



Detailed Results

**7TH ANNUAL PARENTS, KIDS &
MONEY SURVEY:
SUPPLEMENTAL DATA**

T. Rowe Price
August 2015



Contents

- Impact of Parent/Kid Discussions on Kids
- Impact of Parental Discussions on Kids
- Impact of Parental Arguments on Kids
- Impact of Parental Discussions on Parents
- Discussion Frequency—Mom vs. Dad
- Experiential Learning
 - Allowance
 - Letting Kids Make Mistakes
 - Student Loans
 - Credit Cards
- Discussions Combined with Experiential Learning
- Money Where Mouth Is
- Men’s Bad Behavior
- Respondent Profile
- Objective & Methodology

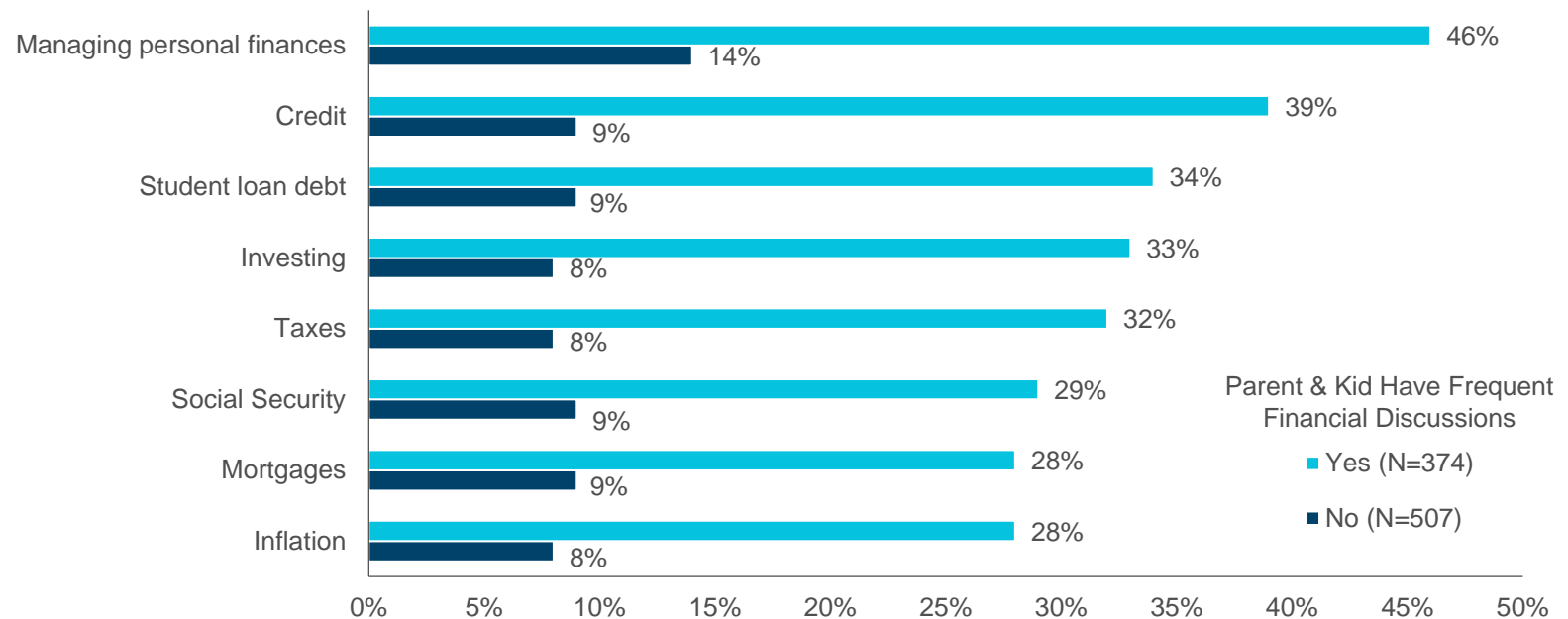


IMPACT OF PARENT/KID DISCUSSIONS ON KIDS

Impact of Parent/Kid Discussions—On Kids

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

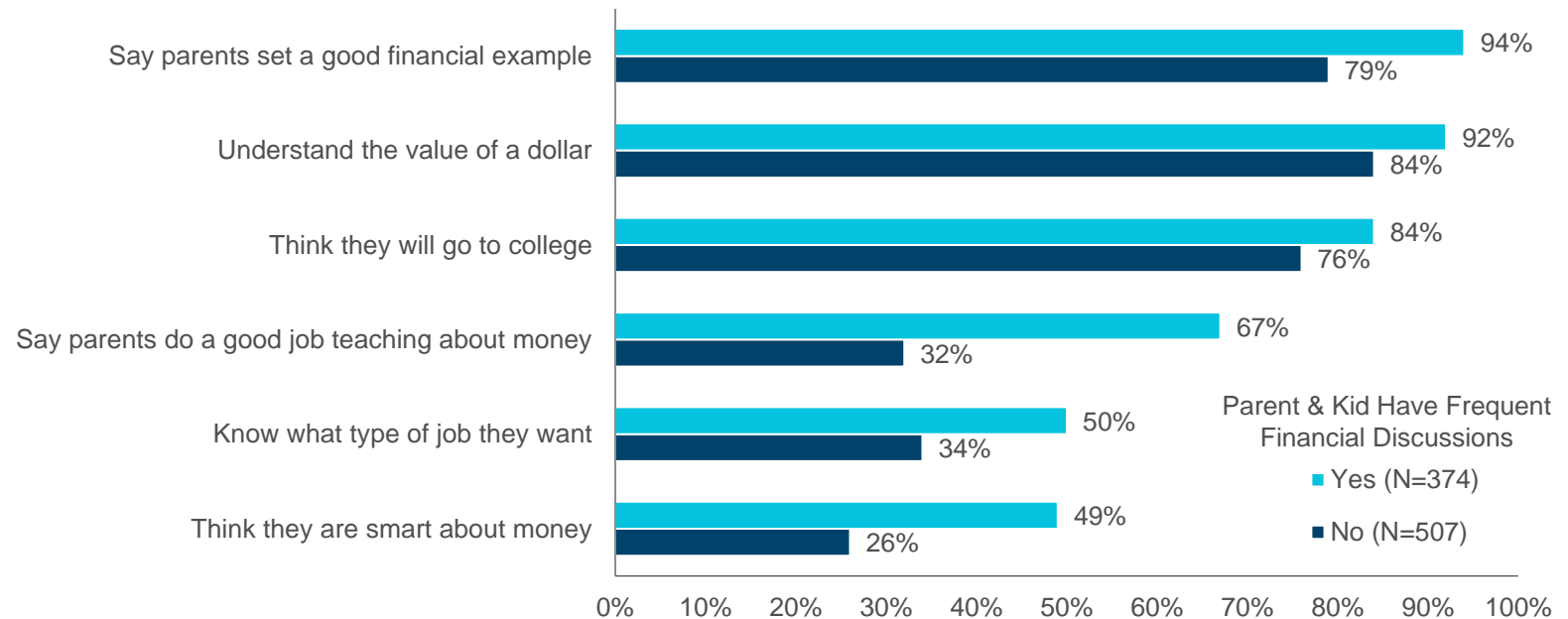
(Five point scale—Displaying very/extremely)



- Kids who have financial discussions with their parents are more knowledgeable across all financial topics.

Impact of Parent/Kid Discussions—On Kids

PERCENT OF KIDS WHO:



- Discussing finances with kids results in kids who feel smart about money, have direction and feel their parents are doing a good job teaching them about money.

