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Investment Literacy and Family Financial Planning Program

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ABSTRACT

Purpose: This study systematically examines the roles of financial literacy and investment literacy in strengthening family financial planning, particularly their contribution to sustainable household financial management.
Research Method: A qualitative Systematic Literature Review (SLR) was conducted on academic articles published between 2018 and 2025 in high-impact journals from Elsevier, Emerald, Wiley, and Springer. The selected studies were systematically identified, screened, and analyzed using thematic analysis to synthesize recurring patterns and key findings.
Results and Discussion: Six major themes emerged: basic financial literacy as the foundation of family financial planning; integration of investment literacy into household decision-making; family financial socialization; demographic influences on financial decisions; sociocultural dynamics in financial strategies; and the effectiveness of family-based literacy programs. These findings support the Theory of Planned Behavior and the family financial socialization perspective.
Implications: Policymakers, educators, and communities should develop contextual, participatory, and sustainable family financial literacy programs. Future research should empirically examine the interaction between financial and investment literacy across diverse family contexts.
Originality: This study integrates financial literacy, investment literacy, and family financial socialization into a unified framework for understanding sustainable family financial planning.

Keywords: financial literacy; investment literacy; family financial planning; financial socialization; household financial management; sustainable finance.

1. Introduction

Amid increasingly complex global economic dynamics and rapid social change, financial literacy has become an essential skill that every individual and family needs to achieve sustainable economic well-being. Financial literacy is not merely about understanding financial products; it also encompasses the ability to manage a household budget, plan for the financial future, and make wise investment decisions (Pratiwi *et al.*, 2025). These skills are crucial for navigating challenges such as inflation, market fluctuations, and the rising cost of living. Therefore, financial literacy and family financial planning are key pillars of microeconomic resilience, particularly for financially vulnerable groups such as low-income households, rural communities, and the informal sector. However, on-the-ground realities indicate that financial literacy among Indonesians remains relatively low. According to the National Survey on

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Financial Literacy and Inclusion conducted by the Financial Services Authority (OJK, 2022), the national financial literacy index is only 49.68%, indicating that more than half of the population does not yet adequately understand basic financial principles. This situation results in low participation in formal investment products, weak household financial planning, and high reliance on consumer loans. This phenomenon is also reflected in families' low level of financial preparedness to handle emergencies, such as job loss, children's education costs, or urgent healthcare needs. The lack of financial literacy programs specifically targeting the family context is one of the main challenges in bridging the gap between financial knowledge and practice in daily life.

Financial literacy has become a major focus in various academic studies due to its crucial role in shaping the economic behavior of individuals and families. Financial literacy is defined as the ability to understand and apply various financial concepts in everyday decision-making. Several studies indicate that strong financial literacy can enhance the effectiveness of investment decision-making and support sustainable economic development, particularly in rural areas and the agricultural sector (Kyeyune & Ntayi, 2025; Murini & Mas'ud, 2025). Furthermore, formal education is known to contribute positively to financial capabilities; however, income constraints remain a major barrier for households seeking to make productive investments (Karumuri *et al.,* 2025). Factors such as behavioral intentions, perceived usefulness, and subjective norms also influence the extent to which an individual adopts sound financial practices (Gallegos *et al.,* 2025). On the other hand, family financial planning—as a systematic practice for managing family income, expenses, and assets—also depends heavily on the level of financial literacy. Studies show that inadequate financial management can hinder sustainable development, particularly in areas with limited access to information (Kyeyune & Ntayi, 2025). Financial socialization within the family has also been shown to influence an individual's investment competence in adulthood, particularly through explicit interactions (Legenzova & Leckė, 2025). Additionally, demographic factors such as gender, age, education, and income influence self-confidence and risk-taking tendencies in achieving financial goals (Shah *et al.,* 2024). High financial literacy is consistently associated with increased investment awareness, more efficient financial planning, and more appropriate selection of financial products (Ali *et al.,* 2022; Johri *et al.,* 2023; Oehler *et al.,* 2024).

