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PERSONAL ACCOUNTING AND SCAM VULNERABILITY OF UNIVERSITY STUDENTS

Abstrak

Tujuan Utama - Penelitian empiris ini menyelidiki bagaimana sosialisasi orang tua mempengaruhi kerentanan individu terhadap penipuan, baik secara langsung maupun tidak langsung melalui kesejahteraan finansial.

Metode - Sampel sebanyak 421 mahasiswa universitas di Indonesia dengan rentang usia 18–24 tahun dari universitas terakreditasi A, dianalisis menggunakan Partial Least Squares. (PLS).

Temuan Utama - Sosialisasi orang tua meningkatkan kesejahteraan finansial anak-anak dan membantu anak-anak memahami serta merencanakan keuangan dengan efektif, sehingga mengurangi kerentanan terhadap penipuan. Sosialisasi orang tua terbukti berhubungan dengan peningkatan kerentanan terhadap penipuan melalui kesejahteraan finansial sebagai mediator.

Implikasi Teori dan Praktis – Implikasi teori menyoroti pentingnya sosialisasi keuangan orang tua dan akuntansi personal. Ini membentuk dasar perencanaan keuangan masa depan mahasiswa dan meminimalkan kerentanan terhadap penipuan.

Kebaruan - Ini adalah penelitian pertama yang secara empiris mengeksplorasi hubungan antara sosialisasi orang tua, kesejahteraan finansial, dan kerentanan terhadap penipuan berdasarkan Teori Sosialisasi Keuangan Keluarga (FFST) dan akuntansi personal.

Kata kunci - Sosialisasi orang tua; Kesejahteraan keuangan; Kerentanan terhadap penipuan; Penipuan investasi; Akuntansi personal; Pendidikan tinggi.

Abstract

Main Purpose - This empirical research investigates how parental socialisation affects individual scam vulnerability, both directly or indirectly through financial well-being.

Method - The sample of 421 university students in Indonesia with an age range of 18–24 years old from A-accredited universities, was analysed using Partial Least Squares (PLS).

Main Findings - Parental socialisation enhances children's financial well-being and helps children understand and plan finances effectively, thereby reducing scam vulnerability (SCV). Parental socialisation proved to be associated with increased scam vulnerability through financial well-being as a mediator.

Theory and Practical Implications – This study's implication theory emphasises the significance of parental socialisation and individual accountability. It forms the basis of student's future financial planning and minimises scam vulnerability.

Novelty - This is the first study to empirically investigate the links between parental socialisation, financial well-being, and scam vulnerability based on the Family Financial Socialisation Theory (FFST) and personal accounting.

Keywords - Parental socialisation; Financial well-being; Scam vulnerability; Investment scam; Akuntansi personal; Higher education.

Awareness of investment scams refers to the perception of such scams. Understanding financial scams is crucial as it enhances one's comprehension of financial facts and facilitates sound financial decision-making (Padil et al., 2022). People tend to fall for financial scam schemes because they still rely on existing social relationships and lack proper information before they make investments. Current economic dissatisfaction increases one's tendency to fall victim to existing scam schemes (Kadoya et al., 2020). Individuals possessing weak self-control are prone to falling prey to frauds when they cannot control the desire to live luxuriously as shown or offered by scamsters (Padil et al., 2022).