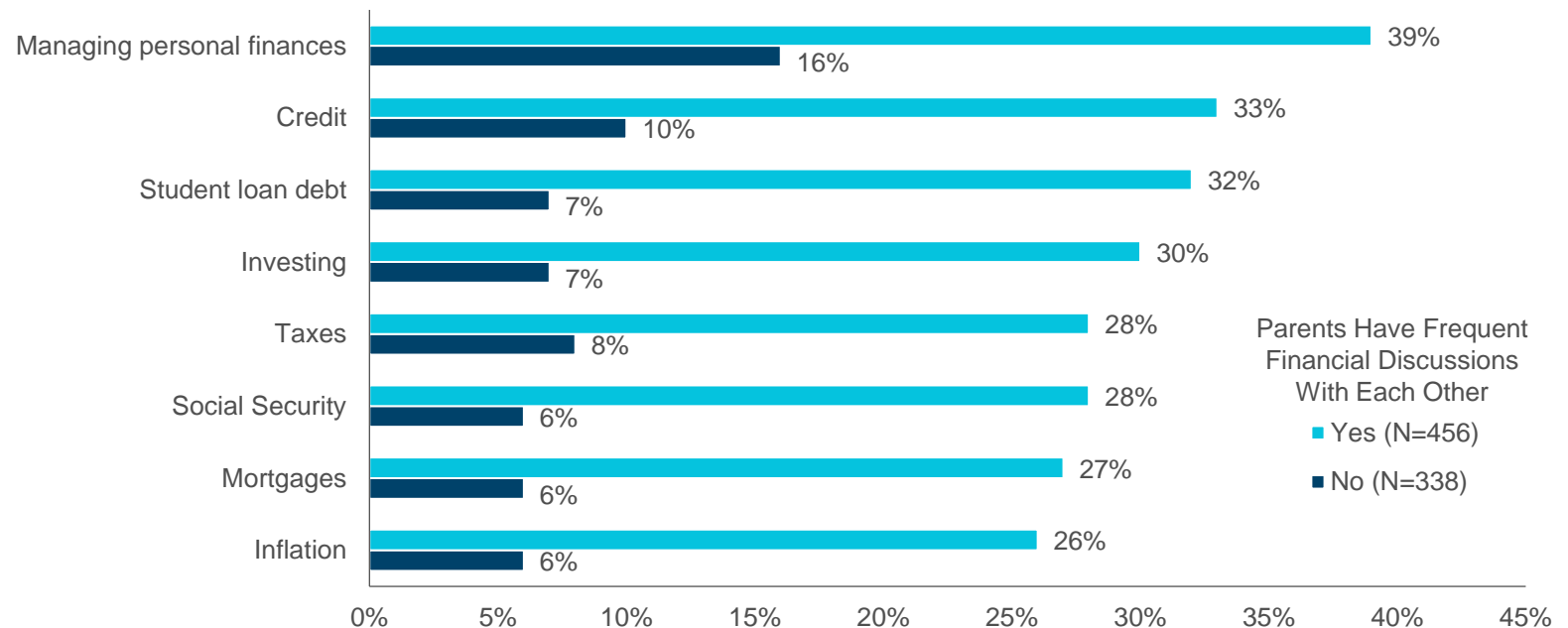


IMPACT OF PARENTAL DISCUSSIONS ON KIDS

Impact of Parental Discussions—On Kids

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

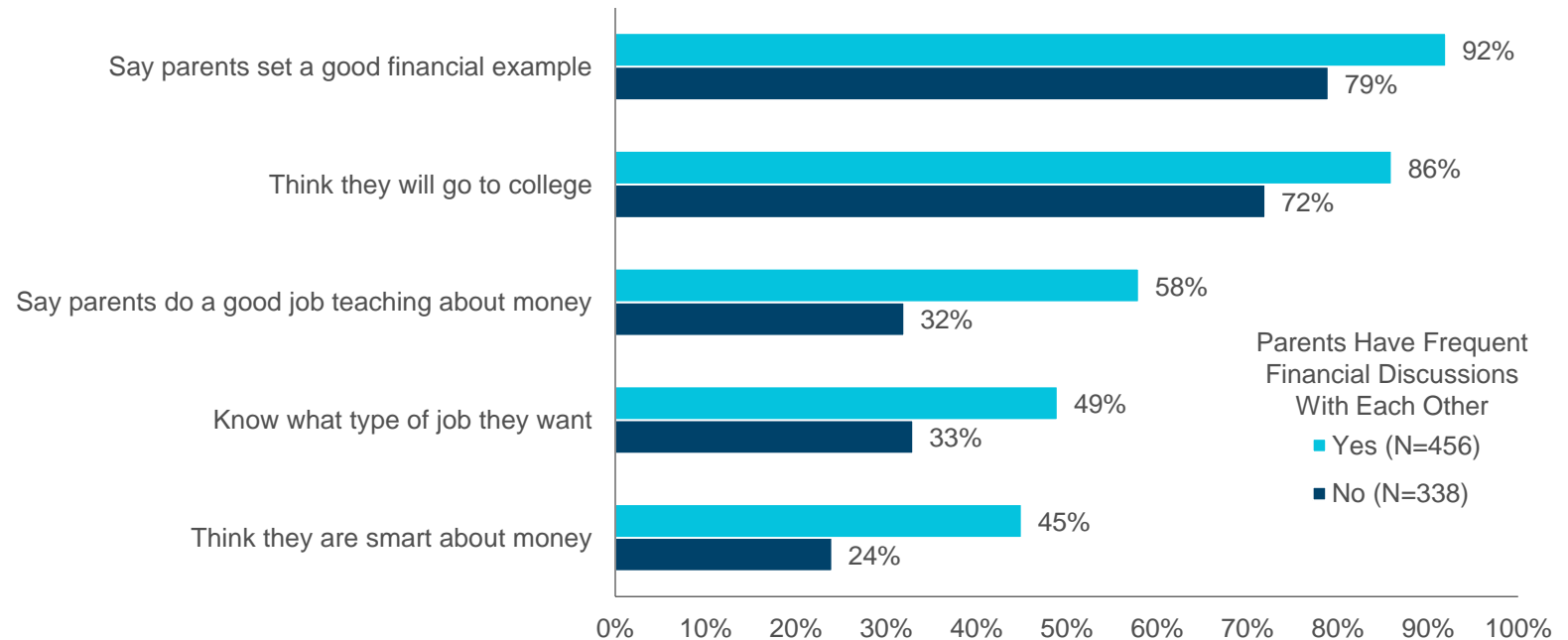
(Five point scale—Displaying very/extremely)



- Kids whose parents have financial discussions are more knowledgeable across all financial topics.

Impact of Parental Discussions—On Kids

PERCENT OF KIDS WHO:



- Parents who have financial discussions with their spouse have kids who have higher expectations and aptitude.

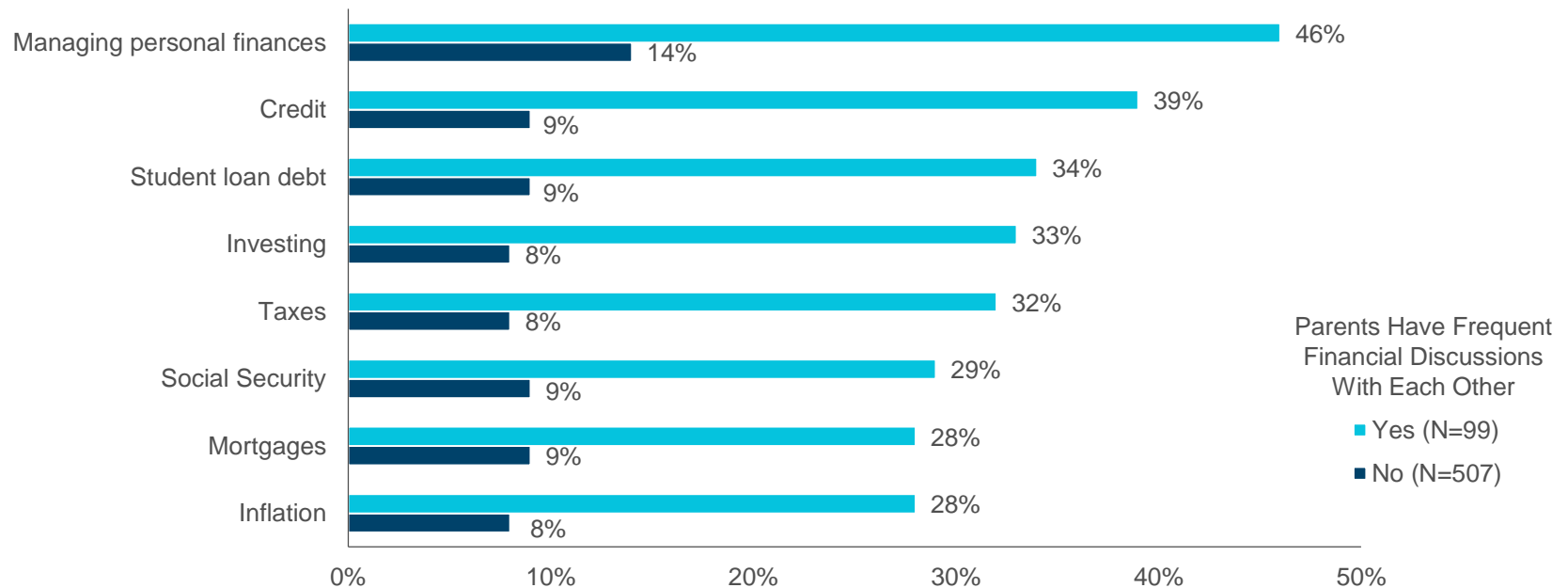


IMPACT OF PARENTAL ARGUMENTS ON KIDS

Impact of Parental Arguments—On Kids

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

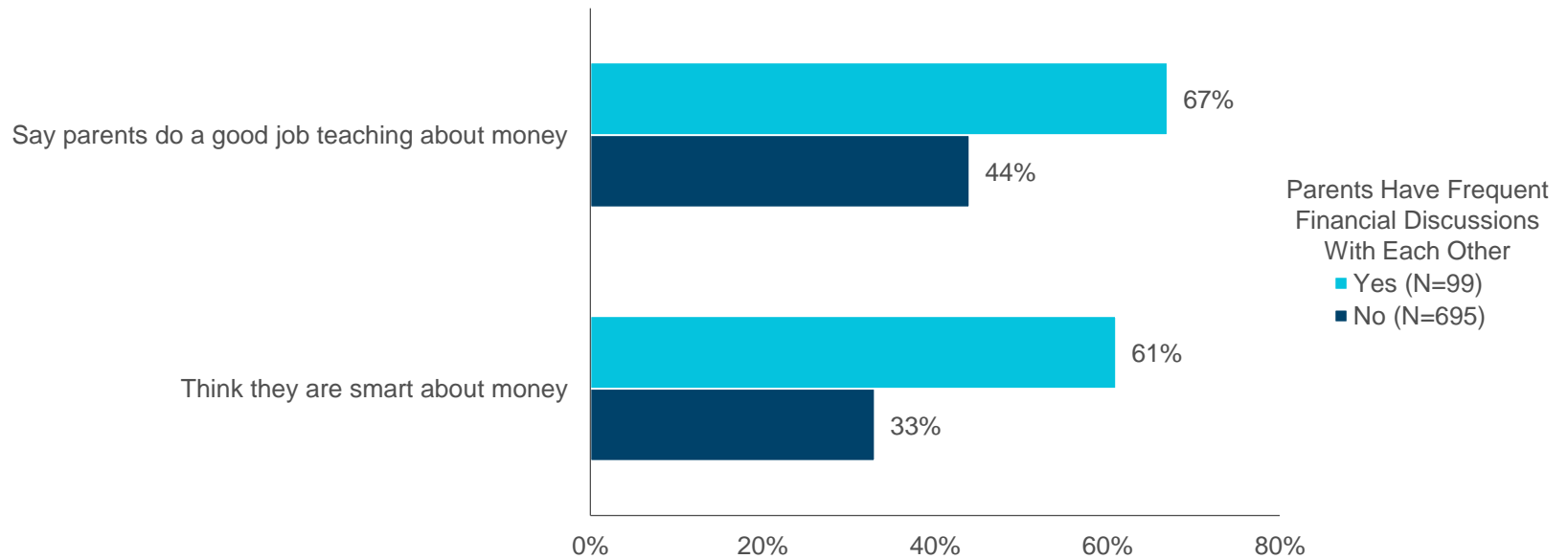
(Five point scale—Displaying very/extremely)



- Kids whose parents have financial arguments are more knowledgeable across all financial topics.

Impact of Parental Arguments—On Kids

PERCENT OF KIDS WHO:



- Parents who argue frequently about money have kids who are more likely to feel smart about money and think their parents are doing a good job teaching them.

