



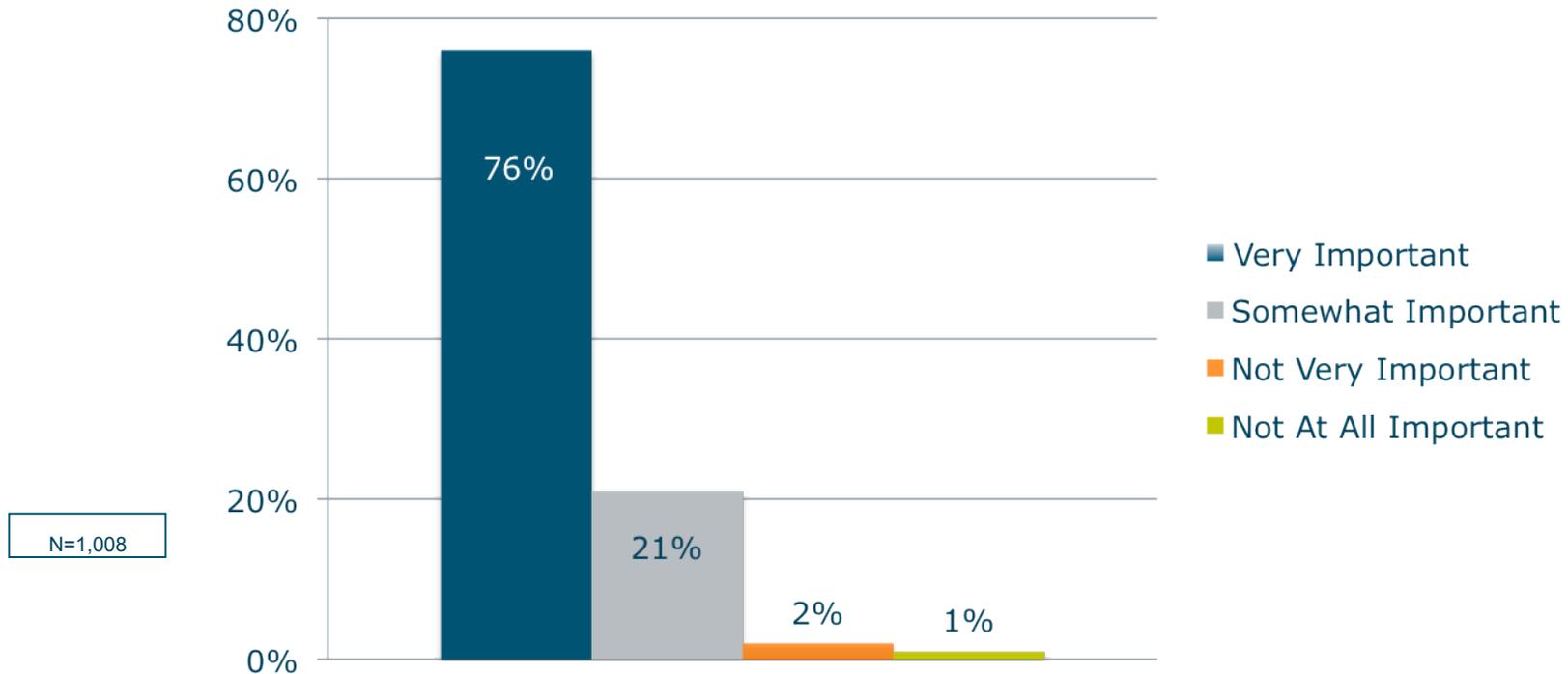
Third Annual Parents, Kids & Money Survey

