's participation serves as an effective financial education tool, fostering independence, responsibility, and financial decision-making skills from an early age. These findings suggest that children's involvement can be an important strategy in supporting the sustainability of family financial management.

INTRODUCTION

In Chinese families, cultural values play a strong role in shaping the economic behavior of family members. One value frequently discussed in Chinese tradition is the concept of filial piety (孝), or children's devotion to their parents. and Sotardi (2025) found that financial discussions within the family increased adolescents' financial self-confidence. Li et al. (2025) showed that children's involvement in family financial practices impacted their financial planning abilities. future. Kaur (2024) also found that early financial experience increases financial self-efficacy. However, previous research has focused on the role of parents as primary agents. Studies that position children as active actors in family management accounting practices are still limited, especially in the Chinese cultural context. This indicates an important research gap that needs to be addressed. Children's involvement in family finances is also related to early financial education. One important concept is mental accounting, which is how individuals categorize and manage money. This phenomenon is seen in accounting students who differentiate money based on needs such as tuition fees, consumption, and savings.

This suggests that financial literacy is shaped by direct family experience. In fact, researchers have found that children can play an active role in financial record-keeping, spending monitoring, and simple decision-making. This demonstrates that children are not only recipients of financial education but also part of the family's financial management system. Gudmunson and Danes (2011) explain that family financial socialization occurs through observation, discussion, and direct involvement of children in financial activities. Children who are involved in financial management from an early age tend to have better financial literacy as adults. Several previous studies have also demonstrated the importance of family involvement in children's financial education. Research by Agnew and Sotardi found that openness in family financial discussions can increase adolescents' financial self-confidence. Another study by Li, Chen, and Zhang showed that parental financial socialization influences children's ability to make future financial plans. However, most of these studies focus more on the role of parents as the primary agents in financial education. Research specifically addressing children's involvement as active actors in family financial management is still relatively limited, particularly in the context of Chinese families in Indonesia. This situation indicates a research gap that is interesting to explore further. In family life, children's involvement in financial management can take various forms. Children can help record household expenses, manage a simple budget, or participate in discussions about prioritizing family needs. These activities reflect a simple form of family management accounting practice, where financial planning, control, and evaluation are carried out collectively by family members. This phenomenon is also related to the concept of mental accounting in financial behavior. Researchers' empirical experience also indicates a similar dynamic in family life. Under certain circumstances, children can take a more active role in helping manage household finances, for example when parents have limited time or are unfamiliar with modern financial technology.

This research is expected to provide a deeper understanding of how cultural values, financial socialization processes, and interactions between family members shape children's involvement in household financial management practices. In addition to providing theoretical contributions to the study of family management accounting and financial socialization, this research is also expected to provide practical benefits for families in developing effective financial education for the younger generation. This research is expected to enrich theories in ethnographic and family studies by highlighting the role of children as economic actors in Chinese families (Liang, 2023). Research Results This study can serve as a reference for educators, family counselors, and cultural practitioners in understanding children's financial education based on Chinese cultural values (Liu, 2023). Furthermore, the results can help Chinese families develop parenting patterns that foster responsibility and economic independence in children (Kaur, 2024).

Based on this background, this study seeks to understand how children's involvement in family financial management occurs in the context of Chinese culture. This study also seeks to explore the factors that influence this involvement, how cultural values influence family financial management practices, and how children's involvement impacts relationship dynamics and the efficiency of family financial management. The purpose of this study is to determine and understand the role of children in managing family finances in Chinese tradition and its impact on family dynamics. More specifically, this study aims to: Describe the forms of children's involvement in Chinese family financial management. Identify factors that influence children's roles in Chinese family finances. Analyze how Chinese cultural values influence patterns of children's involvement in family finances. Explain the impact of children's involvement on decision-making patterns and relationships among Chinese family members.

Management accounting is a system used to plan, control, and evaluate economic activities to achieve efficiency (Anthony & Govindarajan, 2020). In a family context, management accounting functions not only in business organizations but also in household financial management. In Chinese families, children's roles are often associated with simple management accounting practices, such as recording expenses, monitoring cash flow, and making decisions based on economic efficiency (Liang, 2023). Children are taught the principles of cost control and budgeting as a form of financial responsibility training from an early age (K Hadiwijaya, 2025).