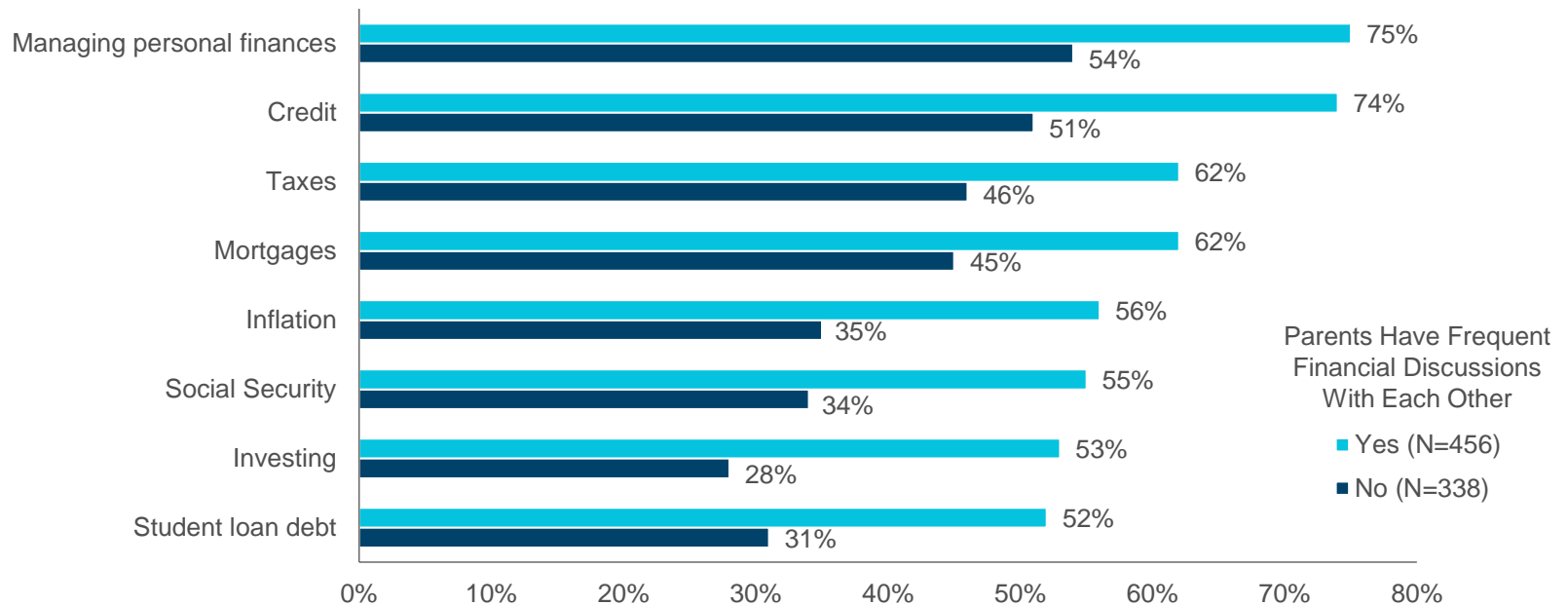


IMPACT OF PARENTAL DISCUSSIONS ON PARENTS

Impact of Parental Discussions—On Parents

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (PARENTS)

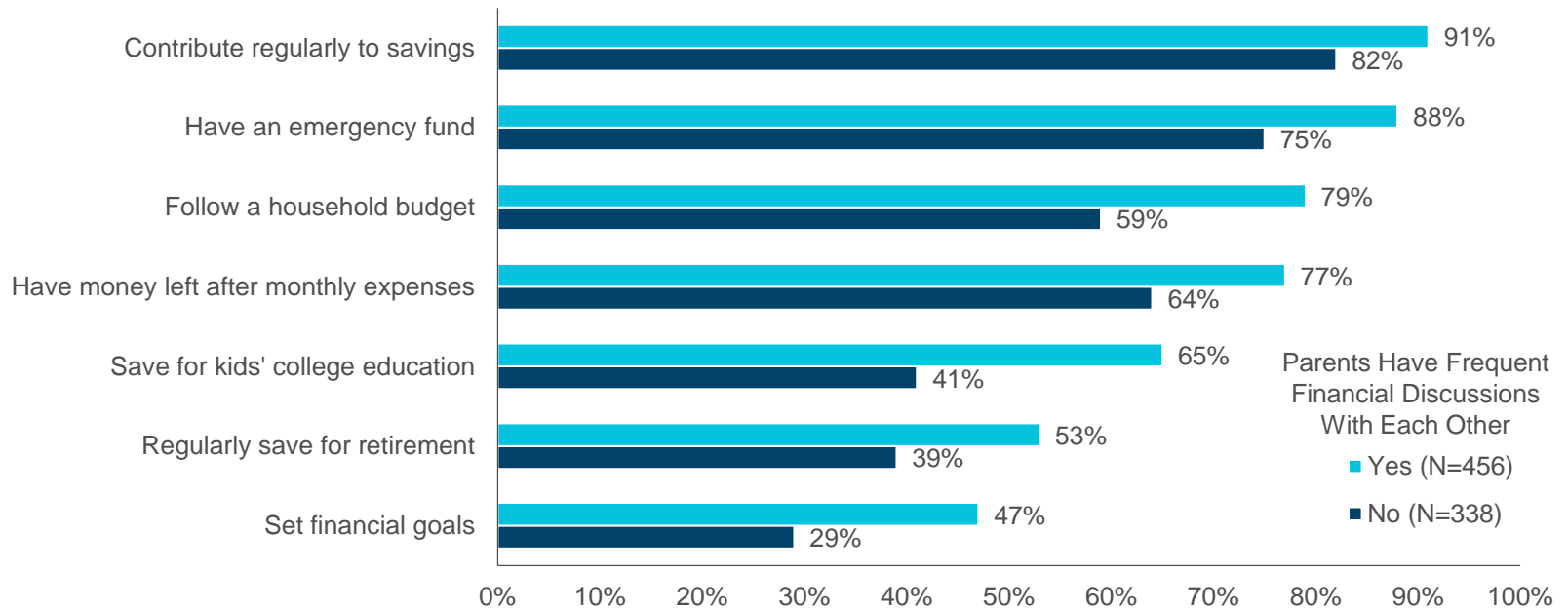
(Five point scale—Displaying very/extremely)



- Parents who have financial discussions with their spouse are more knowledgeable across all financial topics.

Impact of Parental Discussions—On Parents

PERCENT OF PARENTS WHO:



- Parents who have financial discussions with their spouse have better saving and financial habits.

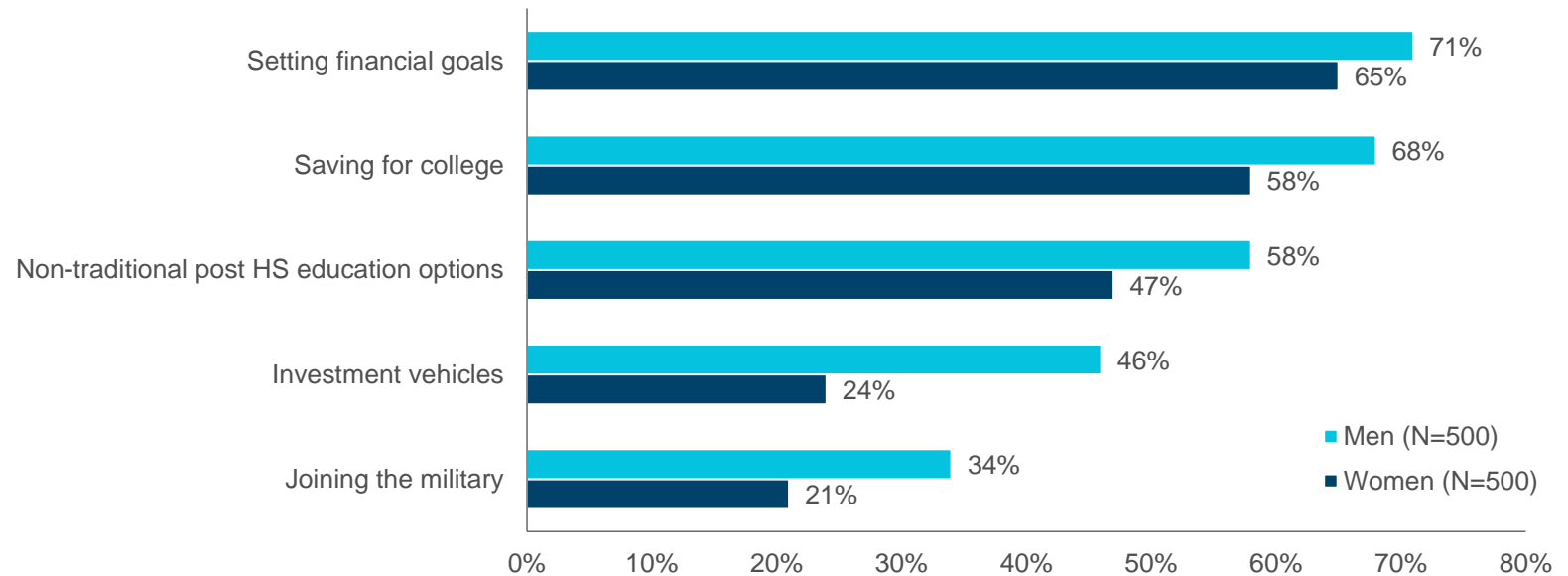


DISCUSSION FREQUENCY: MOM VS. DAD

Frequency of Discussions by Parent Gender

HOW OFTEN DO YOU DISCUSS EACH OF THE FOLLOWING WITH YOUR KIDS?

(Five point scale—Displaying very/extremely)



- Across all financial topics, dads are more likely than moms to be having discussions with their kids.