According to the World Economic Forum (2024), scammers stole more than $1 trillion globally in 2023. Meanwhile, in Indonesia, the prevalence of investment scams is increasing, resulting in considerable losses for the victims. Indonesia's losses in 2020 increased by IDR 5.9 trillion over the previous year (Bestari, 2022). Scammers target the younger generation, particularly university students (Padil et al., 2022). Although digital technology has improved the convenience and efficiency of daily operations, it does not come without risks. According to Amoah (2018) and Nguyen et al. (2024), investors' risk appetite plays an important influence in their decision to join in financial scams such as Ponzi schemes. Risk appetite refers to a person's willingness to accept risk, including the possibility of investing in an investment scam. Financial frauds continue to put many consumers at risk (Dutt, 2023). Researchers in the past have looked at how demographic and socioeconomic factors relate to financial scams (Kadoya et al., 2020; Singh & Misra, 2023), financial scams affect people (Abdulai, 2020; Li et al., 2024), culture and behaviour affect people (Prabowo, 2024), how effective scam education is (Kubilay et al., 2023), and cryptocurrency exchange scams affect people (Xia et al., 2020). Behavioural finance is one of the contemporary accounting and financial management challenges (Sachdeva et al., 2022). Personal accounting is crucial to explaining results. This study shows how families' financial activity directly affects their children and how it indirectly influences financial concerns (Zhao & Zhang, 2020). Personal accounting shows how accounting affects competitiveness, effectiveness, and financial rationality, according to Du Rietz (2022). Northcott and Doolin (2000) found accounting limits behaviour. Accounting limits future behaviour since people don't trust themselves to operate financially rationally. This shows accounting rationales like comparison, visibility, and self-discipline often match individual aspirations. According to Miller and O'Leary (1990), accounting processes reflect cultural ideals including rational decision-making, accountability, and authority. Accounting data helps each family build a community around soberness and sustainability (Walker, 2015). Personal accounting serves as an educational and transformative instrument that aids families in making more equitable purchasing choices, so enhancing well-being and diminishing consumerism (Aresu & Monfardini, 2023). Personal accounting affects financial decisions.

Financial socialisation can be defined as the process of understanding information about money and how to manage finances (Wee & Goy, 2022). Numerous agents influence financial socialisation, including family members, peers, educators, and the media. However, among these agents, parents have the highest or most substantial influence, due to their influential role during the early stages of adolescence (Pahlevan Sharif & Naghavi, 2020). Generally, a child will tend to observe how parents manage money, and then try to imitate this behaviour (Chawla et al., 2022). Children who recall financial lessons from their parents and regard them as financial role models typically possess enhanced financial acumen, enabling them to manage their finances effectively (Sirsch et al., 2020). Parental socialisation encompasses the manner in which parents impart their financial knowledge regarding certain financial topics during interactions with their children (Antoni, 2023).

Financial well-being (FWB) encompasses an individual's perception of their financial security and ability to maintain a desired lifestyle (She et al., 2023; Riitsalu et al., 2023). FWB can also be defined as a state where a person can fulfil their financial obligations (Fred van raaij et al., 2023). Junça Silva & Dias (2023) state FWB includes understanding and mastery of personal finances, which provides satisfaction with current conditions and at the same time reflects a person's ability to plan reliable future finances. FWB consists of two sides, the objective side in the form of individual material resources and the subjective side, which is the personal perceptions of financial condition (Sorgente & Lanz, 2019). Parental socialisation can be a valuable resource for children, allowing them to have a strong understanding of finances for the future (Aisjah, 2024). Sirsch et al. (2020) also support this view such the role of parents is crucial for children's financial knowledge. However, at a certain stage, the role of parental influence may change. Children who have completed higher education and possess greater financial knowledge may financially influence their parents (Zhao & Zhang, 2020). Choung et al. (2023) shown that FWB is a primary driver of life satisfaction and possesses significant predictive capability relative to other objective financial metrics.

Parental socialisation in the family environment has an impact on FWB (Zhao & Zhang, 2020). This is due to the process of financial socialization, where parents and families instill financial literacy in children. For example, when parents purchase basic necessities, manage cash flow, and make credit payments, children will subconsciously absorb this information from their parents, thereby gaining basic financial knowledge (Y. Li et al., 2021). Another way is when parents explain how they are in charge of family finances; that can also teach children to own responsibility for their finances (Phung, 2023). Early parental socialization can shape a child's financial literacy in their early adulthood.

Gudmunson and Danes (2011) postulated the concept of Family Financial Socialisation Theory (FFST) to explore the relationships between family financial socialisation and other personal financial outcomes. For instance, parents such as Li et al. (2021) claim that children acquire vital lessons from their parents on how to not only be financially prudent in spending but also on how to invest properly. FFST posits that a father or mother plays a significant role in shaping their child's investment decisions. When parents play a major role as responsible for family finances, it can also teach children to have responsibility in their finances (Phung, 2023). Therefore, it is crucial to limit the financial activities of parents. On the other hand, a child's socialization process benefits from 'normal' financial socialization, which is influenced by external factors (Chawla et al., 2022).