Theory This explains the process by which individuals learn behavior economics and finance through interaction social , especially from parents them (Gudmunson & Danes, 2011). In family China, children Study with copy behavior parents ' finances they, like take notes expenditure or consider decision investment family (Li, Chen, & Zhang, 2025). Involvement children in finance family is form learning through practice, which functions as education non-formal finance for implant values economical, responsible responsibility, and efficiency (Agnew & Sotardi , 2025).

Values China rooted in Confucianism , which emphasizes harmony, devotion to parents and responsibilities answer family (Tu, 2019). Values This push children For active participate in guard stability economy family as form respect to parents they (Xia, 2024). Concept This in a way direct related with accountancy management family, because decision economy in House ladder China often based on moral values, not only rationality finance (Liu,2023).

Theory This show How member family share role in the planning and control process finance (Schroeder et al., 2020). In family Chinese, decision finance usually nature hierarchical , but children Possible given room For convey opinion they when they trusted or show not quite enough answer (Wong, 2020). This process show How draft taking decision participatory implemented in context culture, where children act as junior managers in system finance family (Tan & Lim, 2022).

Gudmunson and Danes (2011) aimed For develop theory socialization finance family use method qualitative through review theoretical and critical. The results show that socialization finance is a complex process that involves communication, observation , and the role of parents as the main model in learning finance. Similarly, Agnew and Sotardi (2025) aim For measure influence interaction finance in family to trust self finance teenager use method quantitative based on survey and empirical model. The results show that discussion finance in family can increase trust self finance teenagers. Li, Chen, and Zhang (2025) also used method quantitative through survey For analyze influence socialization parents ' finances to planning finance child and find that socialization finance in family own effect positive on ability planning finance children in the future. More Furthermore, Fletcher et al. (2024)

researched understanding finance child since age early use method quantitative with measure literacy finance and find that socialization finance early can increase understanding about the concept of money. While that, Hadiwijaya (2025) uses method qualitative with analysis culture descriptive For analyze role values culture in behavior finance family , and find that values culture own role important in determine pattern management finance in family.

Study This leave from view that family Chinese own system strong values and culture, especially in matter not quite enough answer, work loud, and harmony family. Values the influence method family arrange finance, where the child often involved in activity financial family as form education not quite enough answers and exercises management finance. In perspective accountancy management, settings finance family done through the planning (budgeting), control (control), and evaluation (review) processes. Children are involved in the process will Study How manage source Power family in a way efficient. Involvement this also strengthens connection social between members family and strengthen system economy family based mark culture Chinese.

RESEARCH METHODS

This research uses a qualitative research method with a case study approach. This approach was chosen because the focus of the research is an in-depth understanding of financial management practices in Chinese families, particularly regarding children's involvement in family financial activities. Case studies are used because this research examines a specific phenomenon in a real-life context, namely within a family environment with a specific cultural background.

A qualitative approach was used to explore the meanings, values, and processes that occur in family financial management accounting practices. This study did not aim to test hypotheses or statistically measure relationships between variables, but rather to understand how children's involvement is shaped through family interactions, cultural values, and everyday experiences. Therefore, this study emphasizes an in-depth understanding of the phenomenon, rather than generalizing the results.

The case study approach in this research is descriptive and exploratory. Descriptive because this research seeks to describe in detail the forms of children's involvement in family financial management, such as recording expenses, monitoring budgets, and participating in simple decision-making. This research is exploratory because it also seeks to identify factors that influence this involvement, including cultural values, parenting styles, and interactions between family members. Furthermore, this research uses a family management accounting perspective as its analytical framework. This approach is used to understand how financial planning, control, and evaluation are carried out. carried out within the family. In this context, the family is seen as a small economic unit with its own financial management system, in which children can play a role.

This approach is also influenced by a sociocultural perspective, as this study considers the role of Chinese cultural values such as family responsibility, hierarchy, and filial piety in shaping financial behavior. Therefore, this study examines not only the technical aspects of financial management but also the social and cultural meanings behind it. Therefore, this research can be concluded as a qualitative descriptive study using a case study approach and a family management accounting perspective, which aims to understand in-depth the phenomenon of children's involvement in family financial management in the Chinese cultural context.