Detailed Results

March 2011

Conversations About the Importance of Saving

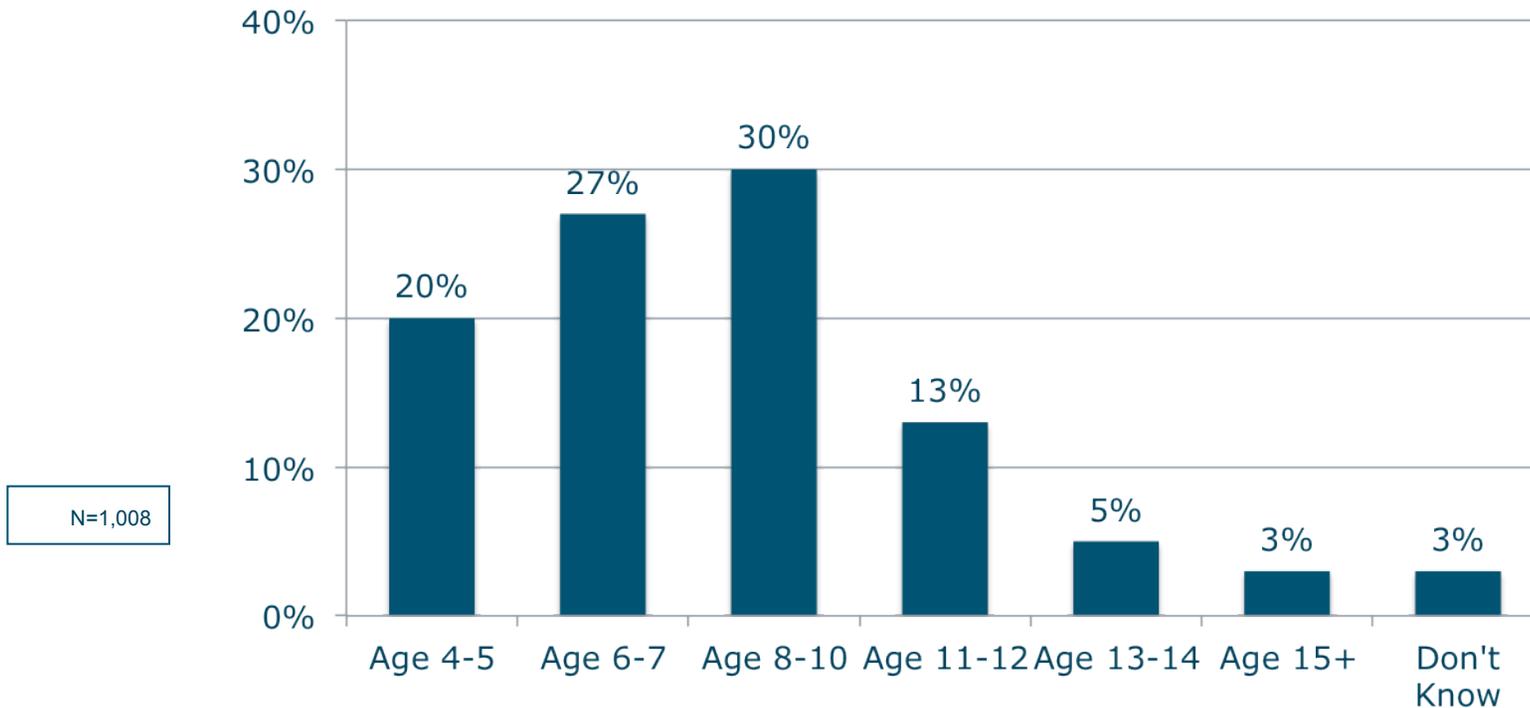
Q1. How important do you believe it is to have conversations with your (child/children) 8-14 about money and the importance of saving and spending?



Not surprisingly, parents overwhelmingly feel that it is important to have conversations with their children about the importance of saving and spending. These results are similar to those reported in the 2010 survey.

Best Age to Begin Conversations

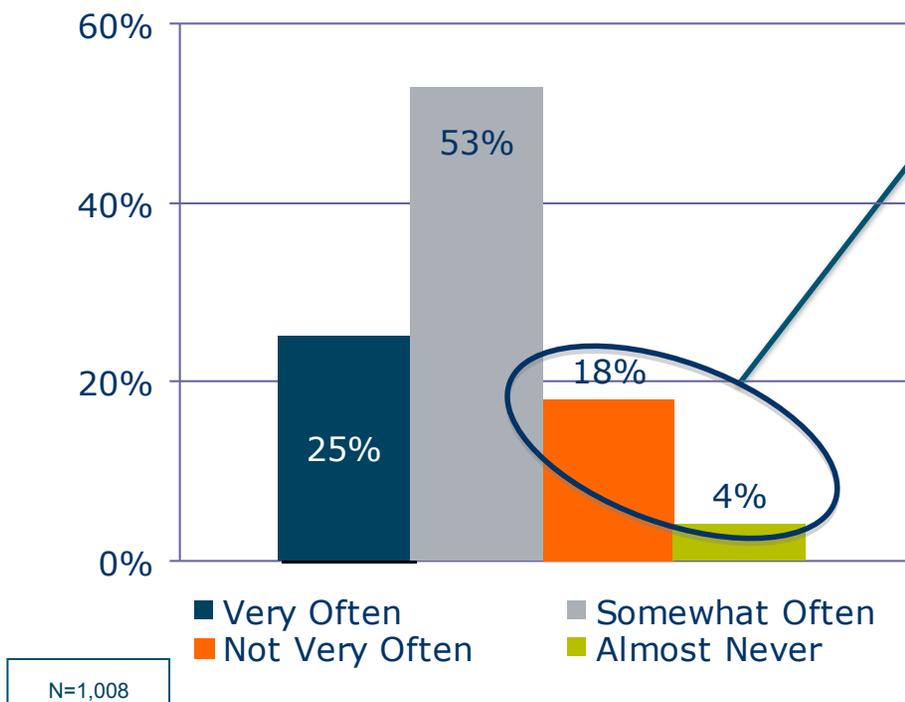
Q7. In your opinion, what is the appropriate age to begin discussions about the importance of saving and spending?