It is also true that parents should enhance their own personal financial literacy and get hold of the competence to teach their children (Mahapatra et al., 2024). There are young adults for whom parental socialization appears to determine—at least in part—a majority of their financial well-being (Damian et al., 2020). It is in this light that the family's financial socialization theory finds support and proclamation.

While most of the prior literature focused on how parents influence the FWB of their children, prior research studies (Zhao & Zhang, 2020; Utkarsh et al., 2020; Fan & Park, 2021; and Mahapatra et al., 2024) have not considered how such variables could make children more susceptible to fraud. This paper therefore tries to fill this gap by examining how parental influence impacts the susceptibility of a child to fraud through its impact on the FWB. This is important research, given the increasing nature of investment fraud around the world. This study will adopt FFST as an important conceptual framework for determining how parental socialization can relate to FWB and SCV. Whereas previous studies focus only on financial outcomes, the current study aims to reveal the complex relationship existing among parenting styles, financial stability, and vulnerability to fraudulent activities, thus putting new light on this important topic.

This study provides multiple important additions to the literature. First, this study looks into financial socialisation by parents for their children among university students, contributing to the concept FFST and personal accounting bias by emphasising the relevance of family financial socialization in making investment decisions. By focussing on a specific group of university students, this study seeks to offer more refined insights into the effects of PS. Second, this study broadens the scope to investigate the impact on scam vulnerability between PS and FWB. This approach offers a deeper understanding of how these variables interrelate and provide richer information, as the relationship between these three variables has remained limited in previous studies. Third, the project aims to enhance parental comprehension of the importance of financial socialisation to decrease the incidence of investment fraud victims. This study seeks not only to contribute to theoretical advances in understanding the role of parental influence and personal accounting bias in the decision-making process but also to provide practical insights that may be used to improve measures for reducing SCV in children. Thus, this research aims to provide new views and useful contributions to the domain of financial literacy.

METHOD

The research sample consisted of 421 university students at the undergraduate and graduate levels of A- or superior-accredited universities in Java and Bali. Respondents in this study are men and women with an age range of 18–24 years old who come from universities in six provinces, specifically Central Java, Yogyakarta, West Java, East Java, Jakarta and Bali. We randomly distributed the questionnaires, both online through the application and directly on-site. A surveyor service institution carries out the online distribution to individuals who have registered and validated their identity. The surveyor institution has demonstrated its credibility and has already registered with ESOMAR. In addition, there were validation questions in the form of simple math problems to prove the respondents filled out the questionnaire consciously. This study used several sample criteria to avoid biasing the test results. Firstly, there is a balanced distribution of men and women, with no dominant gender. Secondly, respondents must be from A-accredited or excellent universities in Java and Bali. Thirdly, the respondents had to correctly answer the math validation questions to avoid disqualification.

There are three reasons why this study using a sample of university students from Indonesia. First, financial education in Indonesia is relatively low due to the limited scope of financial education programs and socialisation. The Indonesian Financial Services Authority (OJK) executed the 2022 National Financial Literacy and Inclusion Survey, revealing a financial literacy level of only 49.68% among Indonesians. Second, Indonesia suffered losses from unlawful investments totaling IDR 129.41 trillion in 2020 (Bestari, 2022), demonstrating that there are many victims of Indonesian investment scams. Third, as adulthood, they usually begin to make their own financial decisions, including investment choices. Therefore, the appropriate respondents in this study are university students aged 18-24, whose financial decisions are still influenced by PS. **Table 1** describes various demographic and socioeconomic characteristics of respondents.