Although financial literacy has been extensively studied in the context of individual behavior and investment decision-making, a significant gap remains in research that explicitly integrates it with family financial planning. Most previous studies have focused primarily on individual literacy, without considering family dynamics as an economic unit characterized by collective, complex decision-making patterns. In practice, however, many household financial decisions—such as monthly budget allocation, long-term investments, or planning for children's education—are the result of joint discussions among family members. The study by Legenzova & Leckė (2025) highlights the influence of financial socialization within the family on investment knowledge and skills; however, it remains limited to individual investors and does not comprehensively describe how family interactions shape household financial policies. From an empirical perspective, most studies are quantitative and focus on correlations among variables, without delving into internal family dynamics or the influence of local social and cultural norms on financial literacy practices.

This study offers a novel approach by presenting a systematic analysis of the literature on investment literacy and family financial planning through a Systematic Literature Review (SLR) approach. Unlike previous studies, which tended to be fragmented and focused on individual aspects, this study explicitly adopts the family perspective as the primary unit of analysis to understand the dynamics of financial literacy and household financial planning. Using the SLR approach, this study identifies,

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examines, and synthesizes various empirical and theoretical findings published over the past two decades to produce a more holistic understanding of how financial literacy develops within the domestic sphere and how it contributes to family financial planning behavior. Another novelty lies in the analysis's focus on the household's internal social dimensions, including the influence of financial socialization among family members and the role of cultural values and local norms in shaping collective financial decisions. Furthermore, this study seeks to bridge the gap between individualistic empirical findings and the need for a contextual, collaborative approach to designing financial literacy programs. The primary objective of this study is to formulate a comprehensive conceptual map of the relationships between investment literacy, financial socialization within the family, and household financial planning practices, in order to provide a theoretical and practical foundation for the development of more effective, relevant, and sustainable financial education programs in the context of families in Indonesia.

The remainder of this paper is organized as follows. Section 2 provides a literature review and hypothesis development. Section 3 presents the research method and design. Section 4 provides the results and discussion. Section 5 is Concluding Remarks and Recommendations.

2. Literature Review and Hypothesis Development

2.1 Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) is a social psychology theory developed by Icek Ajzen in 1991 as an extension of the Theory of Reasoned Action (TRA). TPB explains that individual behavior does not occur by chance but rather results from intentions shaped by three main components: attitude toward the behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). Attitude refers to a person's positive or negative evaluation of a behavior; subjective norms describe the perceived social pressure to engage in or refrain from that behavior; while perceived behavioral control reflects the extent to which an individual feels they have control or the ability to carry out a specific behavior. These three components, both individually and collectively, form behavioral intention, which ultimately predicts the actualization of the action. In the literature on behavioral psychology, the TPB is considered a robust theoretical approach because it can accommodate psychological, social, and environmental factors in explaining and predicting various forms of human behavior, ranging from consumption, health, and education to finance.

Contemporary studies show that the TPB remains highly relevant in explaining behavior across various social and economic contexts. In their systematic review, Yeo *et al.,* (2024) examined how TPB components are integrated into financial planning behavior and found that attitude, subjective norms, and perceived behavioral control remain the dominant constructs in explaining individuals' intentions to engage in prudent financial practices. In their findings, attitudes toward financial management are influenced by perceptions of long-term benefits and risks. At the same time, subjective norms reflect the social influence of family and the environment on saving or investing habits. Perceived behavioral control—which, in this context, can be measured by self-confidence and access to resources such as financial information and technology—has been shown to play a crucial role in determining whether individuals carry out their planned financial actions. In the context of family education, Hasan *et al.,* (2025) add that early family financial education, particularly among Gen Z families, significantly reinforces the intention to engage in healthy financial behaviors. By integrating the TPB and the Technology Acceptance Model (TAM), they demonstrate that the intention to manage finances

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digitally—such as using financial tracking apps or online investment platforms—is strongly influenced by perceptions of the technology's usefulness and control over it.

Furthermore, the study by Musa *et al.,* (2024) expands the TPB framework by adding the dimension of financial inclusion in the context of developing countries. They highlight that, in addition to the core components of TPB, external factors such as financial literacy and government support also significantly shape people's behavioral intentions regarding participation in formal financial services. Meanwhile, She *et al.,* (2024), in a study of adult workers, showed that the TPB can accurately explain financial management behavior, particularly when individuals have a strong perception of control over their income, expenditures, and investments. Similar findings were reported by Patel & Nayak (2024), who concluded that positive attitudes toward investment literacy and social influences in the work environment significantly shape the intention to invest. In a systematic review by Rehman & Mia (2024), the TPB was confirmed as one of the most consistent theories for explaining financial literacy behavior and economic decision-making, with an emphasis that perceived behavioral control is often the strongest predictor in societies facing economic and social constraints.