A majority of parents feel that starting the conversation about finances with their children early is important, with three-fourths (77%) believing the conversations should begin before age 10 and 47% thinking they should start by age 8.

Frequency of Conversations

Q2. How often do you actually have conversations with your (child/children) 8-14 about money and the importance of saving and spending on a regular basis?

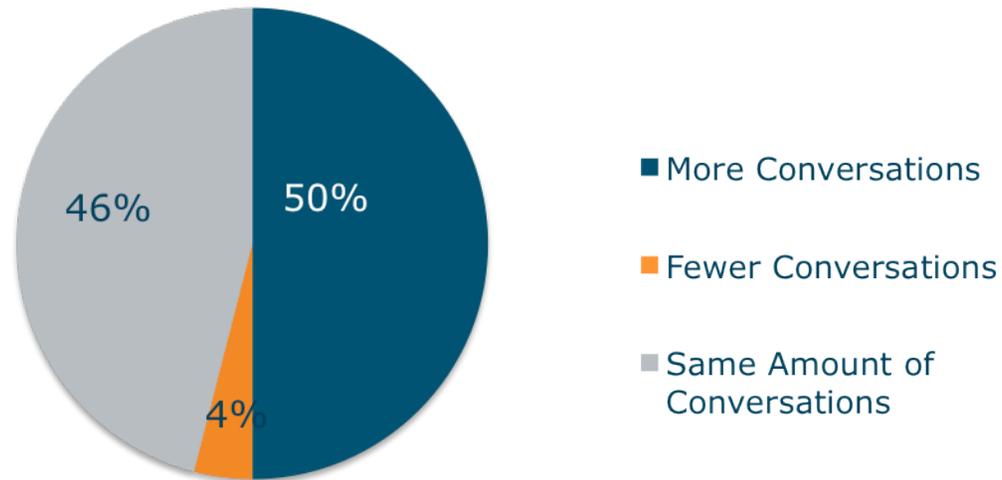


Q3. What is the main reason you do not have conversations? N=228	
My children already understand the basics of spending and saving	36%
Not a priority at this time	28%
Its hard to find time/very busy	11%
I do not feel that it is appropriate to discuss spending decisions with my children	5%
The topic of money is hard to explain	6%
I do not feel like I have enough information	4%
I am not knowledgeable enough to have those conversations	3%
Other	8%

The majority (78%) of parents are having conversations at least somewhat often – every few weeks or more – with their children about money. Among the 22% of parents who talk about saving and spending “not very often” or “almost never,” more than one-third (36%) state their children already understand the basic concepts. More than one-quarter (28%) feel having conversations are not a priority at this time. Some parents not having regular conversations stated that resources, such as a book, website or game, would help them to have those conversations.

Frequency of Conversations

Q5. Compared to a year ago, are you having more, fewer, or about the same number of conversations about money and the basics of saving and spending with your children?