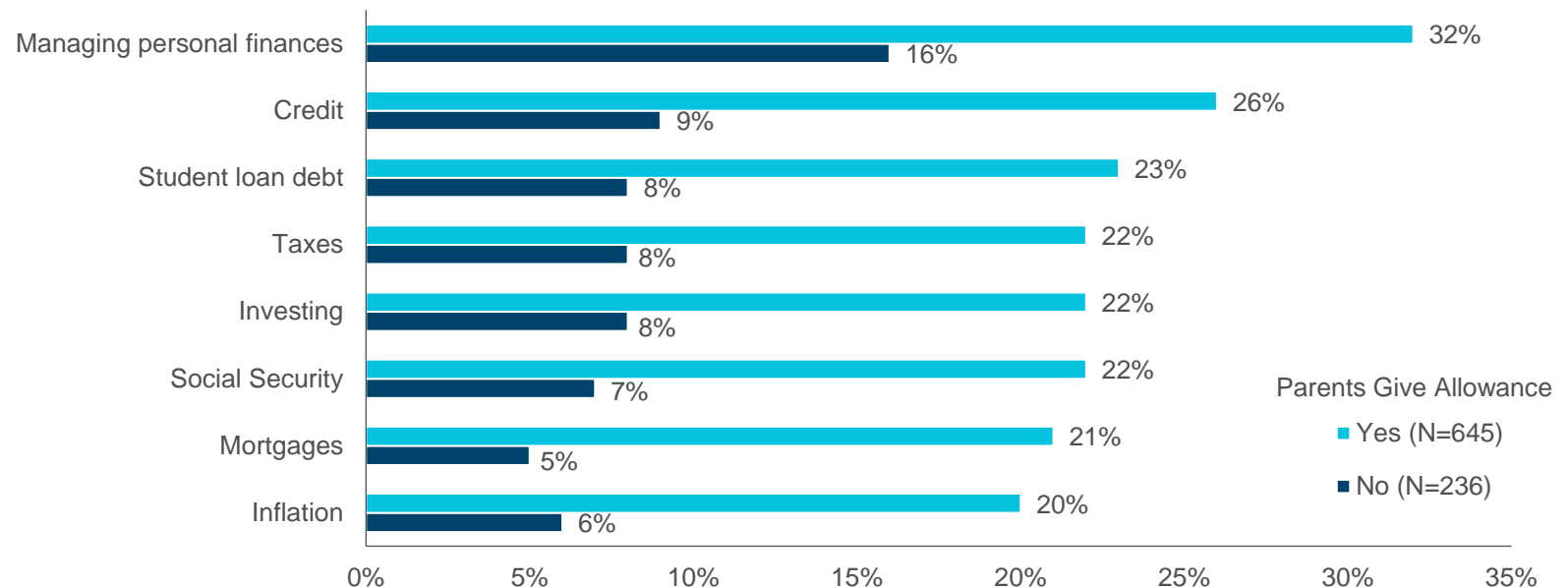


ALLOWANCE

Impact of Allowance

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

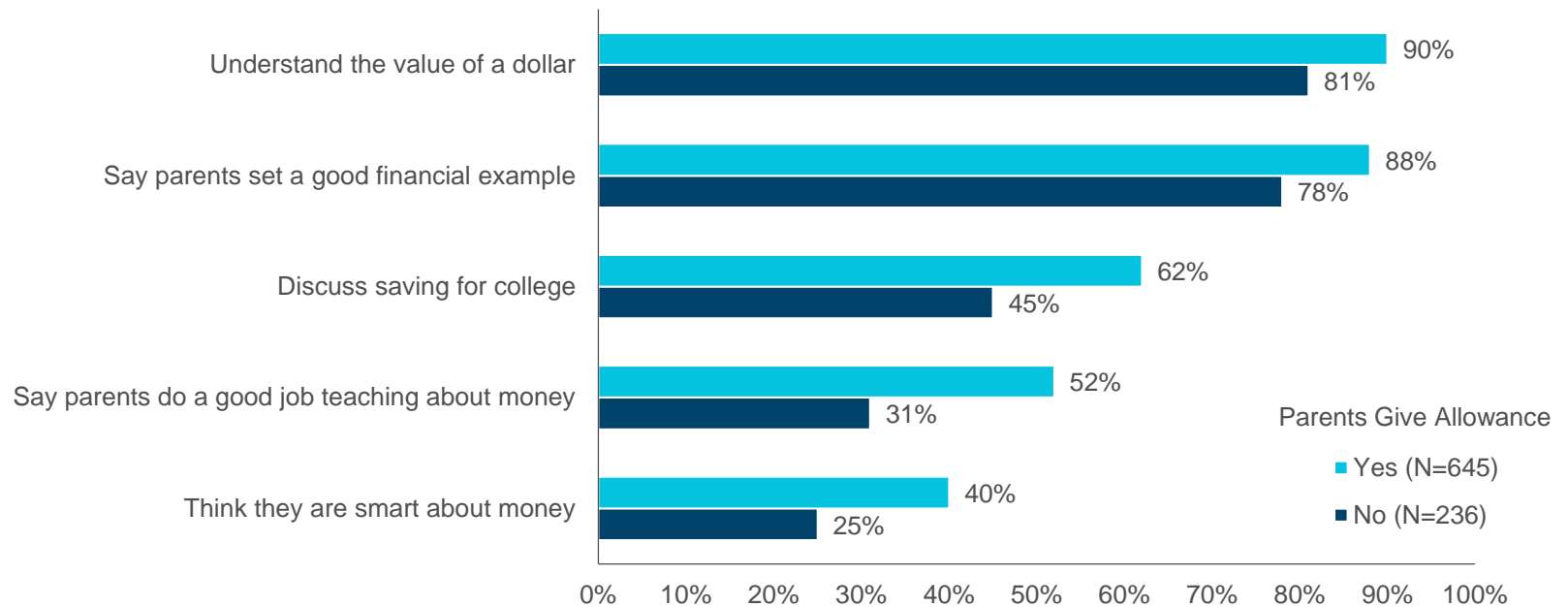
(Five point scale—Displaying very/extremely)



- Kids who get allowance are more knowledgeable across all financial topics.

Impact of Allowance

PERCENT OF KIDS WHO:



- Kids who receive allowance are more likely to be financially savvy and discuss saving for college with their parents.

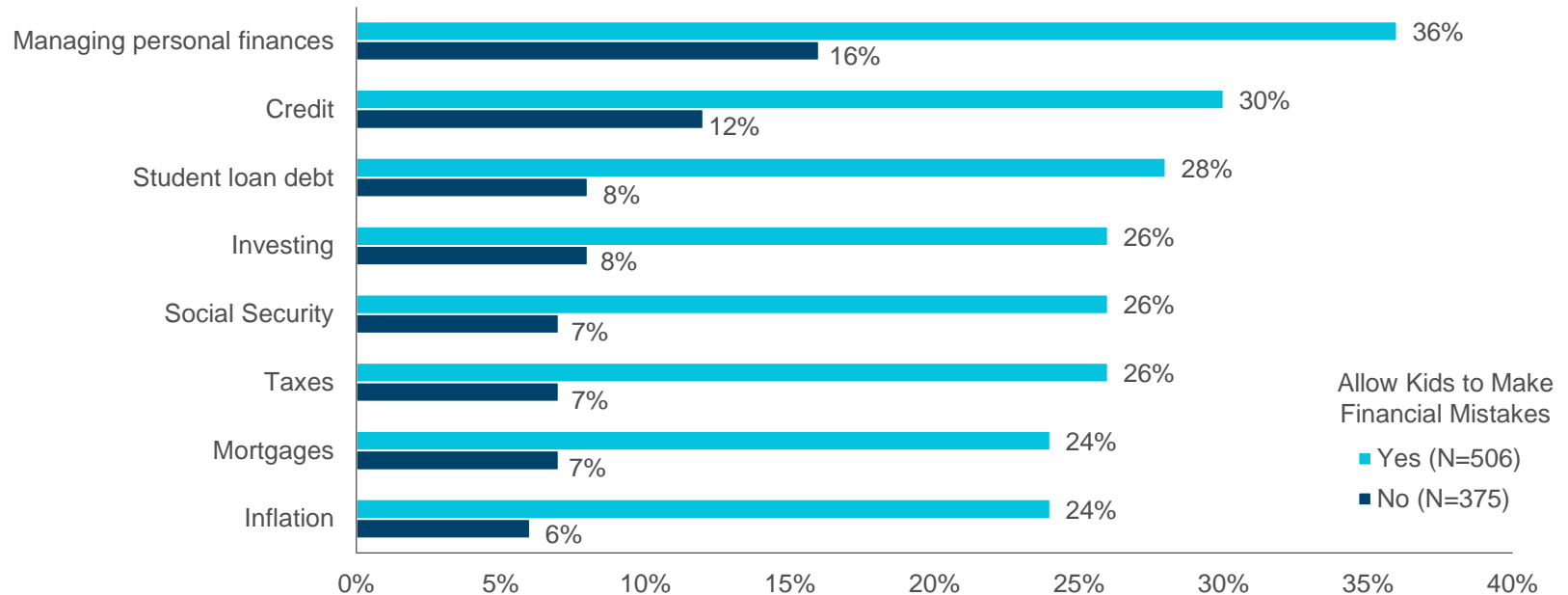


LETTING KIDS MAKE MISTAKES WITH MONEY

Letting Kids Make Financial Mistakes

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

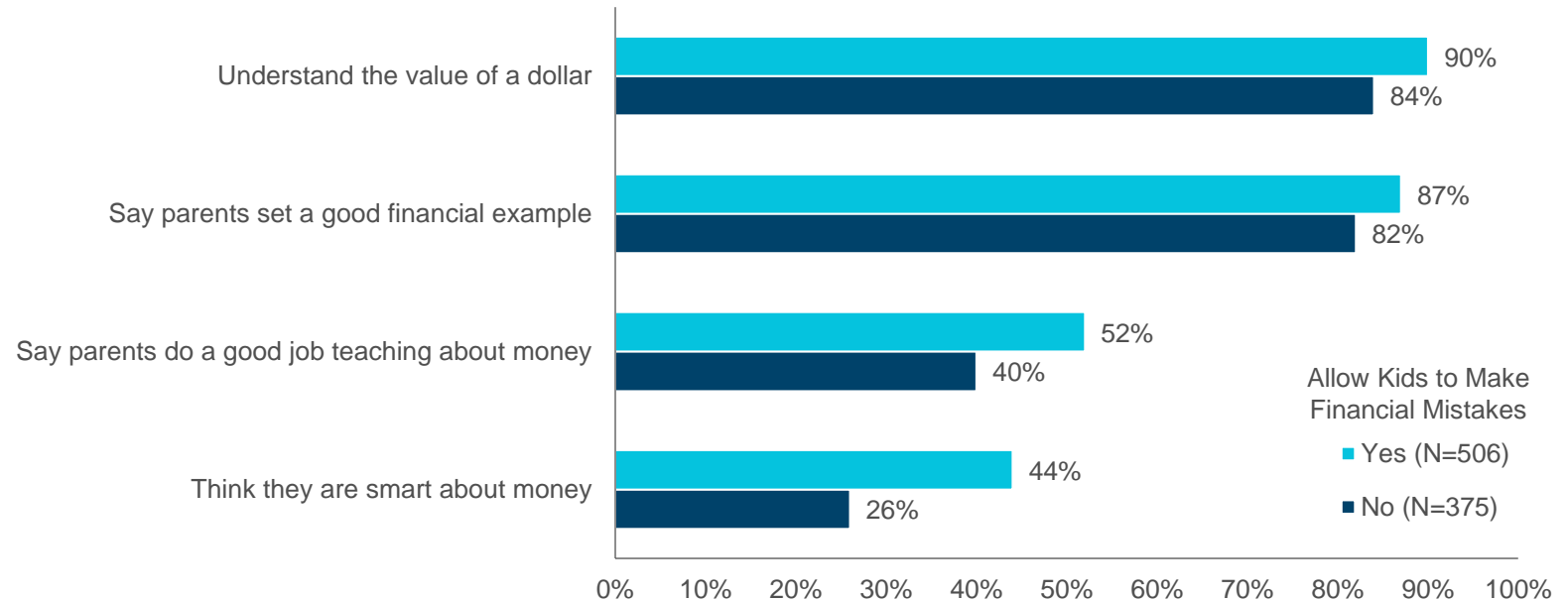
(Five point scale—Displaying very/extremely)



- Kids whose parents allow them to make financial mistakes are more knowledgeable across all financial topics.