2.2 Financial Literacy

Financial literacy is defined as an individual's ability to understand, evaluate, and use financial information to make effective and responsible economic decisions throughout their life. According to Lusardi & Messy (2023), financial literacy encompasses not only an understanding of basic concepts such as interest, inflation, and risk diversification, but also skills in managing a budget, saving, borrowing, and planning for a sustainable financial future. This definition indicates that financial literacy is a life skill that continues to evolve as the financial system grows more complex and the variety of financial products and services expands. Financial literacy plays a crucial role in shaping daily financial behavior, and a lack of it can lead to financially detrimental decisions, such as falling into consumer debt, failing to save for the future, or becoming a victim of investment fraud. Rehman & Mia (2024), in their systematic review, emphasize that financial literacy involves not only knowledge but also encompasses attitudes, motivation, and self-confidence in managing financial resources. This multidimensional approach makes financial literacy a key indicator for assessing an individual's capacity to navigate dynamic financial risks and opportunities.

In a broader context, financial literacy is relevant not only to individuals but also to social groups such as families, microentrepreneurs, and local communities. Yadav & Banerji (2024) state that, alongside digital transformation, the scope of financial literacy is expanding with the emergence of digital financial literacy, which requires individuals to understand how to use financial technology and digital security, and to distinguish between valid and misleading financial information. They emphasize that low levels of digital financial literacy increase the risk of people falling prey to illegal financial products and undermine public trust in the formal financial system. On the other hand, a study by Bai (2023) reveals that financial literacy is positively correlated with an individual's financial well-being. They found that the ability to plan, budget, and consistently monitor finances is closely linked to levels of life satisfaction and emotional stability. In this study, mental budgeting and self-control served as mediating factors between financial literacy and more prudent investment decisions. This demonstrates that financial literacy also has a psychological dimension, in which internal control and perceptions of personal finances influence actual behavior.

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Beyond the individual level, financial literacy significantly impacts economic decision-making in small and medium-sized enterprises (SMEs). González-Prida *et al.,* (2025), in their study of small business owners, showed that a solid understanding of basic financial principles helps owners make more rational decisions, manage cash flow effectively, and avoid bankruptcy risk. Financial literacy, in this context, is an essential part of business management. Molina-García *et al.,* (2023) support this view through a bibliometric analysis and systematic review that reveal a significant increase in research on financial literacy in the SME sector over the past decade. They emphasize that financial literacy not only promotes internal efficiency but also strengthens business resilience against external shocks, such as economic crises or regulatory changes. On the other hand, financial literacy also needs to be instilled from an early age. Mancone *et al.,* (2024) explain that financial literacy education starting in childhood can shape responsible financial mindsets in adulthood. The involvement of parents and educational institutions in this process is key to the success of financial literacy programs, as children tend to mimic the financial behaviors they observe in their immediate environment. Thus, financial literacy is understood not merely as the accumulation of financial knowledge, but as a continuous learning process rooted in an individual's social, cultural, and psychological experiences.

2.3 Investment Literacy

Investment literacy is a component of financial literacy that refers to an individual's ability to understand basic investing concepts, evaluate available investment options, and make rational, informed investment decisions. Legenzova & Leckė (2025) explain that investment literacy encompasses knowledge of risk and return, understanding of financial products such as stocks, bonds, mutual funds, and peer-to-peer lending, and the ability to develop investment strategies aligned with an individual's risk profile and financial goals. This understanding is not merely theoretical but also practical, as it involves decision-making, analyzing market information, and actively managing a portfolio. In this context, investment literacy has become a crucial skill amid the public's increasingly open access to various digital investment platforms. However, with the increasing availability of information and technological convenience, new challenges have emerged: namely, how individuals can distinguish credible information from misinformation and navigate investment risks wisely (Maret *et al.,* 2025). Therefore, investment literacy not only prepares individuals to become investors but also fosters responsible, long-term financial behavior.

