Determinants of Financial Engagement: The Role of Intrinsic Motivation, Gender, and Early Financial Socialization

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ABSTRACT

This study examines the determinants of engagement in financial behaviors - financial learning, management, and investment - with a focus on intrinsic motivation, gender, and early financial socialization. Using survey data, the study analyzes the relationship between individuals' motivation to learn about finance and their actual financial engagement.

The findings reveal a gendered pattern. Among men, engagement in financial behaviors shows only a weak association with intrinsic motivation, suggesting that external social norms promote financial involvement regardless of personal interest. In contrast, among women, intrinsic motivation is a strong predictor of engagement, indicating that in the absence of both internal motivation and external expectations, financial involvement is substantially lower.

Early financial socialization emerges as a central factor. Individuals exposed to financial discourse within the household exhibit higher levels of engagement, and gender differences are significantly reduced. Conversely, lack of such exposure is associated not only with lower engagement but also with the formation of a financial self-identity characterized by avoidance and perceived incompatibility with financial matters.

Importantly, active financial learning is identified as a key mechanism for disrupting this identity and increasing engagement, independent of demographic characteristics. Additionally, early exposure to financial discussions predicts higher financial responsibility in adulthood, regardless of parental financial expertise.

The study further discusses the practical implications of these findings for financial education, policy design, and interventions aimed at reducing gender disparities in financial engagement.

Keywords: Financial Behavior; Financial Socialization; Financial Literacy; Gender Differences; Financial Education