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RELATIONSHIP BETWEEN CHILD-REARING PRACTICES AND FINANCIAL STRAIN ON ASSOCIATION WITH PARENTAL INVESTMENT

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ABSTRACT

Parental investment is an expenditure for the benefit of their children in the future. As the most crucial development phase of a child takes place during childhood where the development of social and emotional happens, parents are the most important individuals towards upbringing their children with righteous child-rearing practices. Child-rearing practices were believed to bring such a significant factor in moulding the children's future. Despite that, financial strain in the family also plays an important role in influencing parental investment whereby the high level of financial strain might lead to a lower level of parental investment to the children. Therefore, the study focusses on parents with children from the time they are born to six years old from low and middle-income families from a selected urban and rural area to represent each zone of central (Perak), North (Kedah), South (Negeri Sembilan) East (Terengganu), Sabah and Sarawak. The Pearson Correlation revealed a significant relationship between child-rearing practices and financial strain with parental investment. Further analysis that is logistic regression revealed that child-rearing practices and financial strain contribute to the increased likelihood of parental investment. The study on the other hand can be a guideline towards parents themselves so that they would know what factor should be taken into consideration. On the other hand, families with low levels of financial strain will be more likely to be invested in children hesitantly hence the financial stress to meet day to day expenses was not an issue. The study will help the counselling practitioners to understand family matters especially in terms of finance in a better way.

Keywords: *Parental Investment, Child Rearing Practices, Financial Strain*

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INTRODUCTION

The process of human development starts during early childhood through adolescence up until adulthood phases. However, the most crucial part happens during childhood where the development of social and emotional growth has taken place. Throughout these phases, parents play a vital role in preparing children for a brighter life. Therefore, children need to be nurtured to become useful resources not only towards family but also society and country as well.

Children as human capital need to be taken care of by giving their right to have a better family, social environment, economic circumstances, health care, physical environment and safety, behaviour, and education (Federal Interagency Forum on Child and Family Statistics, 2015). To do so, parents need to invest towards their children by allocating time through monitoring, discipline, encouragement, problem-solving and positive involvement (Bush & Peterson, 2013; Holtrop, Smith & Scoot, 2015) and money through lifestyle, luxury expenditure, opportunity to be in extracurricular class and other.

The responsibility in upbringing the children does not only depend on how much or how many books, computers, toys, private tutoring class, and extracurricular classes (Duncan & Murnane, 2014; Harding et al., 2009) or other stimulating things that parents can purchase or commit towards their offspring but also on how parents, family and his/her environment react to children's basic ecology where they learn and encourages the children to attain higher achievement. Indeed, ample evidence indicates the influence of child-rearing (Holden & Edwards, 1995, Hoskins, 2014 and Kiadarbandsari, et al., 2016) towards children's future attainment. The parents' attitude may be

interpreted in various ways of child-rearing practices according to Baumrind (1971), four styles of parenting styles that are authoritative, authoritarian, permissive, and neglectful. However, the ways of parenting style might influence by parents' attitudes, beliefs and goals and also cultural differences (Kiadarbandsari, et al., 2016) that indirectly impact the children as children continuously admire their parents as role models.

Child-rearing practices practice would influence children's behaviour and the development of their character may jeopardize (Alizadeh, et al. 2011) based on parents' goals and beliefs. The previous researcher highlighted that there were differences in parenting style and children's behaviour depending on how parenting processes contribute to children's adjustment (Newman et al., 2008). Of study on adolescent that poses negative behaviours and create public health problems such as anxiety and aggressiveness, harsh parenting or authoritative parenting styles were found out to be significant in creating that behaviour among children if they were treated that way at an early age. (Maduro, 2006).

On the other hand, the problems with financial strain are one of the major barriers if we could compare children with low and middle income and high-income families. The struggle to meet the basic need of families is far more important than investing in children. Not surprisingly, the report from the Department of Statistics Malaysia (2016), disclose almost 4,569 cases of juvenile offenders and 43,428 cases of dropout children were from low-income families. While based on UNICEF, Malaysia Millennium Development Goals (MDGs), (2010), most of the dropout children came from B40 households with a lack of interest to attend school, uncomfortable conducive home surroundings, lack of parental support, and low

awareness of investment, especially in education. Whereas children from M40 or middle-income households may face much more strain to improve their status to the T20 category. This is where the financial strain of the family might lead to inequality of treatment within children because children with high-income families were able to attend extra classes and polish up their skills, knowledge, and communication ability. Therefore, the purpose of the study is to examine the association of parental investment through child-rearing practices and financial strain.