Recent studies underscore the importance of investment literacy in fostering sound economic behavior. Khawar & Sarwar (2021) argue that low investment literacy is one of the main causes of low public participation in the capital market and insufficient diversification of financial assets among households. These findings indicate that basic knowledge about investing remains unevenly distributed across many social groups, particularly in developing countries. In the context of small and medium-sized enterprises (SMEs), Oppong *et al.,* (2023) emphasize that business owners' understanding of sound investment principles is crucial to the sustainability and growth of their businesses. They found that SME owners with adequate investment literacy are more likely to make decisions focused on business expansion and long-term risk management, rather than merely ensuring operational survival. Meanwhile, Balasubramanian & Sargent (2020) highlight the phenomenon of "overconfidence" in investment literacy—a condition in which individuals believe they understand investments well enough, even though they actually possess only limited knowledge. This phenomenon can lead to reckless investment decisions and negatively impact personal financial stability. Therefore, according to the

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authors, an objective evaluation of investment literacy skills is crucial for educating prospective investors to be more cautious and responsible in their decision-making.

In today's era of financial digitalization, investment literacy has become increasingly complex yet also increasingly important. Aristei & Gallo (2025) examined the relationship between investment literacy and the use of robo-advisory services, as well as preferences for human financial advisors. They found that while technology can facilitate access to investment opportunities, most individuals still feel more comfortable using traditional investment services when their investment literacy is low. This suggests that investment literacy also plays a role in shaping trust in financial technology and strengthening the public's readiness to adapt to changes in the financial system. Baveja & Verma (2024) add that the use of artificial intelligence in models predicting investment behavior indicates that investment literacy levels play a significant role in increasing stock market participation, particularly among younger generations.

In their study, they used a machine learning approach to analyze the relationship between investment literacy and capital market participation, and the results showed that sound investment knowledge is positively correlated with active stock trading and more prudent portfolio strategies. Thus, investment literacy is not merely a matter of basic financial knowledge but a strategic skill that involves risk assessment, technology use, and long-term planning. Therefore, strengthening investment literacy is a key priority in creating a financially inclusive society capable of making smart and ethical investment decisions.

2.4 Family Financial Planning

Family financial planning is a systematic process of managing a family's income, expenses, savings, and investments to achieve financial stability and short- and long-term objectives in a focused manner. Masrunik *et al.,* (2024) explain that household financial planning is not merely about creating a monthly budget but also involves setting spending priorities, evaluating urgent needs, and maintaining regular financial records to ensure all the family's essential needs are met without compromising financial stability. They found that many families experience financial imbalance not because of low income, but rather due to the absence of a well-organized planning system. In the view of Wongkar & Paath (2024), family financial planning can even be positioned as a risk management strategy, as it can mitigate the impact of unexpected events such as job loss, urgent educational needs, or emergency healthcare costs. Such planning will be effective if families have open lines of communication and reach a mutual agreement on setting financial goals and strategies.

Furthermore, education and the involvement of family members in the planning process play a crucial role in a household's financial success. Rotikan & Palupi (2022) demonstrated that financial planning training for rural communities can enhance families' understanding of the importance of managing household finances, even when their income is irregular. This training, conducted as part of a community service initiative, encouraged farming families in Drunten Kulon Village to create spending plans and save according to their means, thereby helping them avoid impulsive spending. Similar findings were reported by Sebayang *et al.,* (2022), who observed that the greatest challenges in financial planning among rural communities are income fluctuations and a lack of financial records to serve as a basis for evaluation. Therefore, they emphasized the need for financial education grounded in local social and economic contexts so that planning can be implemented realistically and sustainably. In an urban context, Yanti (2023) underscored that the success of financial planning is determined not only

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by income levels but also by transparency in financial communication among family members. She noted that families who openly discuss their financial situation tend to be better able to create joint budgets and avoid financial conflicts within the household.

Furthermore, the importance of financial planning literacy from an early age is also a focus in various family empowerment programs. Kartawinata & Wardhana (2025) designed community-based financial literacy training in kindergarten and early childhood education settings that involved parents in financial education activities. They found that after participating in the training, the majority of parents demonstrated improvements in financial planning practices, such as creating a household budget, setting priorities for their children's needs, and beginning to consider financial products like education savings accounts. These results reinforce the idea that family financial planning is not solely the responsibility of the head of the household but is a collective process that must be understood and carried out together. Furthermore, the community-based approach was deemed more effective because it facilitates the transfer of knowledge relevant to the daily lives of participating families.

Based on these findings, family financial planning is the primary foundation for creating household economic resilience. It is not merely an administrative or technical activity. However, it reflects a culture of sound financial management, open dialogue, and a long-term commitment among family members to achieving a stable and prosperous financial future.