Letting Kids Make Financial Mistakes

PERCENT OF KIDS WHO:



- Kids whose parents are willing to let them make financial mistakes are more likely to be financially savvy and think their parents set a good example.

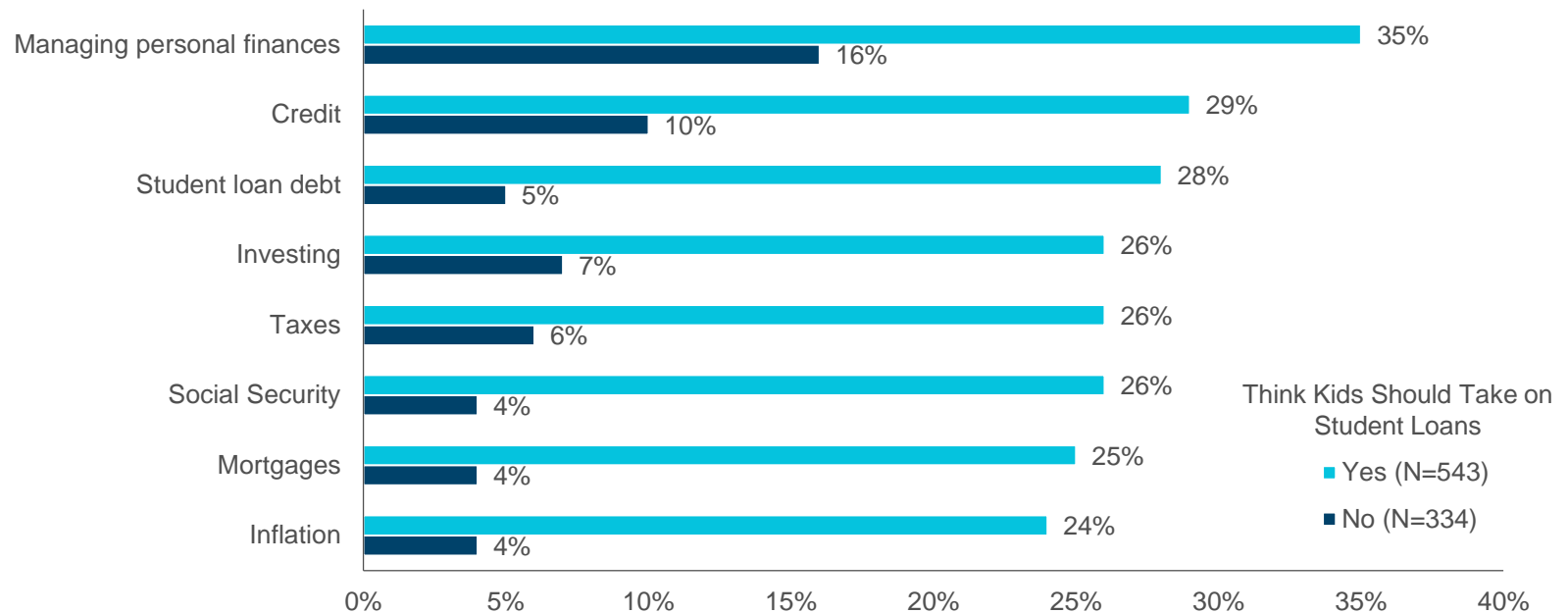


LETTING KIDS LEARN THROUGH STUDENT LOANS

Student Loans to Learn About Debt

HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS)

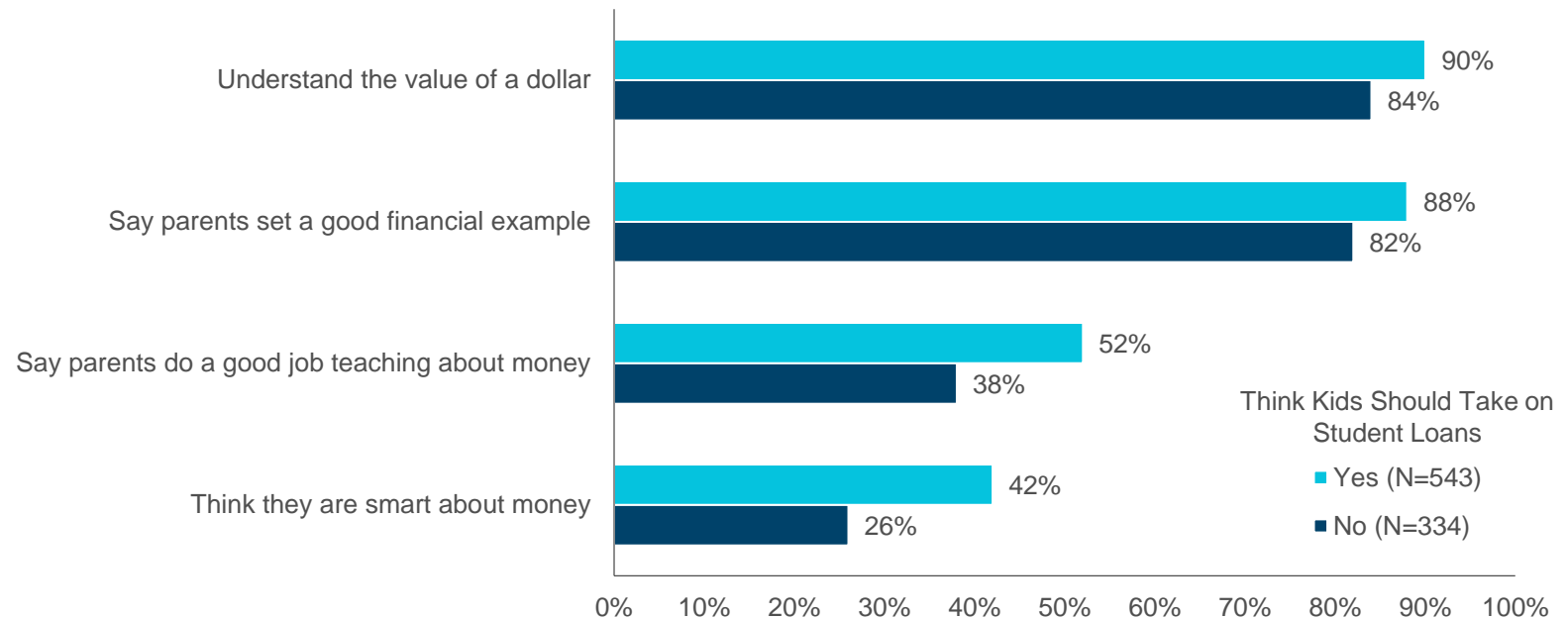
(Five point scale—Displaying very/extremely)



- Kids whose parents think that kids should take on student loans to learn about debt are more knowledgeable across all financial topics.

Student Loans to Learn About Debt

PERCENT OF KIDS WHO:



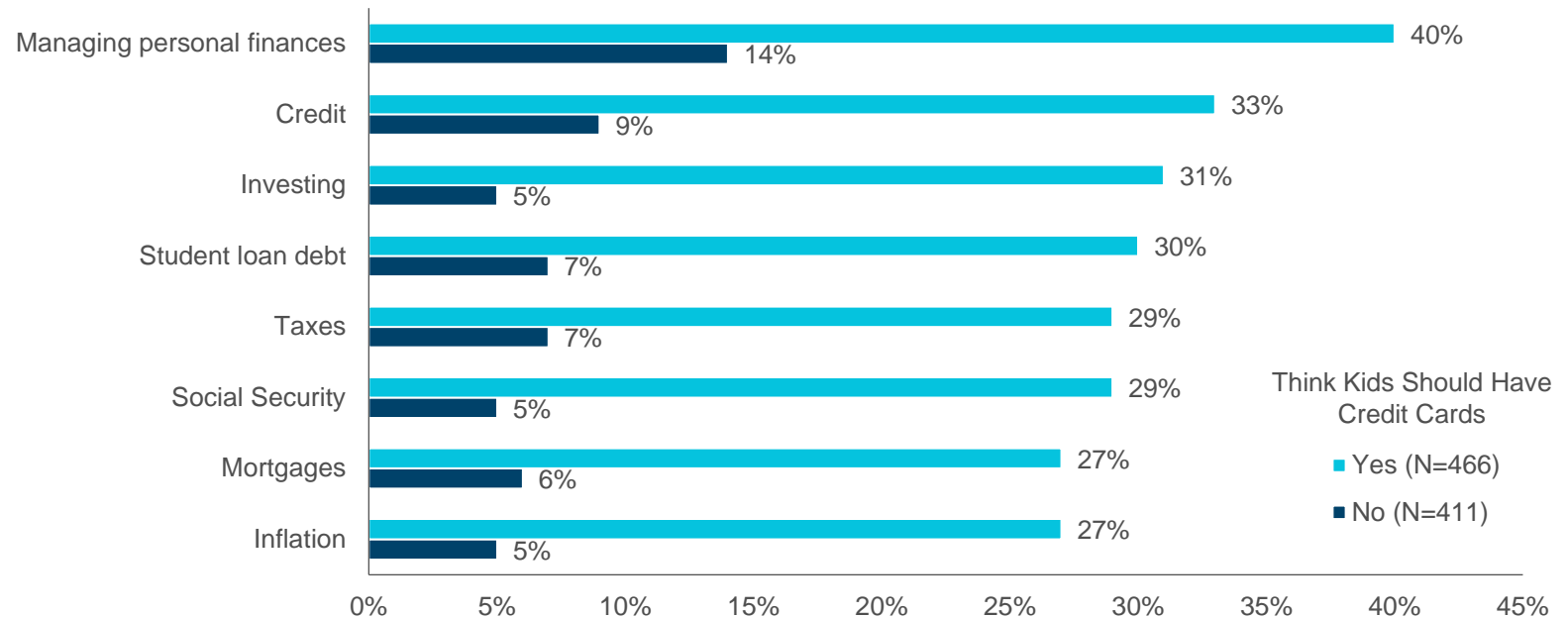
- Kids whose parents think they should experience student loan debt are more likely to be financially savvy and think their parents are doing a good job teaching them.