METHODOLOGY

This is secondary data that were obtained from PERMATA entitle 'Cost of rising children: Policy Implication'. Data were collected directly from the respondents and the duration of data collection took place from September 2015 to December 2015. The study focuses on children aged from infancy to 6 years old from the middle (RM3,860-RM8,319) and low-income families (below RM2,537), Eleventh Malaysia Plan 2016-2020 (Economic Planning Unit, 2017). The multistage sampling approach was used for this study. At the first stage, each zone that represents a certain state in Malaysia that are central north, south, east, Sabah, and Sarawak were put in a jar, and then the state was randomly selected to represent each zone. The central zone (Perak), north zone (Kedah), south zone (Negeri Sembilan), east zone (Terengganu), Sabah, and Sarawak. The second stage happen when the selected dwelling was chosen from urban and rural area based on a list given by local authoritarian. A total amount of 2,400 households were collected during the study.

The parental investment was measured in terms of parent's expenditure towards children that

comprise items such as education material (computer and books), parents' child activities outside the home, extracurricular activities, education, child care, and consumer goods (clothes, shoes, and toy). Considering the logistic regression will be used in the analysis of this study, the parental investment will be divided into two groups that are a low parental investment and high parental investment. The cut-off point of low and high parental investment was based on Normila's study. According to Normilas', parents with RM700 and below indicate parents with a low investment towards children and otherwise. Hence the context of Normilas' study has quite a similar aim, therefore the benchmark of parental investment expenses was used. The independent variable, on the other hand, that is child-rearing practices comprise 24 items that were adopted from Rickel and Biasatti (1982) and measured through six scale ranges from (1) not all describe to (6) highly describe with a value of validity $\alpha=.961$. While financial strain was measured by identifying the situation that happens within 12 months previously based on eight statements with three ranges of scales that are (1) always, (2) sometimes, and (3) never with the value of validity ($\alpha=.897$). The Pearson Correlation was then used to examine the relationship between child-rearing practices, financial strain, and parental investment. Further, the logistic analysis was used to determine whether child-rearing practices and financial strain were more likely to predict parental investment.

FINDINGS

Table 1.0 displays the respondents' profile characteristic that involves ethnic, age, level of education, marital status, number of dependents, number of children, and also current income adequacy.

Table 1.0: Respondents Profile

Variable	N	%
Ethnicity		
Malay	1247	57.1
Chinese	269	12.3
Indian	272	12.5
Others	395	18.1
Age (years old)		
Below 30	697	32
31-39	1064	48.8
40-49	377	17.3
Above 50	41	1.9
Mean	34.15	
SD	6.3	
Education Level		
Primary Education	40	1.8
Secondary Education	1521	70
Tertiary Education	215	9.9
Marital Status		
Married	2140	98.0
Divorce	31	1.4
Death of spouse	12	0.5
No. of dependents		
1	3	0.1
2-3	424	19.4
4-5	1107	50.7
More than 6	649	29.7
Mean	4.91	
No. of children		
1	1281	72.6
2-3	435	24.6
4-5	42	2.4
More than 6	7	0.4
Mean	1.31	
SD	0.533	
Income		
≤RM 3,860 (B40)	1660	76.1
≥RM 3,861-RM8,319 (M40)	520	23.9
Current Income Adequacy		
Not enough	55	2.3
Enough for basic needs	1026	43.2
Enough to buy all the thing wished	1285	54.2

Table 1.0 shows almost half of the respondents were Malays, followed by Chinese and Indian 12.3% and 12.5% whereas another minority ethnic that is Sabah (10.7%) and Sarawak native (7.4%). In terms of age, almost 49% of the respondents aged between 31-39 years old, and the rest 32% aged below 30 while 17.3% of the respondents were aged 40-49 years old. In terms of education level, almost 2% of the respondents only possess primary education level or no formal education at all. Almost 60% of the parents have a secondary level of education whereas, 28.2% had a tertiary level of education either university or college.

The majority of the respondents married, and only 1.4% divorce, and 0.5% of the respondent's death of a spouse. On the other hand, most of the respondents (50.7%) have at least 4-5 people in the house while almost 30% of the respondents have more than 6 people per house. The mean average for the number of independent is 5 people. More than half of respondents have at least one children while 24.6% have two to three children and 2.4% of the respondents have four to five children and only 0.4% have more than six children. Based on income distribution, at least 76.1% of the respondent earned income less than (\leq) RM3,860 while 23.9% have income in the range of (\geq) RM3,861-RM8,319. Surprisingly, despite most of the respondents were from low income and middle-income families, the current income adequacy revealed that 54.2% respondents have enough money to buy all the thing according to their wishes while only 2.3% admitted that they don't have enough money to meet the end meet.