3. Research Method

3.1 Research Design

This study employs a qualitative approach using the Systematic Literature Review (SLR) method. This design was chosen to systematically identify, assess, and synthesize academic studies on family financial planning. The SLR enables researchers to organize existing knowledge, reveal thematic patterns, and evaluate the theoretical and empirical contributions of the published literature. This procedure adheres to the principles of transparency, replicability, and objectivity, which are the defining characteristics of literature-based qualitative research.

3.2 Research Subject

The subjects of this study are not individuals or direct participants but rather scientific articles published in indexed national and international journals, including those published by Elsevier, Springer, Emerald, and Wiley. Inclusion criteria are articles published between 2015 and 2025 that directly address financial literacy, investment literacy, and family financial planning. The selected articles must also employ academically sound methods and present findings relevant to the study's focus.

3.3 Data Collection Techniques and Instrument Development

Data were collected through searches of scientific databases such as Scopus, Web of Science, and Google Scholar. The research instruments used in this study consisted of a search protocol and a data extraction form developed in accordance with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA). This protocol included keywords, search strategies, and the stages of article selection—from identification and screening to inclusion.

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3.4 Data Analysis Techniques

The data obtained were analyzed using thematic analysis. This process involved coding the articles' content, grouping the main themes, and interpreting the findings through relevant theoretical perspectives. The analysis was conducted inductively to identify patterns, relationships among concepts, and research gaps that could serve as the basis for future research.

4. Results and Discussion

4.1 Analysis Results

4.1.1 Financial Literacy as the Foundation of Family Financial Planning

Effective family financial planning begins with a solid foundation in financial literacy. Financial literacy encompasses an understanding of how to manage income, expenses, savings, and debt, as well as the ability to apply that understanding in everyday decision-making. This basic financial literacy plays a crucial role in creating household economic stability, enabling families to avoid the trap of consumer debt and manage financial resources efficiently (Lusardi & Messy, 2023; Bai, 2023). Bai's (2023) study shows that adequate financial literacy enhances mental budgeting and self-control abilities, which directly impact financial well-being. In the household context, these abilities are essential for creating a monthly budget, allocating income to basic needs, setting aside an emergency fund, and planning for long-term expenses such as education costs and retirement. Furthermore, the research by Masrunik *et al.,* (2024) emphasizes the importance of household budget planning that balances income and expenses as a strategy for family financial sustainability. Without this basic understanding, family financial decisions tend to be impulsive and short-term, which can lead to economic instability. Yeo *et al.,* (2024), in their systematic review, also emphasize that financial literacy underlies all aspects of financial planning behavior, from goal setting and strategy formulation to financial monitoring and evaluation. Therefore, strengthening financial literacy is not only a personal need but also a collective one within the household, the smallest social and economic unit in society.

4.1.2 Integrating Investment Literacy into the Domestic Context

In recent decades, the integration of investment literacy into household life has become increasingly important as public access to various financial products and instruments has expanded. Investment literacy encompasses an understanding of investment risks, how capital markets function, the differences between conventional and Sharia-compliant financial products, and the ability to evaluate information and make rational investment decisions. Within the family context, this understanding is not limited to a single member but is beginning to spread to all household members involved in financial decision-making. Research by Ali *et al.,* (2022) indicates that social interactions and financial education within the household influence investment awareness. Meanwhile, Baveja & Verma (2024) find that high levels of investment literacy are closely associated with increased family participation in the capital market. Barriers such as perceived high risk, limited access to information, and low self-confidence in making financial decisions pose major challenges to the development of investment practices within families. Gallegos *et al.,* (2025) highlight that low investment literacy often hinders the use of financial instruments that could improve well-being. However, when family members share a common understanding of the benefits and risks of investing, they tend to be more open to discussing

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asset allocation strategies, portfolio diversification, and long-term return management. In this regard, strengthening investment literacy within the family is important not only as technical knowledge but also as a process of shaping a collective financial mindset and culture.