LETTING KIDS LEARN ABOUT MONEY WITH CREDIT CARDS

Credit Cards to Learn About Managing Money

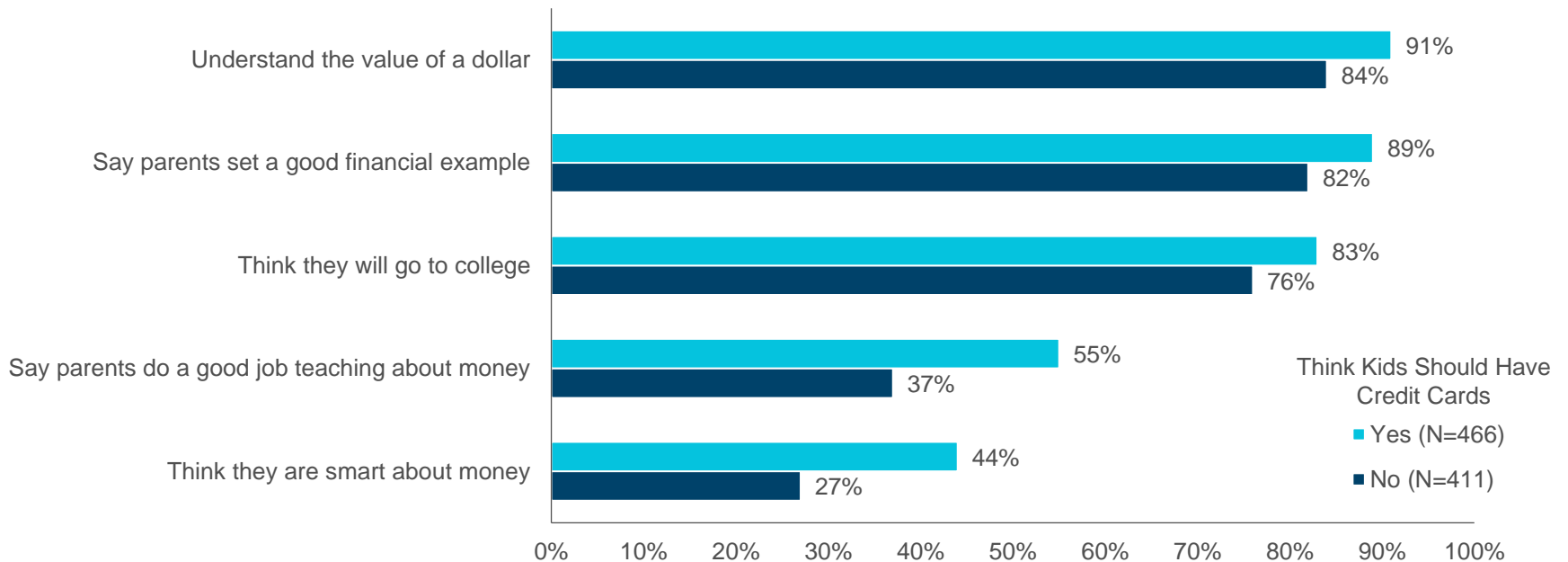
HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING? (KIDS) (Five point scale—Displaying very/extremely)



- Kids whose parents think that kids should have credit cards to learn about managing money are more knowledgeable across all financial topics.

Credit Cards to Learn About Managing Money

PERCENT OF KIDS WHO:

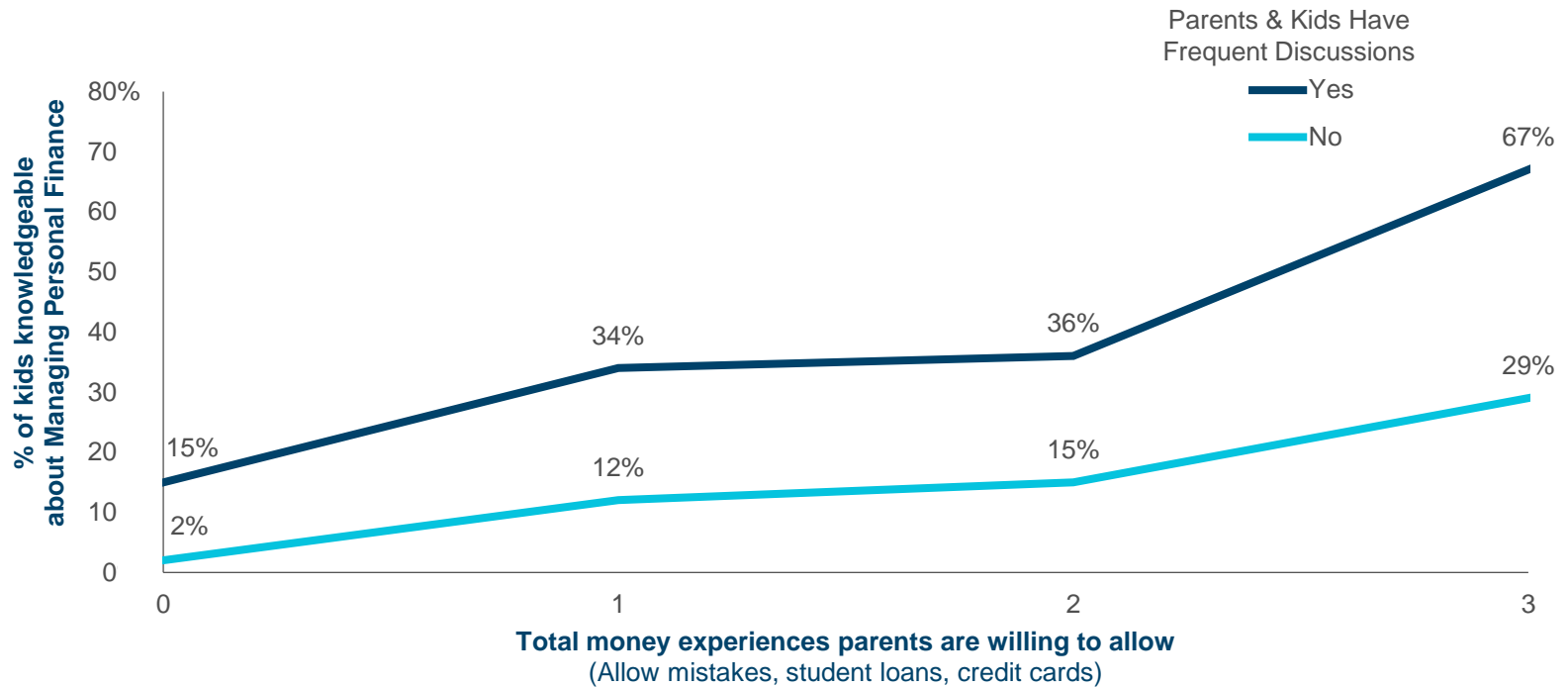


- Kids whose parents think they should have credit cards are more likely to be financially savvy and think they will go to college