Table 1.1: Parental Investment according to Expenditure Items

Expenditure Items	Total Expenditure (RM)	Mean (RM)
Food and Beverages	626,128.30	263.90
Clothing and Footwear	257,041.10	108.32
Health Care	162,753.40	68.59
Education	270,119.8	113.83
Child care	287,681.41	121.23
Goods and Services	15,164.42	6.40
Extracurricular	20,598.34	8.68
Total	1,639,486.62	690.90

The parental investment towards children can be divided into seven categories namely food and beverages, clothing and footwear, health care, education, child care, goods and services, and extracurricular. The total expenditure is based on expenses according to parent's expenditure towards the first children until five. Based on table 1.1, the most amount of expenses were allocated towards food and beverages that can be shown from the mean spending that is RM263.90 monthly while child care in the second ranking with total mean expenses monthly RM121.23. The total mean for total expenditure is RM690.90 per month for children.

Table 1.2: Categories of Parental Investment

Expenses Categories	N	%
Low parental investment (<RM700)	1402	64.2
High parental investment (>RM701)	781	35.8

According to Table 1.2, two-level of parental investment were categorized based on Normilas' study that are parents who invest less than RM700 are defined as low parental investment and otherwise. Most of the respondents have a low parental investment (64.2%) while the other 35.8% have a high level of parental investment. It is can be concluded that most of the parents with a low level of parental investment might as well have difficulties in spending towards children especially in terms of education hence there has a limitation on income.

Table 1.3: Results of Correlation Analysis

Variables		Parental Investment
Child-Rearing	Pearson Correlation	.127**
	Sig. (2-tailed)	.000
	N	2183
Financial Strain	Pearson Correlation	-.111**
	Sig. (2-tailed)	.000
	N	2183

** Correlation is significant at the 0.01 level (2-tailed)

Based on Table 1.3, it is shown that there is a significant relationship between child-rearing practices and financial strain with parental investment. Child-rearing practices comprise of certain parenting style that leads to future success later in children's life. The fact that parents become vital socialization on children's development process is commonly known, however still, according to George and Rajan (2012), some parents fail to develop a positive vibe on the children, have less interaction and engagement with the children give negative impact towards children. The certain social style nurturing by the parents might as well affect children later during their adult's life. Apart from that, family strains always associate with household income where normally low-income parents tend to face money problems to meet the end meet. Relatively, the lower the household income is the greater financial strain they will experience and the lower investment they will invest towards children. This statement can be supported by Davis and Mantler (2004), where they claimed parents who experiencing financial strain may be less focused on their children's needs and wants and become less responsible in parenting and nurturing the children.

Table 1.4: Logistic Regression Predicting Likelihood of Parental Investment

Predictor Variables	Model 1				
	B	Std. Error (S.E)	Wald Statistic	Sig.	Exp (B)
Child-rearing practices	.052	.011	22.53	.000	1.054
Financial strain	-.123	.030	16.72	.000	.884
Constant	-1.756	.503	12.16	.000	.173

Note: Significant levels;***=p<0.01,**=p<0.05,*=p<0.10

Nagelkerke R²=0.031; Hosmer-Lemeshow Test= 10.28; p=0.113

Logistic regression was used to answer the next objective. Logistic regression in another way is to determine the likelihood of prediction of child-rearing practices and financial strain towards parental investment. With the forced entry method, all the predictor variables were calculated together in one block to identify the predictive ability.

As demonstrated in Table 1.3, the model was statistically significant with all the predictors in the model which indicate that the model can differentiate between parents with high parental investment and low parental investment. The 3 percent of the variance in parental investment is explained by this whole model with support for the model as the Hosmer-Lemeshow Test was 10.28 with a significant level of 0.113.

Of the importance of parental investment towards children, financial strain ($B=-.123$; $Wald=16.72$; $p=.000$) shows the highest prediction in predicting parental investment that can be shown by B value. The odds ratio for financial strain indicates that with an incremented of one unit of financial strain, the odds ratio of 0.88 times more likely to invest in parental investment. Parents need to satisfy both households and children were focusing on children's needs would make an important thing like paying bills, house and car instalment, and other payment delays especially for those families with insufficiency of income.

On the other hand, child-rearing practices also show significant towards parental investment ($B=.052$; $Wald=22.53$; $p=.000$). The odds ratio for child-rearing practices indicated that with an incremented of one unit of good child-rearing practices by the parents, the odds ratio 1.05 times more likely to invest in parental investment. Parents would offer better nurturance and support their children within the context of encouraging the development of self-

resilience and skills to help, sharing, and others. According to Keshavarz and Baharudin (2009), children who lack the opportunity to have better interaction with parents turn out to have low social skills and attach to crime and violence.

CONCLUSION

Parental investment is an essential part of creating better human capital for a not only family but also to society and country as well. However, a different parental investment may be applied to different parents according to their background. Based on the result of the study through logistic regression, the financial strain was found out to be the strongest predictor in determining parental investment. Parents with financial strain have an inability in handling family's' hardship and this may give an effect on children's development and also their life attainment. The study on the other hand can be a guideline towards parents itself so parents would know what factor should put into consideration. The study might as well, help the counselling practitioners to understand family matters especially in terms of finance in a better way.

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