Table 1. Respondent Demographics

Variables		Percentage
Gender	Female	48.46%
	Male	51.54%

Education	First year undergraduate students (1-2 semester)	19.71%
	Second year undergraduate students (3-4 semester)	19.00%
	Third year undergraduate students (5-6 semester)	23.04%
	Fourth-year undergraduate students (7th-8th semester)	33.02%
	Master's student	5.23%
Faculty	Faculty of Business and Economics	28.50%
	Faculty of Engineering	13.78%
	Faculty of Computer Science	10.45%
	Faculty of Medicine	4.51%
	Faculty of Humanities and Creative Industries	8.79%
	Faculty of Mathematics and Natural Sciences	8.31%
	Others	25.65%
	Jakarta	23.75%
	West Java	27.32%
	East Java	22.80%
	Central Java	15.68%
	Yogyakarta	9.26%
	Bali	1.19%
Family Income (monthly)	< IDR 5 million	33.73%
	IDR 5 million to <10 million	29.69%
	IDR 10 million to <15 million	10.93%
	IDR 15 million to <20 million	8.08%
	IDR 20 million to <25 million	9.98%
	IDR 25 million to <30 million	3.09%
	> IDR 30 million	4.51%
Have you ever had a tricky offer, trying to trick you into investing?	Yes	88.6%
	No	11.4%
Have you ever fallen prey to a deceptive investment scheme?	Yes	50.1%
	No	49.9%

Source: Processed Data

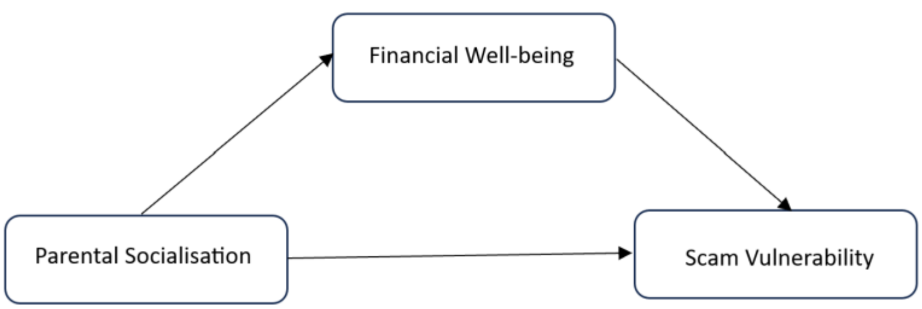

Figure 1. Research Model

This study's data analysis includes validity, reliability, and hypothesis testing using PLS. PLS uses mediating factors to analyse the indirect impact of independent and dependent variables.

Figure 1's research model displays the three variables. The equation of the three variables can be written as follows:

$$\square\square\square = \square\square + \square 1\square\square + \square 2\square\square\square + \square$$
$$\square\square\square = \square\square + \square 1\square\square + \square$$

The dependent variable in this study is scam vulnerability (SCV). Individuals who lack financial knowledge and decision-making skills and rely solely on existing social ties are particularly vulnerable to financial scam (Kadoya et al., 2020). The SCV indicator modifies questions from James et al. (2014) and Kubilay et al. (2023), with a total of six questions can show how vulnerable a person is to financial scams, especially investment scams. Respondents will respond on a scale ranging from 1 indicating "never" to 5 indicating "very often," with certain questions having a range of 1 indicating "strongly disagree" and 5 indicating "strongly agree." A higher score on this test indicates a person's vulnerability to financial investment fraud. There are six indicators to measure the SCV. First, how often in the past year have you been offered a tricky investment. Second, how often have you fallen victim to investment scams. Third, how many people do you know who have fallen victim to investment scams. Forth, how often in the past year have you received a tricky investment offer from people you know (friends, relatives, family). Fifth, how often in the past year have you received a tricky investment offer from someone on behalf of a financial institution. Finally, when an investment looks very attractive and too good to be true, it may be profitable.

The independent variable in this study is parental socialisation (PS). Financial socialisation can be defined as the process of understanding information about money and how to manage finances (Wee & Goy, 2022). Numerous agents influence financial socialisation, including family members, peers, educators, and the media. However, among these agents, parents have the highest or most extensive influence, due to their influential role during the early stages of adolescence (Pahlevan Sharif & Naghavi, 2020). This study measures parental socialisation by asking respondents, using a 5-point Likert scale, if they have received financial teachings from their parents from an early age and engage in family discussions about finance. Parental socialisation influences children's thinking and behaviour, particularly in the financial sector, preparing them for future financial decisions. Parental socialisation is measured by modified questions from Zhao & Zhang (2020) and Antoni (2023). The higher the measurement score, the more often they receive socialisation from their parents. There are seven indicators to measure parental socialisation. How often do your parents discuss the following? Discussing family financial matters with you; Talk to you about the importance of saving; Teaches you to be a smart buyer; Teaches you how to manage your finances; Teaches you about budgeting; Teaching you about credit; Telling you that your actions determine the success of your financial management.