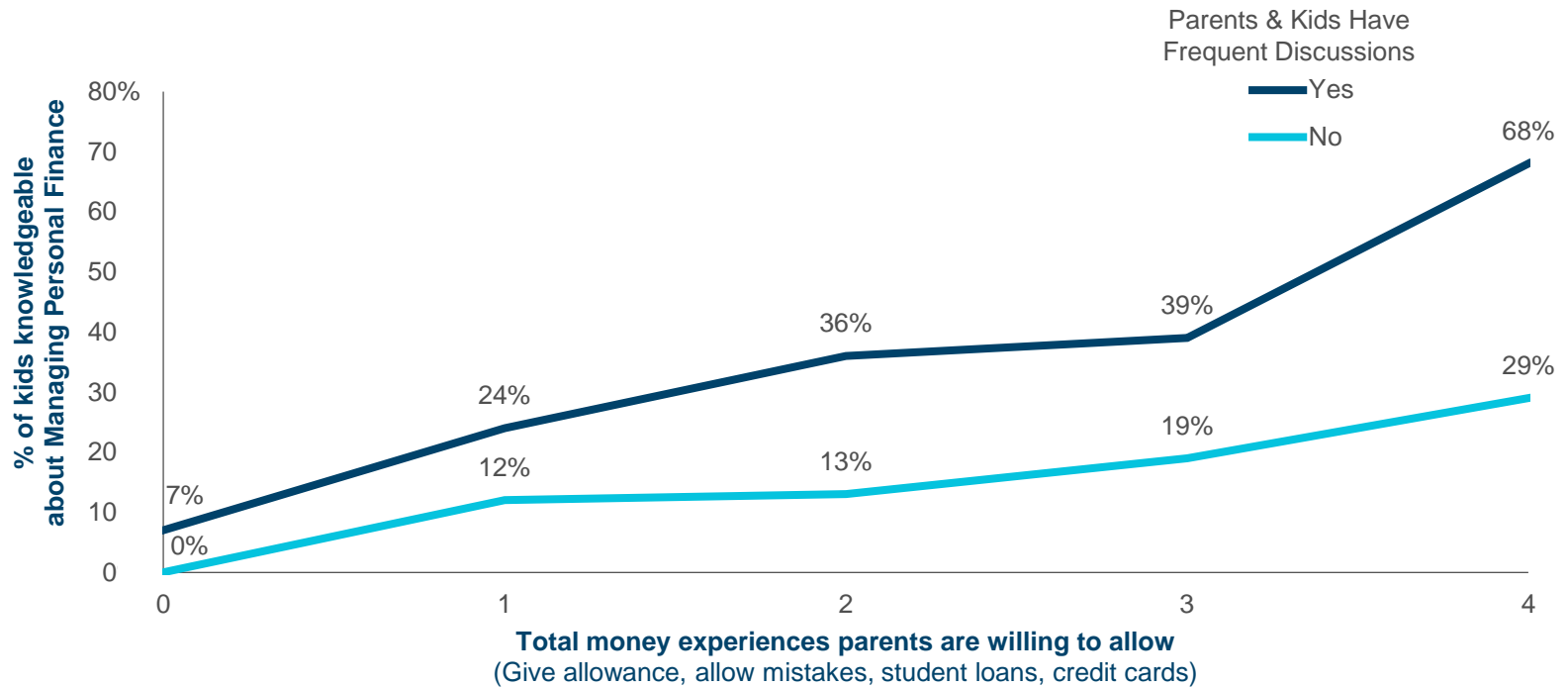
THE COMBINATION OF DISCUSSIONS AND EXPERIENTIAL LEARNING

Discussions and Experiential Learning Without Allowance



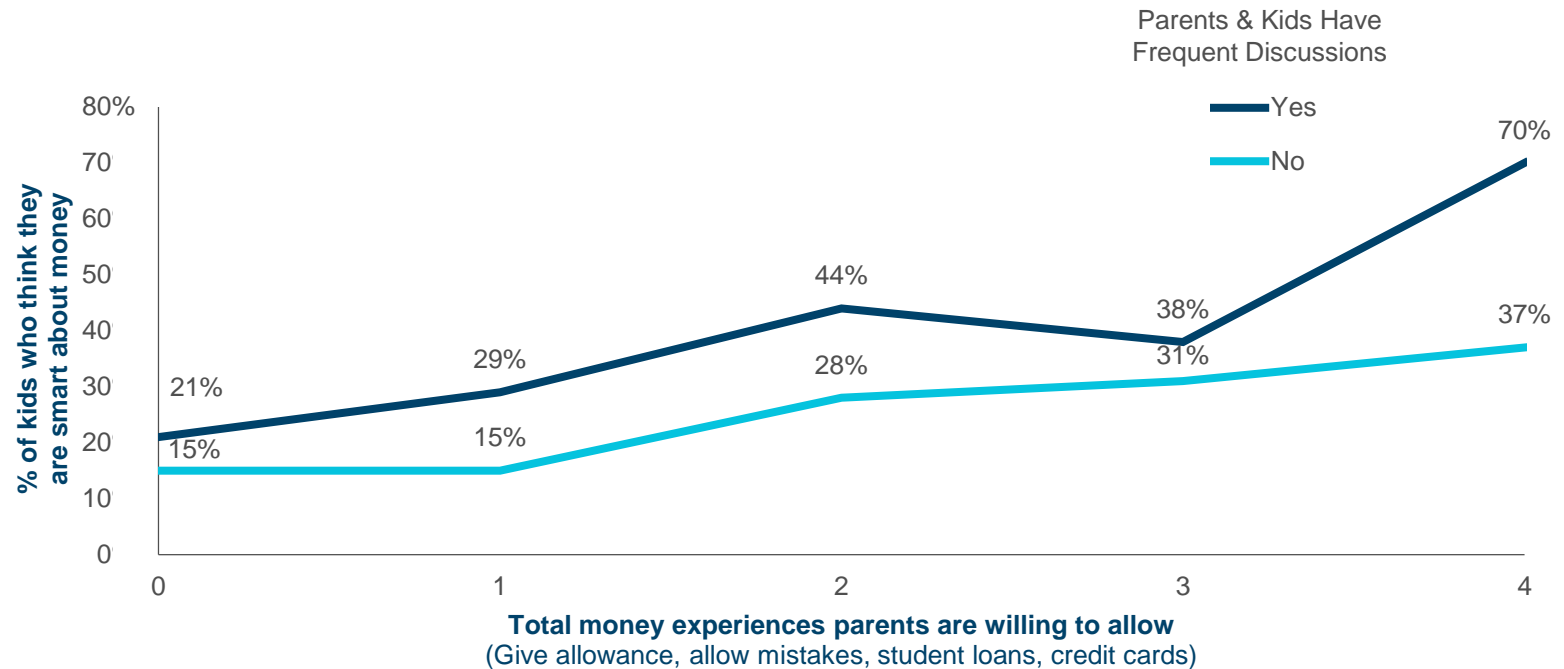
- There is a significant interaction between having discussions and the degree to which parents let kids experience money—kids of parents who have frequent discussions and the most experiences with money are significantly more likely to have knowledge of managing personal finance (67% vs. 2%)

Discussions and Experiential Learning Including Allowance



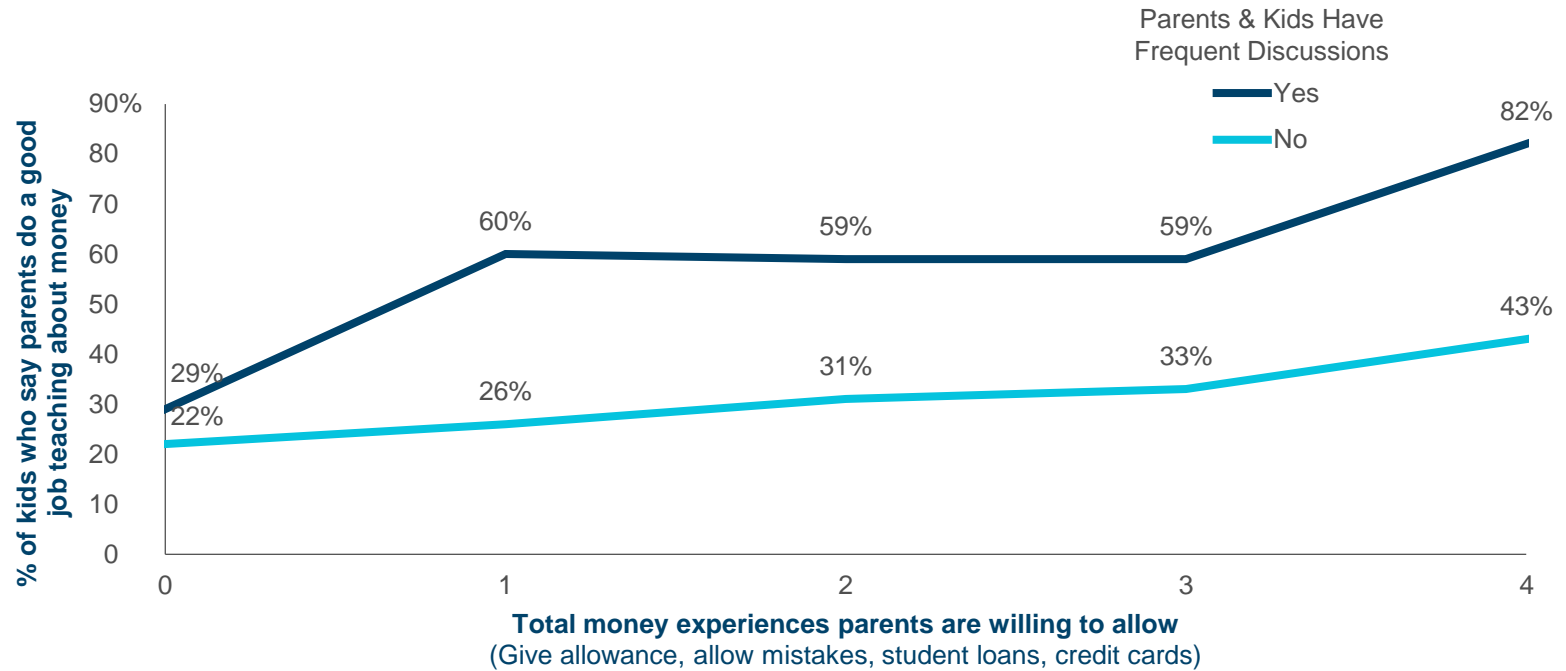
- Allowance continues to bolster the importance having discussions and the degree to which parents let kids experience money—kids of parents who have frequent discussions and the most experiences (allowance, and allowing mistakes, loans and credit cards) with money are even more likely to have knowledge of managing personal finance (68% vs. 0%)

Discussions and Experiential Learning Including Allowance



- There is a significant interaction between having discussions and the degree to which parents let kids experience money—kids of parents who have frequent discussions and the most experiences with money are significantly more likely to think they are smart about money (70% vs. 15%)

Discussions and Experiential Learning Including Allowance



- There is a significant interaction between having discussions and the degree to which parents let kids experience money—kids of parents who have frequent discussions and the most experiences with money are significantly more likely to think parents are doing a good job teaching them about money (82% vs. 22%)



MONEY WHERE MOUTH IS



Saving for Emergencies

OF THE 58% OF PARENTS WHO ARE VERY/EXTREMELY CONCERNED ABOUT SAVING FOR EMERGENCIES:

- 19% rank “spending” highest for what they are most likely to do with money that is left over after paying monthly bills
- 22% do not have an emergency fund
- 32% contribute regularly to an emergency fund



Saving for Kids' College Education

OF THE 58% OF PARENTS WHO ARE VERY/EXTREMELY CONCERNED ABOUT SAVING FOR THEIR KIDS' COLLEGE EDUCATION:

- 18% rank “spending” highest for what they are most likely to do with money that is left over after paying monthly bills
- 32% of married respondents have frequent discussions with their spouse about saving for kids' college education
- 40% of those expecting an inheritance will use the money for kids' college education
- 41% don't regularly save for their kids' college education
- 52% would use an unexpected windfall of \$1,000 to save for kids' college education



Paying Bills Month to Month

OF THE 52% OF PARENTS WHO ARE VERY/EXTREMELY CONCERNED ABOUT BEING ABLE TO PAY BILLS MONTH TO MONTH:

- 17% rank “spending” highest for what they are most likely to do with money that is left over after paying monthly bills
- 26% don’t have a household budget
- 51% make occasional/frequent impulse purchases
- 53% of married respondents have frequent discussions with their spouse about monthly spending/budgeting
- 62% say they spent more than they should have on holiday spending



Taking on too Much Debt

OF THE 51% OF PARENTS WHO ARE VERY/EXTREMELY CONCERNED ABOUT TAKING ON TOO MUCH DEBT:

- 28% pay their credit card bills in full each month
- 36% rank “debt repayment” highest for what they are most likely to do with money that is left over after paying monthly bills
- 48% of those expecting an inheritance will use the money to pay off debt
- 50% use credit cards to pay for holiday spending
- 53% make occasional/frequent impulse purchases



Saving Enough for Retirement

OF THE 62% OF PARENTS WHO ARE VERY/EXTREMELY CONCERNED ABOUT SAVING ENOUGH TO BE ABLE TO RETIRE:

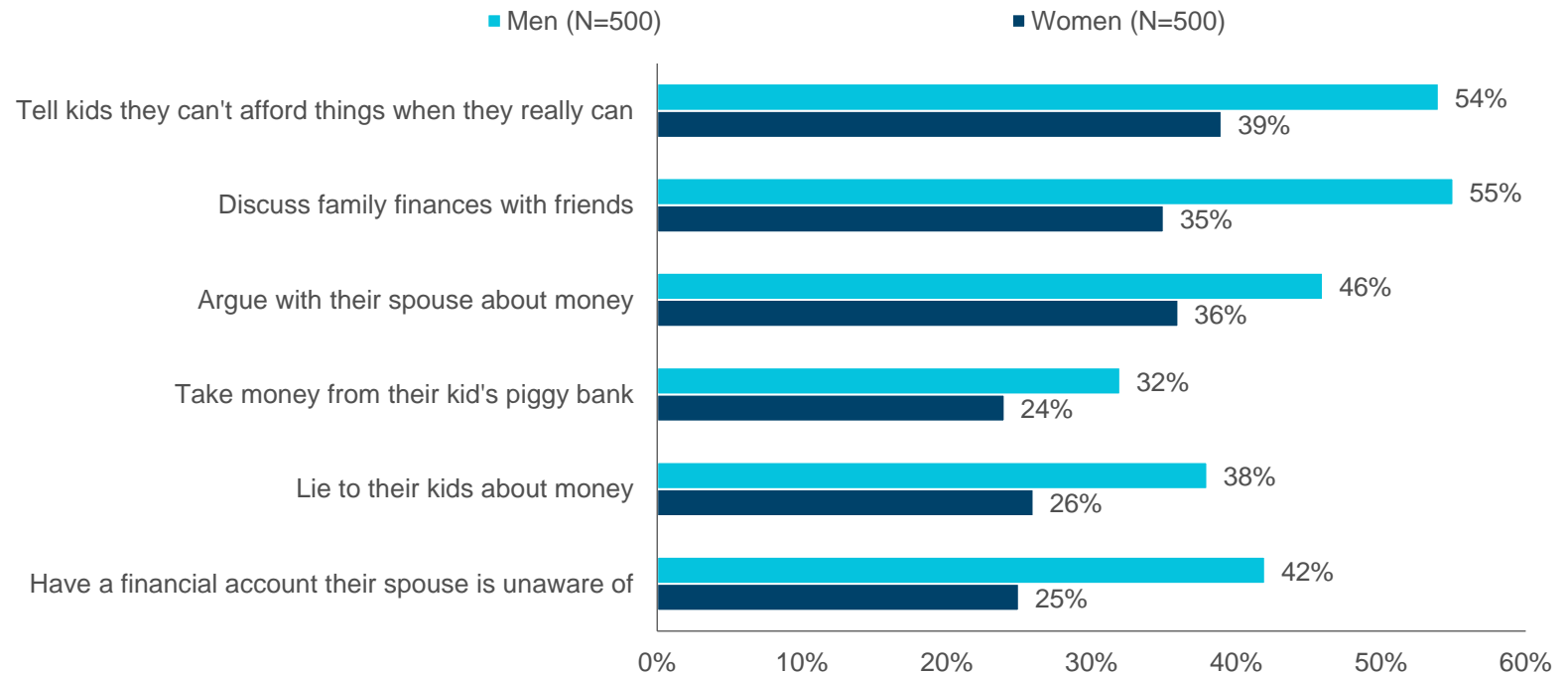
- 24% of married respondents have frequent discussions with their spouse about retirement
- 31% save less than 5% of their annual income
- 38% rank “saving” highest for what they are most likely to do with money that is left over after paying monthly bills
- 38% of those expecting an inheritance will use the money to pay for retirement
- 41% regularly set financial goals
- 42% regularly save for retirement



MEN'S BAD BEHAVIOR

Men's Bad Behavior

PERCENT OF PARENTS WHO:



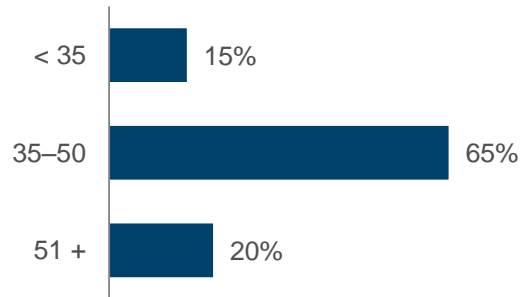
- Men are more likely than women to display various "bad" behaviors



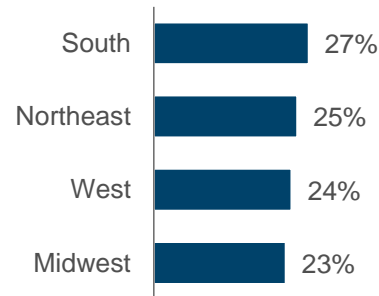
RESPONDENT PROFILE

Respondent Profile

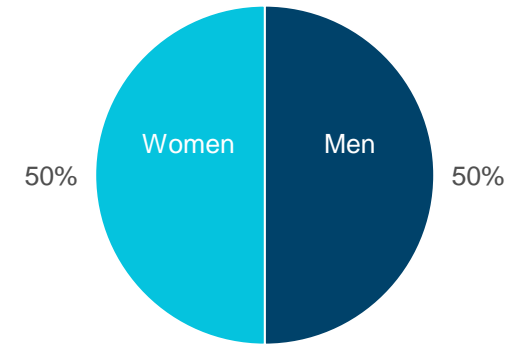
Q1. AGE



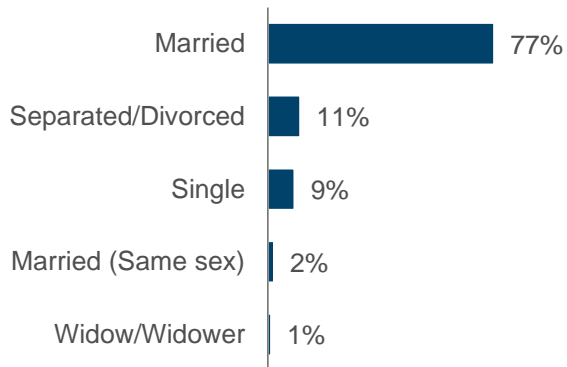
Q2. REGION



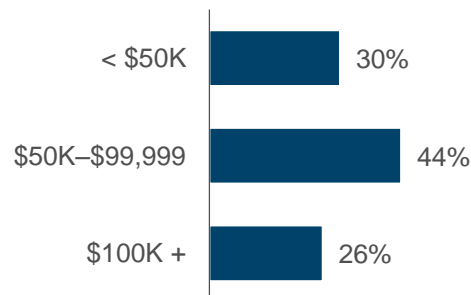
Q3. GENDER



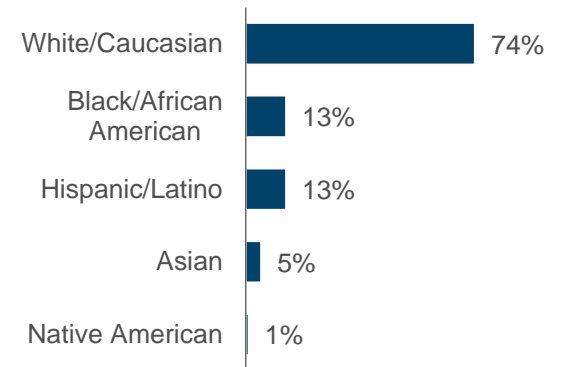
Q4. MARITAL STATUS



Q5. HHI

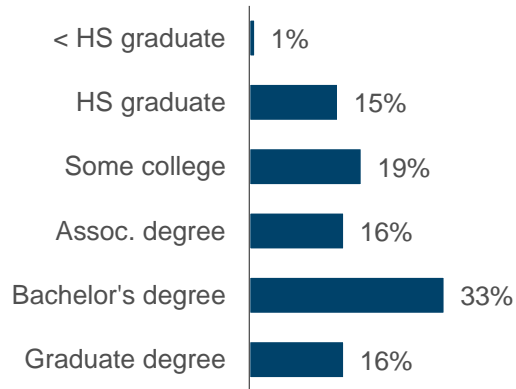


Q6. RACE/ETHNICITY

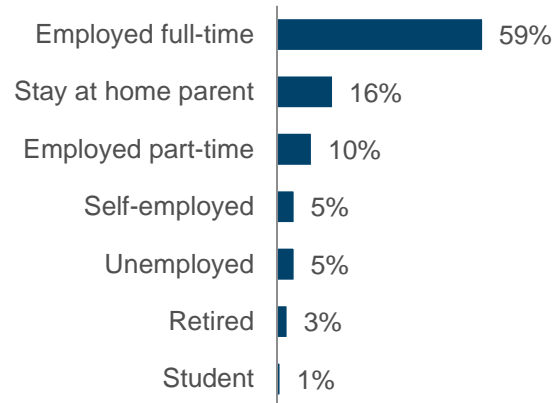


Respondent Profile

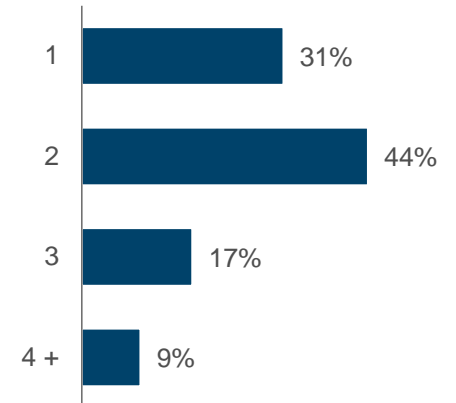
Q7. EDUCATION LEVEL



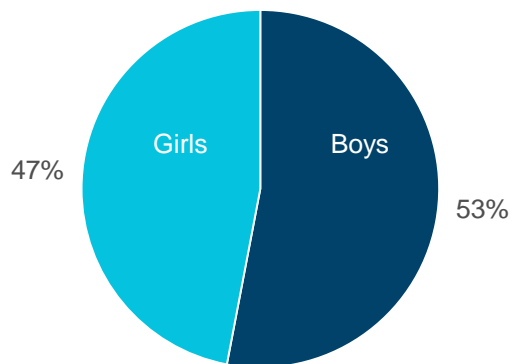
Q8. EMPLOYMENT STATUS



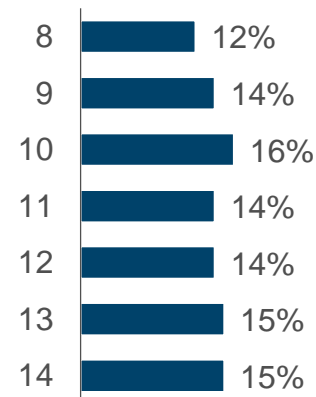
Q9. # KIDS IN HH



Q11. KID GENDER



Q12. KID AGE



T. Rowe Price Parents, Kids & Money Survey
 N=1,000 (Parents: Total respondents); N=881 (Kids: Total respondents)



OBJECTIVE & METHODOLOGY



Objective & Methodology

Objective

- To understand the basic financial knowledge, attitudes and behaviors of both parents of children ages 8-14 and their children ages 8-14.

Methodology

- T. Rowe Price commissioned an online survey of parents of children ages 8-14 and their children ages 8-14.
- The survey was fielded from 1/20/15 to 1/27/15, with parent quotas of at least 50% men and 50% women.
- A total of 1,000 parents and 881 children ages 8-14 in the U.S. participated; the sampling error for a sample of 1,000 is +/- 3.1% at the 95% confidence interval.
- The survey was fielded through MarketTools, Inc.

T.Rowe Price®



THANK YOU.