The subjects of this study were Chinese families who involved their children in managing household finances and the family business. Subject criteria were defined as follows:

1. Children aged 15–25 years who play an active role in family financial activities.
2. Parents who are the main decision makers and mentors in managing family finances.
3. Chinese families who apply simple accounting principles, such as cash flow recording, budgeting, and financial monitoring.

This study focuses on management accounting practices in Chinese families, which include:

1. Financial planning (budgeting) as the process of preparing and allocating family funds .
2. Monitoring and controlling family income and expenditure activities.
3. Financial evaluation to assess the effectiveness of financial decisions.
4. Children's involvement in supporting efficiency, transparency and accountability of family finances.

Study This use approach qualitative with technique data collection which includes observation direct to activity finance family and interviews deep with parents and children For understand values, roles and responsibilities answer in management finance. More further research This utilise studies documentary in the form of available evidence in family, such as notes simple expenditure daily, pocket money management, or form other relevant records with practice finance family. In condition certain, when documentation written, such as cash book, no available formally, researchers still look for information through verbal explanation of informant about habit recording and management finance they. This is reinforced by records field taken during the observation and interview process. The data obtained Then analyzed using the interactive model by Miles and Huberman (1994), which consists of from three stage main. Stage First is data reduction, namely the process of selecting and simplifying relevant data with focus research, especially about involvement child in management finance family. Stage second is presentation of data in narrative format systematic, which facilitates understanding about pattern management finances and the role of each member family. Stage third is interesting conclusion and verification, namely the process of interpreting data to find deeper meaning in, especially about influence values culture to practice accountancy management family approach interpretive used For understand How values culture and interaction family form behavior finance, ensuring that results study No only describe practice That Alone but also explains the meaning behind it.

Study This done during four month . In the month February , researcher do review library and preparing proposals. Month March focused on preparation instruments and management permission research . April was used For data collection through observation and interviews. Furthermore, in early May, a survey was conducted data analysis and validation results. Stage lastly, at the end of May, was compilation report research and revision end.

RESULTS AND DISCUSSION

Based on field data, children's role in family financial management is no longer limited to receiving allocated funds (pocket money), but has expanded to include operational and supervisory functions. Child informants demonstrated a fairly mature level of financial literacy in managing daily cash flow. Palentina described her systematic management process:

"I record my income and expenses, prioritize, and set aside money for basic needs first, then the rest for snacks or other things, if possible, even setting aside a little for savings."

This statement indicates that the children have applied basic management accounting principles, namely the classification and prioritization of expenses. Furthermore, this involvement is also driven by an awareness of their parents' objective circumstances. Mery offers a more in-depth perspective on the reasons for her involvement:

"Because of little encouragement and self-awareness as children about the responsibility of managing family finances. Parents are getting older and less familiar with better money management."

This finding is interesting because it suggests the existence of reverse socialization, where children take an active role as a result of positive "coercion"—a form of responsibility for the decline in parents' managerial abilities as they age.

\ The Chinese families in this study consistently upheld the value of thrift as the main foundation of economic behavior. For parents, teaching about

Finance is part of character building. Uncle David explains his teaching methodology:

"We teach by example, such as creating a monthly budget, separating needs from wants, and giving children an allowance that they have to manage themselves."

Calling this, Aunt Vonnie emphasized the importance of responsibility in allocating funds:

"We give them a weekly allowance and teach them to be responsible and manage their own allowance... We still implement financial management practices like thrift and saving."

These values aren't just one-way doctrine; they have become behavioral identities for their children. Palentina emphasized that Chinese culture has greatly influenced her perspective on money:

"It's still influenced by culture. Like being frugal, disliking debt, prioritizing saving, and always thinking about the future before spending money on unnecessary things."

Children's participation in financial matters has been shown to increase transparency within the household. When finances are no longer a taboo topic between parents and children, efficient resource use can be achieved. Mery offers some very relevant advice in this regard:

"I think if finances are managed together, it will be more efficient because each family member can get to know each other and help each other, and family finances can be transparent."