4.1.3 The Role of Financial Education Among Family Members

Financial education within the family is crucial to shaping the financial understanding and behavior of children and other family members from an early age. This process involves open discussions about finances, observing parents' financial practices, and applying economic values in the family's daily activities. Research by Legenzova & Leckė (2025) confirms that intensive financial socialization during youth directly affects investment literacy in adulthood, particularly among individual investors. Additionally, Khawar and Sarwar (2021) state that financial behaviors passed down from parents influence the next generation's attitudes toward financial management and financial decision-making. Family discussions about budgeting, saving, debt, and investing help shape a normative understanding of how money should be managed. Ajzen (1991), through the Theory of Planned Behavior, also explains that subjective norms—formed through social interactions within the family environment—are a key determinant in shaping financial intentions and behavior. Research by Hasan *et al.,* (2025) finds that integrating financial values into informal family education has long-term effects on self-confidence, financial literacy, and rational decision-making. Thus, the family serves not only as an economic institution but also as a strategic space for financial learning. Improving the quality of financial communication within the family can help foster a supportive environment for developing healthy, sustainable financial habits.

4.1.4 The Influence of Demographic Factors on Literacy and Planning

Demographic factors such as age, gender, education level, and income play a significant role in influencing financial literacy levels and family financial planning behavior. Shah *et al.,* (2024) show that demographic differences result in significant variations in risk perception, investment strategies, and preferences for financial products. For example, individuals with higher levels of education tend to have a better understanding of finance and are more confident in making investment decisions. Similarly, higher income allows for access to a wider variety of financial products and enhances the capacity to develop long-term financial plans. Rehman & Mia (2024) highlight that financial literacy levels tend to be lower among older age groups and women, who generally face limited access to information and financial exclusion. A study by Gallegos *et al.,* (2025) also confirms that gender and social status shape how individuals adopt financial literacy concepts. Age also influences financial goal orientation; the working-age population tends to focus more on asset building and investment, while older adults place greater emphasis on retirement planning and estate distribution. Therefore, a deeper understanding of the influence of these demographic factors is crucial for designing more inclusive and effective financial literacy programs and policy interventions, and for ensuring that financial education approaches can reach all segments of society fairly and adapt to the specific needs of each group.

4.1.5 Contextual Dynamics: Local Culture and Social Structures

Local culture and social structure are important factors that influence how families manage their finances and internalize financial literacy. In societies with collectivist value systems, financial decisions are often not made individually, but rather through deliberation within the extended family or even the

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community. A study by Kyeyune & Ntayi (2025) reveals that in rural African communities, the success of financial literacy heavily depends on contextualizing local values such as solidarity, social trust, and traditional wisdom in asset management. Similar findings have been observed in Indonesia, where practices such as arisan, gotong royong, and collective family decision-making are integral to domestic financial dynamics (Pratiwi *et al.,* 2025). In this context, financial literacy cannot be separated from an understanding of local culture. Social structures such as gender roles, family leadership, and social status also determine who holds dominance in financial decision-making. Kartawinata & Wardhana (2025) state that even in urban communities, social norms—such as perceptions of the prestige of consumption or social pressure to meet certain living standards—help shape spending behavior. Therefore, an effective financial literacy approach must take into account existing cultural diversity and social structures. Top-down, technocratic financial education interventions risk being irrelevant if they are not tailored to the sociocultural realities of the target community. Financial literacy must be adapted to the local context, using familiar language and cultural symbols so that sound financial values can be naturally internalized into people's daily lives.

4.1.6 Practical Implications for the Design of Family Financial Literacy Programs

Based on the reviewed literature, policymakers and education practitioners should consider designing family-based and context-specific financial literacy programs. Such programs should not only focus on strengthening individual knowledge but also on developing financial communication within families, training in collaborative financial planning practices, and providing a platform for dialogue among family members. Legenzova & Leckė (2025) suggest integrating experiential learning methods that involve the entire family in simulations and hands-on financial planning exercises. Meanwhile, Molina-García *et al.,* (2023) recommend a systematic approach that involves local communities as educational partners. Program design must also account for demographic and social segmentation—for example, through separate modules for homemakers, adolescents, or the elderly—while taking into consideration local cultural and linguistic preferences. Literacy programs tailored to household needs have proven more effective in promoting the adoption of healthy financial behaviors (She *et al.,* 2024). Additionally, policymakers need to involve local actors—such as community leaders, religious figures, or teachers—as agents of change to ensure the program's sustainability. Interactive, accessible, and practical community-based programs will help accelerate the integration of financial literacy values into Indonesian families' lives. By combining theoretical approaches and empirical findings in program design, family-based financial literacy interventions will not only improve household economic well-being but also foster sustainable national economic resilience.