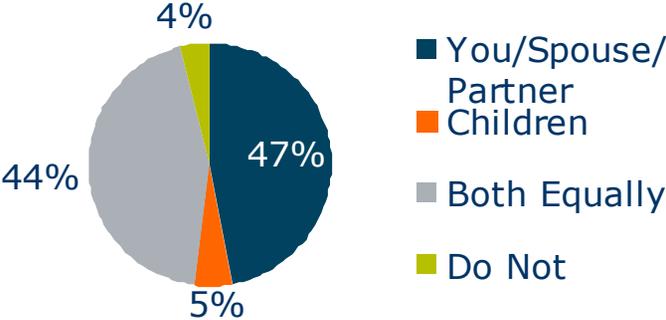


N=1,008

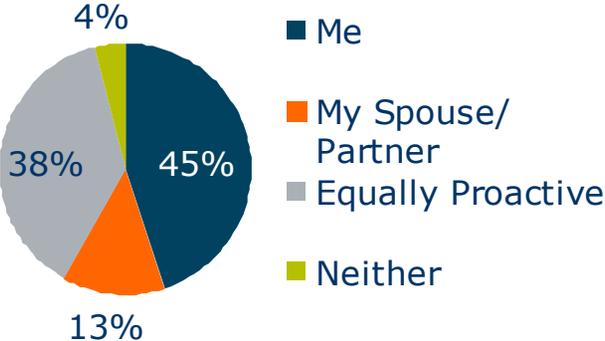
Half of parents (50%) are talking more with their children about money and the basics of saving and spending compared to a year ago. The top reasons for the change in frequency of financial conversations is the economy and because as children get older, they are better able to understand the topics, begin to earn their own money and want to spend more money.

Who Talks About Money?

Q8. Are conversations about money usually brought up by:

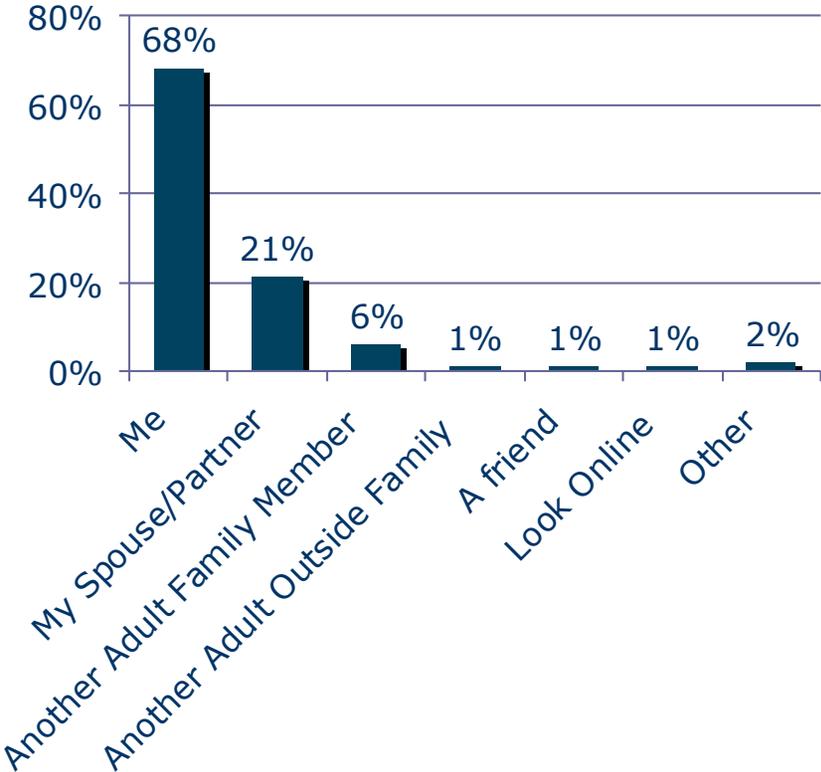


Q10. Who takes a more proactive approach to discussing money and the basics of saving and spending with your (child/children) 8-14?



N=1,008

Q9. Who (does/do) your (child/children) 8-14 typically go to first when they have questions about money