As the mediating variable, FWB can be defined as a condition where a person can control daily and monthly finances, has the readiness to deal with unexpected financial situations (Riitsalu et al., 2023) and can also maintain the desired standard of living in the present and in the future (She et al., 2023). A 5-point Likert scale measures FWB, with higher scores indicating a person's high FWB. FWB itself talks about the condition where a person can plan for present and future finances, which provides satisfaction with current conditions. Scale 1 indicates "strongly disagree," and scale 5 indicates "strongly agree." The FWB indicators modify questions from Zhao & Zhang (2020) and Iannello et al. (2021) about their financial satisfaction. There are six indicators to measure FWB. I can cope with large unexpected expenses; I have secured my future finances; I have money in my savings at the end of each month; I organise my expenses and income; I am satisfied with how I spend my money; My financial situation is better than my friends.

RESULTS AND DISCUSSION

Hair et al. (2017) proposed the model criteria to evaluate the quality of the variables. Cronbach's alpha value variables range from 0.814 to 0.884 to be considered as fulfilling internal consistency with a limit of 0.7 (Hair et al., 2017; Kumar et al., 2023). In addition to Cronbach's alpha, CR (composite reliability) is also used as a reliability test measurement. The CR value is considered acceptable when it exceeds 0.7, while the minimum limit for AVE (average variance extracted) is 0.5 (Hair et al., 2017). However, if the AVE has a value exceeds 0.4, provided the CR value also exceeds 0.6, the measurement is acceptable (Zhao & Zhang, 2020). The results reveal that the loading value for each item is between 0.548 to 0.851, explaining the relationship between the indicator and the variable. A loading value greater than 0.5 is acceptable if the measuring model meets the internal consistency and convergent validity criteria (Hair et al., 2017). The result confirms the meeting of the criteria.

The square root value of AVE can be taken as an indicator of discriminant validity. Fornell and Larcker's methods generate a correlation matrix that reveals a greater square root of AVE in each construct compared to the horizontal and vertical row constructs: PS = 0.773, FWB = 0.722, SCV = 0.760. This finding indicates each variable has discriminant validity and can be effectively used to analyse structural equation models.

After confirming the reliability and validity, the path coefficient is used to test the research hypothesis. The results of the path coefficient test, $\square^2$ value of 0.27 indicates 27% of FWB is influenced by parental socialisation. Then the value $\square^2$ of 2% indicates SCV is influenced by parental socialisation and FWB.

Table 2 explains the direct and indirect effects between variables of parental socialisation, FWB, and SCV with FWB as mediation. Based on these results, the direct effect of parental socialisation on SCV shows a coefficient value (β = -0.184) with a p-value ($\rho < 0.01$) illustrating a negative influence on SCV. This means parental socialisation causes the potential vulnerability of children to become victims of scam in the future to decrease (H1 accepted). The next test of the direct effect of parental socialisation on FWB shows a coefficient value (β = 0.521) with p-value ($\rho < 0.01$) which means there is a positive effect on FWB where the more often parents provide learning about finance, the better the child's FWB (H2 accepted). The next analysis, the direct effect of FWB on SCV is the coefficient value (β = 0.241) with p-value (ρ<0.01) shows a positive association with SCV (H3 accepted). Consistent with the studies of Padil et al. (2022) and Prabowo (2024) which state people with high FWB are not always immune to scamsters' persuasion efforts. Investment scams appeal to investors because of their promise of high returns at low risk (Ullah et al., 2020; Padil et al, 2022). These schemes guaranteed investors a large return with low risk. Padil et al. (2022) show awareness of investment scams may also influence students to engage in investment scams due to attractive offers.

