

The Roles of Financial Socialization and Financial Capability Across Generations' Financial Well- being

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Using the Family Financial Socialization Theory (FFST), this study examined the association between family financial socialization and individuals' financial capability, behaviors, and well-being across generational groups. Using a nationally representative sample of 6,180 U.S. respondents from the 2016 National Financial Well-Being Survey (NFWBS), structural equation modeling (SEM) was employed to test the direct and indirect associations between financial socialization and financial well-being. Additionally, the mediating roles of financial capability and financial behavior were also examined. A multi-group SEM was conducted for four generational groups, Pre-Boomers, Boomers, Gen X, and Millennials, to examine the heterogeneous effects of generation on the associations between family financial socialization and financial well-being. The results underscore significant positive associations between financial socialization, financial capability, financial behavior, and financial well-being. Additionally, financial capability and financial behavior significantly mediated the relationship between financial socialization and financial well-being. Multi-group SEM by generation revealed significant differences in the direct and indirect associations among financial socialization, financial capability, financial behavior, and financial well-being. Financial planners can use these findings to better understand their clients' financial behaviors, engage in discussions, and tailor interventions unique to the generational experiences of their clients. **Keywords:** financial capability, financial socialization, financial well-being, generation cohorts

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