This statement demonstrates that open information sharing in modern Chinese families is a catalyst for strong financial collaboration. Despite shouldering a heavy burden of responsibility, children feel this process has matured them. Eka reflects on her feelings:

"I feel like it's quite a big responsibility, but it's also rewarding. It's stressful at times, but it also makes you more mature... My advice is to be open about finances within the family, make a clear plan, and be disciplined in implementing it."

Theoretically, the practices carried out by the informants represent a concrete form of the Management Control System. Referring to the thinking of Anthony & Govindarajan (2020), management control requires goal alignment. In this family, the shared goals are future stability and higher education. The actions of children like Palentina and Eka in recording expenses serve as an early detection mechanism for budget irregularities. Thus, the children act as "Internal Auditors" who ensure that every family expenditure remains efficient and oriented towards future needs.

The phenomenon of children's involvement in assisting parents with limited management skills (as in Mery's case) can be analyzed through a Confucian lens. According to Tu (2019), the family is a moral unit where filial piety is parents (Xiao) is manifested in concrete actions to maintain the honor and welfare of parents.

For the Chinese children in this study, managing family finances was not merely an administrative task, but rather a form of service to ease the burden on their parents. This aligns with Xia's (2024) findings that in Chinese culture, children are seen as having a reciprocal role in supporting household stability, which in the modern context has evolved into financial management support.

The success of Uncle David and Aunt Vonnie's financial outreach efforts is evident in their children's high financial self-confidence. According to Kaur's (2024) research, active involvement in family finances increases children's financial self-efficacy.

Palentina and Eka's emphasis on distinguishing between needs and wants suggests that instilling money scripts (money mindsets) from an early age fosters a strong future orientation. Consistent with Li, Chen, & Zhang (2025), management accounting practices learned at home provide these children with the social capital to manage their own financial lives independently in the future.

Based on the results of interview analysis and literature observations, it can be concluded that:

a) Role Transformation: Children have transformed from mere consumers to financial managers in Chinese households.

b) Synergy of Culture and Modernity: Traditional values (thrift and devotion to parents) combined with children's technological literacy, creating a more transparent and efficient financial management system.

c) Positive Impact: This involvement reduces the risk of information asymmetry within the family and at the same time prepares children to become financially resilient individuals.

This study recommends that this collaborative financial management model be maintained and strengthened through:

a) Collective Digital Literacy: Encouraging the use of shared financial recording applications for more accurate and real-time budget monitoring.

b) Value-Based Character Education: Emphasizes that every family member has a role in maintaining the family's economic dignity through a simple lifestyle, in accordance with the traditions of Chinese ancestors who adapt to changing times.

CONCLUSION AND SUGGESTIONS

This study found that children play a crucial role in managing family finances in China. Children are involved in recording expenses, calculating spending needs, creating simple budgets, and monitoring money usage. This role helps parents manage family finances more effectively and transparently. Children's involvement is influenced by Chinese cultural values that emphasize responsibility, hard work, discipline, and devotion to parents. Children learn about money management through direct examples at home. Financial education takes place through daily practice. Children's involvement has a positive impact. Communication within the family becomes more open, family relationships become closer, and role divisions become clearer. Family finances become more efficient because they are recorded and monitored together. Children's role in family finances does not take over major decisions. Children act as support and implement technical tasks. Parents remain the primary decision-makers. This study shows that involving children in financial management is a form of financial education and character building. Children become more independent and responsible with money.

Advice for Chinese Families: Involve children in managing family finances through practical tasks such as record-keeping and budgeting. Hold discussions. finance in a way routine so that every member family feel involved. Suggestion For Children Learn manage Money start from things small. Differentiate between need And desires. Use family experiences as practice for managing personal finances in the future. Suggestions for Further Research Expand this research by comparing families Chinese in various region And level economy Which different. Use quantitative methods to determine the effect of child involvement on household financial effectiveness.

The results of this study indicate that the involvement of children in the financial management of Chinese families provides significant benefits for financial development. And education character. Practice This can become example for family other in fostering transparency, togetherness, and independence among family members.

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