4.2 Discussion

The results of this study indicate that financial literacy is a fundamental element in building family economic resilience and serves as a key prerequisite for effective financial planning. Financial literacy, in this context, is understood as a set of knowledge and skills that enables individuals and families to make wise financial decisions based on relevant information, within the framework of meeting both short-term and long-term living needs. An understanding of basic aspects such as managing income, expenses, savings, and debt not only equips individuals to navigate the dynamics of daily economic life but also serves as the foundation for families to develop well-directed and sustainable financial plans. In the context of Indonesian society, particularly for lower-middle-class families with limited access to

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financial information and education, financial literacy is a critical issue. This study found that low levels of financial literacy often lead to impulsive financial decision-making, such as uncontrolled consumer spending, using high-interest debt without a clear repayment plan, and lacking an emergency fund or long-term savings. Conversely, families with higher levels of financial literacy tend to be better able to set financial priorities, distinguish between needs and wants, and establish long-term strategies—such as saving for their children's education or preparing for retirement. This reinforces the fundamental concept that financial literacy is the key to achieving family financial well-being.

Another interesting finding is how investment literacy emerges as a natural extension of mature basic financial literacy. When families have a solid grasp of basic financial concepts, they begin to take an interest in investing to optimize their financial resources and achieve long-term goals. In this study, investment literacy is defined as the capacity to understand various investment products—such as stocks, bonds, mutual funds, and other assets—and to assess their risks and potential returns. Families with adequate investment literacy tend to diversify their fund allocations, not only into conventional savings but also into more productive and future-oriented investment instruments. However, challenges remain in implementing investment strategies at the household level, such as limited access to reliable information, low trust in formal financial institutions, and a perception of high investment risk—particularly among individuals with limited educational backgrounds.

In the context of financial literacy promotion, this study reveals that financial education within the family plays a strategic role in shaping family members' financial habits and attitudes, especially children. Financial socialization can occur through regular discussions about household finances, children's involvement in creating the family budget, or parents setting an example in managing expenses. This aligns with the view that the family is a primary social institution that plays a central role in shaping economic values, habits, and behaviors from an early age. Children raised in family environments where healthy financial habits are actively discussed and practiced are more likely to become financially savvy adults. In this regard, interactions among family members serve as the primary channel for the informal—yet highly effective—internalization of basic financial literacy concepts.

Furthermore, this study highlights the influence of demographic factors on the success of family financial literacy and planning. Variables such as age, gender, education level, and income significantly contribute to financial preferences, understanding, and decision-making strategies. Younger generations, for example, tend to show strong interest in digital investment products and financial technology (fintech) but often have a superficial understanding of risk management. Conversely, older age groups are more conservative and more likely to keep their money in savings accounts and low-risk assets. Education is a strong predictor of the capacity for critical thinking about financial information and the ability to formulate logical, realistic financial strategies. Meanwhile, household income provides greater financial flexibility, but it does not always translate into financial management skills without adequate financial literacy.

Social and cultural dimensions also play a crucial role in shaping financial planning practices within families. This study found that social norms, cultural values, and family structures significantly influence how families manage their finances. In collectivist societies such as Indonesia, financial decisions are often made through collective deliberation with the extended family, including regarding loans among family members, contributions to family events, or other social obligations. This contrasts with individualistic societies that place greater emphasis on financial autonomy. Therefore, financial education approaches must take local values and norms into account so that the programs designed are more readily accepted and relevant to family life. For example, financial literacy training in rural

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communities cannot be equated with that conducted in urban areas due to differences in access, norms, and social structures.

The findings of this study are highly relevant to the Theory of Planned Behavior (TPB) framework proposed by Ajzen (1991). In the TPB, an individual's behavior is influenced by three main components: attitude toward the behavior, subjective norms, and perceived behavioral control. Financial literacy and investment can strengthen these three components. A solid understanding of financial concepts fosters positive attitudes toward financial management, enhances perceived control over financial decisions, and ultimately reinforces the intention to engage in prudent financial behavior. Within the family context, subjective norms are heavily influenced by the immediate environment, particularly family members. The process of financial socialization within the family shapes collective norms that encourage planned and purposeful financial behavior. When parents demonstrate healthy financial behavior, children internalize these values and practices as norms to be followed. This aligns with the concept of family financial socialization, in which the family serves as the primary agent in shaping an individual's financial attitudes and behaviors. Understanding financial concepts also enhances the perception of control over financial actions. An individual with high financial literacy will feel more confident in managing finances, making investment decisions, and dealing with financial risks. Thus, financial and investment literacy is not merely knowledge but serves as the primary foundation for shaping planned financial intentions and behaviors, as described in the TPB.