However, the negative effect of parental socialisation on SCV proves there is an indirect effect, where FWB can mediate the relationship between parental socialisation and SCV, so hypothesis H4 is supported (β = 0.124; P < 0.001). The results of hypothesis H4 mean that the mediation of FWB causes students to be more vulnerable to scam. **Table 2** also shows the total effect result of -0.058. This number indicates the value of H1 is stronger than H4, so the direct effect of parental socialisation is stronger than the mediation through FWB.

Table 2. Hypothesis testing - Direct and indirect effects

	Direct effect	Indirect effect	Total effect	Conclusion of Hypotheses
PS → FWB	0.521(11.465)***		0.521(11.465)***	H2 accepted
FWB → SCV	0.241(5.032)***		0.241(5.032)***	H3 accepted
PS → SCV	-0.184(-3.868)***	PS → FWB → SCV 0.126(4.671)***	-0.058(-3.833)***	H1 (direct) & H4 (indirect) accepted

Source: Processed Data

This research shows parental socialisation has a direct influence on FWB and can indirectly have an influence on SCV through FWB. Previous research (Zhao & Zhang, 2020; Mahapatra et al., 2024) found parental socialisation has a direct effect on FWB. This aligns with the study's findings, where parental socialisation has a positive direct effect on FWB. This study extends previous research by adding the variable of SCV to examine its impact on SCV. Well-being can also alter an individual's vulnerability to cognitive biases, which can affect risk-taking behaviours. A survey of Moulang & Strydom (2018) found those who are more satisfied with their lives are more likely to take risks. In a loss frame, those who were most inclined to gamble reported better levels of psychological, social, and total well-being. The FFST theory explains PS plays an important role in children's finances, which supports the findings. The results of this study also contribute to extending FFST theory by showing the direct and indirect effects of parental socialisation on SCV. The findings not only confirm the existing theory, but they also propose an extension of it, providing an incentive for researchers to adapt and develop the FFST framework in the context of investment vulnerability.

These results suggest approaches to understanding the impact of parental socialisation on children should consider its indirect effects on financial risks, such as vulnerability to scams. Personal accounting plays an essential part in the process of explaining the findings. In light of this, the findings of this project not only shed light on the ways in which the financial actions of families have an immediate impact on their children, but they also emphasise the significance of accounted for the indirect impact that these actions have on broader financial concerns (Zhao & Zhang, 2020). Du Rietz (2022) posits that personal accounting elucidates the connections between accounting in general, competitiveness, effectiveness, and financial rationality. Through their research, Northcott and Doolin (2000) found individuals utilise accounting as a means to restrict their activities. People lack confidence in their ability to make sound financial decisions, therefore they use accounting to limit their future options. This suggests that individual objectives often align with the principles of company accounting, such as self-discipline, comparison, and visibility. Miller and O'Leary (1990) use the term "rational" to characterise the way in which accounting methods incorporate ingrained cultural values such as accountability, authority, and logical decision-making. Accounting information assists each family in establishing and enhancing a community is characterised by the same values and way of life (in this particular instance, those are associated with sobriety, solidarity, and sustainability) (Walker, 2015). In addition, Aresu and Monfardini (2023) discuss personal accounting, elaborating on its function as a pedagogical and transformational instrument that encourages families to reflect on and modify their purchasing habits in order to make more equitable choices, thereby promoting happiness and reducing consumerism (Aresu & Monfardini, 2023). Clearly, this demonstrates that personal accounting has an impact on the financial choices that individuals make.

This study confirms that parents not only act as financial models but also as educators, influencing children's understanding of financial management and the consequences of their financial decisions. This suggests that parents' role in shaping their children's financial behaviour has broader long-term implications in terms of life satisfaction (Mahapatra et al., 2024). We can strengthen financial socialisation approaches to better address the complex social and economic context in which families operate by understanding that financial socialisation can indirectly impact risks like scams. Future studies can take this confirmation and extension of FFST theory into consideration when studying the influence of parental socialisation. However, the outcome of this researchresult, contrary to Oehler et al. (2024), shows financial literacy correlates with lower risk aversion, which leads to increased investment in riskier assets.

