

Synovate
Wrigley Field
The Campus
57 Sloane Street
Bryanston
2021

P O Box 68369
Bryanston
2021

Tel +27 11 709 7800
Fax +27 11 463 2233
www.synovate.co.za
www.synovate.com



From Catherine Barnhoorn
Marketing Manager
Phone +27 11 709 7800
Catherine.barnhoorn@synovate.com

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Teaching children financial responsibility

BRYANSTON – The vast majority (91%) of South African parents teach their children to save money, reveals global market research company Synovate. American parents expect their children to do chores for their pocket money, while more than half of parents in Cyprus teach their kids about the stock market.

These and other fascinating insights come from a survey of 1,596 parents of 5 to 17 year olds in South Africa, the United States, Canada, China, Cyprus and Slovakia, who were asked whether they give their children pocket money and how they are teaching them about financial responsibilities.

Most parents surveyed globally believe it's important that children learn about financial responsibility, with 78 percent teaching them how to save money and 72 percent showing children how to compare prices to get the best deal. This financial education can get pretty sophisticated, with one-quarter of parents globally showing their children how to use a checking account or credit card. 54 percent of Cypriot parents teach their kids about the stock market!

Do you actively teach your child any of the following?							
	Total	South Africa	United States	Canada	China	Cyprus	Slovakia
How to save money	78%	91%	85%	82%	54%	85%	86%
How to pay bills	38%	51%	34%	31%	32%	52%	27%
How to use a checking account or credit card	26%	26%	27%	29%	25%	21%	30%
How to understand stock markets	20%	25%	6%	4%	11%	54%	7%
How to understand other financial instruments	35%	61%	9%	13%	39%	40%	23%
How to check prices on items in order to get best deal	72%	74%	75%	72%	70%	70%	74%
How to look for and use coupons	38%	42%	49%	46%	35%	24%	41%
None of these	9%	5%	10%	11%	16%	6%	6%

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79 percent of South African children play no part in saving for their education. On the other hand, forty-three percent of parents involve their children in saving for their education, with Chinese and Cypriot children (60 and 55 percent respectively) topping that list.

For some parents, it's never too early to begin teaching children about financial responsibility: 23 percent of those surveyed do so as soon as their children start asking their parents to buy things for them, while another 23 percent begin their children's financial education between the ages of 5 and 8. The majority of South African parents believe that children should start being educated between the ages of 5 and 12. In China, however, half of parents wait until their children are 13 or older before teaching them about finances.

When do you think is the right time to start teaching children about financial responsibility?							
	Total	South Africa	United States	Canada	China	Cyprus	Slovakia
As soon as they start asking you to buy them things	23%	22%	33%	28%	12%	24%	29%
Age 5 to 8	23%	28%	26%	27%	14%	29%	23%
Age 9 to 12	25%	28%	25%	33%	18%	25%	24%
Age 13 to 15	15%	11%	12%	11%	20%	16%	14%
Age 16 to 17	12%	8%	4%	2%	30%	6%	8%
Don't know / Refused	2%	3%	-	-	6%	-	2%
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So how does all this affect children's pocket money? Parents across those countries are almost evenly divided on whether they give their children a regular allowance. South African and Canadian children are most likely to receive a set amount, according to 34 and 32 percent of parents respectively. By contrast, 26 percent of Chinese parents give their children whatever amount they can afford as pocket money. However, 38 percent of American parents prefer to just buy their children what they need, while 35 percent of Cypriot children simply get money when they want it.

Does your child receive pocket money?							
	Total	South Africa	United States	Canada	China	Cyprus	Slovakia
Yes, they receive a set amount on a regular basis	26%	34 %	21%	32%	23%	27%	19%
Yes, the amount varies according to what can afford	21%	26%	16%	16%	26%	16%	21%
No, but I give them money when they want it	25%	15%	25%	24%	24%	35%	30%
No, I buy them what they need	27%	25%	38%	28%	25%	22%	31%
Don't know / Refused	1%	1%	-	-	1%	-	-
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36 percent of South African allow their children to spend their pocket money however they wish, while 39 percent state that they give input into what their children spend money on, but that their children have the final say. By contrast, almost two thirds of Slovakian parents and 42 percent of Cypriot parents are happy to let their children spend their money any way they like.

Most South African children (52 percent) do not have to do chores / work to receive their pocket money. This is compared to 96% of children in the US who do have to earn their allowance. At the other end of the scale, a large majority of children in Cyprus (89 percent), China (77 percent) and Slovakia (75 percent) don't have to lift a finger for their pocket money.

CURIOSITIES

> If they can afford it, South African and Cypriot and parents are more likely to buy an expensive item that their children desperately want.

> 69 percent of Canadian parents, and 66 percent of American ones, do not involve their children in saving for their own education.

> 30 percent of Slovakian parents – more than their counterparts in any other country surveyed – teach their children how to use a checking account or credit card.

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About Synovate

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients cohesive global support and a comprehensive suite of research solutions. Synovate employs over 5,500 staff in 50 countries.

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