This study aligns with various findings in the existing literature. For example, Lusardi & Messy (2023) emphasize that good financial literacy improves an individual's financial well-being and fosters better financial decision-making. Similar findings were also reported by Gallegos *et al.,* (2025), who highlighted the importance of financial literacy as a process influenced by social and cultural contexts. This study builds on their results by emphasizing the role of interactions among family members as a key mechanism shaping financial literacy and planning practices. Meanwhile, research by Baveja & Verma (2024) shows that financial literacy significantly influences investment decisions and participation in capital markets. This study reinforces those findings by revealing that families with high levels of investment literacy are more likely to engage in long-term financial planning through collective investments. However, differences emerge regarding cultural and social barriers to implementation, which are emphasized more in this study. The innovation of this study lies in integrating theoretical and contextual approaches. Unlike previous studies that emphasized the individual as the unit of analysis, this study adopts a collective perspective, positioning the family as the primary actor in the financial literacy process. This approach makes an important contribution to the development of family-based financial literacy research, which has previously been overlooked in mainstream research.

The findings of this study offer several significant practical implications, particularly for policymakers, financial educators, and community members. First, it is important to design family financial literacy programs that not only target individuals but also involve all family members in the educational process. Training modules must be developed contextually, taking into account participants' initial literacy levels, demographic characteristics, and local cultural values that influence family financial behavior. Second, interactive and participatory approaches need to be incorporated in the delivery of materials—for example, through family group discussions, household budget management simulations, or training based on real-life cases. This strategy will increase the program's engagement and relevance in participants' daily lives. Third, collaboration among educational institutions, financial institutions, and local governments is essential for expanding the reach of financial literacy programs across various segments of society. Involving community leaders or religious figures

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can also enhance the effectiveness of delivering educational messages, particularly in communities with strong social norms.

5. Concluding Remarks and Recommendation

This study presents a systematic review of the literature related to investment literacy and family financial planning. The primary focus of this study is to understand how individuals' and families' understanding of financial concepts and investment practices contributes to sustainable household financial strategies. Through a systematic literature review approach, this study successfully identified six main themes: the importance of basic financial literacy as the foundation for planning; the integration of investment literacy into the domestic sphere; the role of financial socialization among family members; the influence of demographic factors; contextual cultural and social dynamics; and implications for the design of family-based financial education programs. The findings indicate that good financial literacy not only influences individual decisions but also plays a crucial role in the family's collective process of setting financial goals and strategies to achieve them.

The originality of this research lies in integrating financial literacy and investment concepts into the micro-level family context—an area that has received limited attention in the academic literature. The theoretical contribution of this study expands the scope of financial literacy approaches by incorporating family-based social dimensions—such as communication patterns, cultural values, and local norms—as key elements in the process of internalizing financial knowledge. The practical implications of these findings are highly significant for policymakers, financial educators, and financial institutions, particularly in designing financial literacy programs that are participatory, family-based, and tailored to the sociocultural characteristics of local communities. Successful financial education interventions depend not only on the material taught but also on an approach sensitive to the reality of the family as a dynamic, complex socioeconomic unit.

However, this study has several limitations that should be noted. First, the data sources were limited to scientific publications available in specific databases and within a limited time frame, making publication bias unavoidable. Second, the SLR approach used does not deeply explore empirical experiences or local practices that have not yet been documented in the academic literature. Therefore, future research should focus on qualitative, field-based explorations that examine financial literacy practices within the family context across diverse social, economic, and cultural backgrounds. Researchers are also advised to develop intervention models that actively involve all family members in financial education. Thus, in the future, the results of this study can serve as a foundation for developing investment literacy and financial planning programs that are more adaptive and relevant, and that directly improve the economic resilience of Indonesian families.

Statement of Use of Generative AI

During the preparation of this work, the author used generative artificial intelligence tools to support the scientific writing process. Grammarly was used to check grammar, refine writing style, and improve clarity in scientific writing. All interpretations, analyses, and conclusions presented in this study are the sole responsibility of the author.

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