Although previous studies (Chawla et al., 2022; Fan & Park, 2021; She et al., 2023; Utkarsh et al., 2020; Zhao & Zhang, 2020) have discussed the influence of parental socialisation on FWB, there are still not many studies discuss the influence of parental socialisation on SCV through FWB in early adulthood children. Therefore, this study uses a sample that can represent these three variables. The results of this study indicate that the role of parents in children's financial matters is very important. Parents can teach their children about the importance of saving, budgeting, and how to manage their children's finances. Discussions about financial and investment issues can also encourage children to understand more about financial matters (Mahapatra et al., 2024). Furthermore, this study demonstrates that children who receive financial socialisation from their parents tend to have better FWB. This is in accordance with the results of Zhao & Zhang's (2020) research, which found parental socialisation has a positive effect on FWB. FWB is defined as conditions in which children can manage their finances for the future or long term and feel secure with their finances (Fan & Park, 2021). The absence of parental involvement in financial socialisation can essentially impact children's FWB, both in the present and future. Children end up struggling to fulfill their needs, manage their finances, and feel financially insecure.

The study shows that PS significantly reduces the chances of falling prey to financial fraud. Giving children financial literacy education helps them make better investment decisions by enabling them to decide whether to save, spend, or invest (Chawla et al., 2022). Good parenting also enhances the development of important financial decision-making attributes among children (Aisjah, 2024). On the other hand, people who have low financial literacy and use social networks for advice become straightforward targets for fraudsters (Kadoya et al., 2020). This is why parents play a very important role in the socialization process of their children regarding financial matters, which should last a lifetime (Phung, 2023; Pahlevan Sharif & Naghavi, 2020). Children will also be more aware of frauds and be able to protect themselves by being more financially literates (Padil et al., 2022). Ridho (2024) further emphasizes the importance of educating individuals about contemporary scam tactics to mitigate risks. When children possess adequate financial literacy, they can avoid scams of investment. Therefore, in addition to helping children avoid investment scams, parents' financial socialization can also improve their financial literacy. Padil et al. (2022) previously argued that the ability of children to understand and master financial management can determine awareness about investment scams. However, their study also revealed that their inclination to indulge in a lavish lifestyle contributes to their susceptibility to scams. Obtaining money quickly and easily leads to investment scams, thereby enabling this lifestyle. Even if a person has deep and strong financial knowledge and is in a state of high financial well-being, it does not guarantee their immunity from financial scams. Instead, it will make them more easily exploited by financial scams because they will be more obsessed with getting rich quickly and easily (Prabowo, 2024). Padil et al. (2022) said that students who are aware of scams may be more likely to engage in them as a result of appealing offers.

CONCLUSION

This is an empirical study that explores how parental socialization (PS) influences individuals' vulnerability to scams (SCV), both directly and indirectly through financial well-being (FWB). The research tests the data gathered from 421 university students in the age group of 18–24 years from A-accredited universities in Indonesia using PLS. Drawing on the family financial socialization theory, this study represents the first empirical investigation into the interlinkages between parental socialization, FWB, and vulnerability to scams. This study suggests that parental socialization significantly affects scam vulnerabilities and financial well-being among their children. The FFST theory is relevant to this research, as it posits that parental financial socialisation (PS) helps children to develop a better financial behaviour. This confirms through parental socialisation, children have a sense of alertness to financial scam, gain deeper knowledge or understanding of finance and how to manage finances effectively. Further, the study reveals FWB positively affects SCV. Having financial well-being does not necessarily safeguard against investment scams; rather, children with financial well-being might be more likely to fall for financial scams because they have a greater interest and are willing to take risks with higher return of investments. PS has been demonstrated to be connected with greater scam vulnerability via FWB as a mediator. The desire of children to live a luxury lifestyle makes them vulnerable to scams.

Based on this research, addressing scam vulnerability requires parents provide financial socialisation to their children. Parents also need to continuously enhance their own financial knowledge to effectively guide their children. Children should deepen their understanding of how to identify and avoid financial scams through education and practical experience. Policymakers and government agencies need to understand the impact and influence of investment scams in higher education society so they can design effective measures for dealing with investment scams.

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