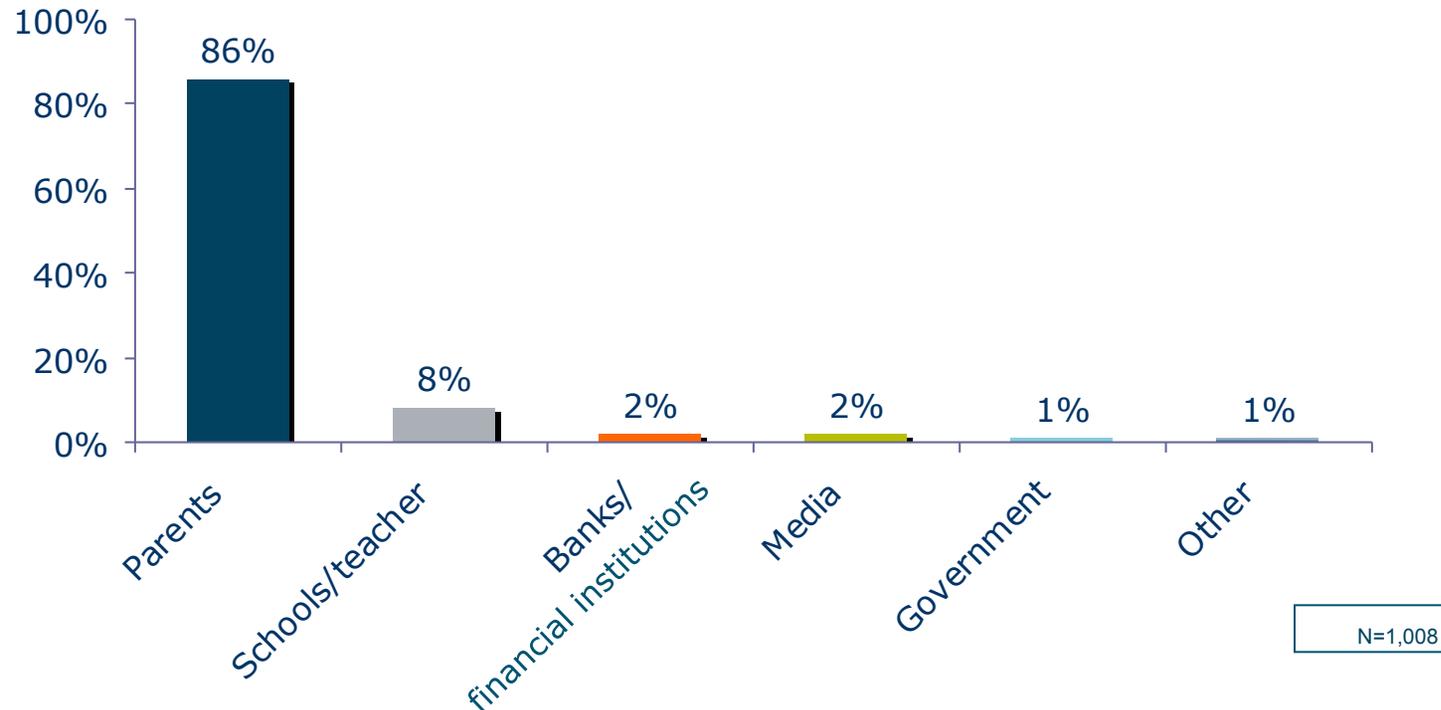


Parents are proactive when it comes to money conversations and are the first stop when children have spending and saving questions. Three in five parents (61%) report that children with money questions typically go to mom first. In families who proactively discuss money topics, moms are more proactive than dads (33% vs 27%).



Responsibility for Teaching Personal Finance

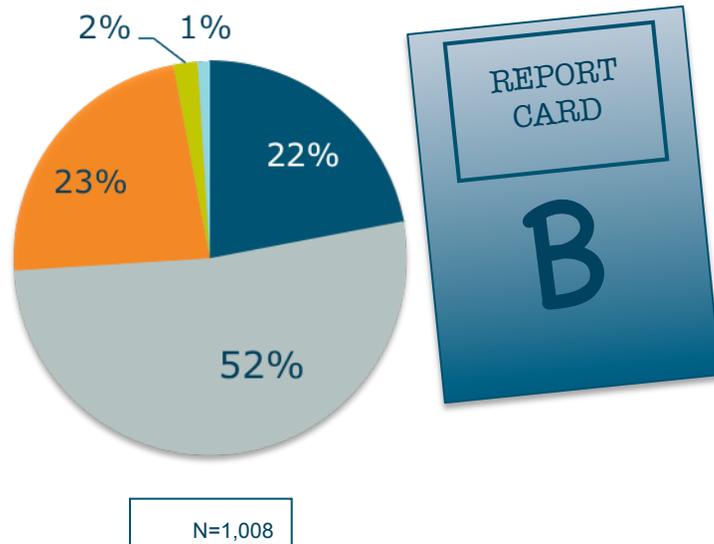
Q29. Who do you think should be primarily responsible for teaching children 8-14 about the basics of personal finance (setting goals, the importance of saving, spending smartly, inflation, diversification, and asset allocation)?



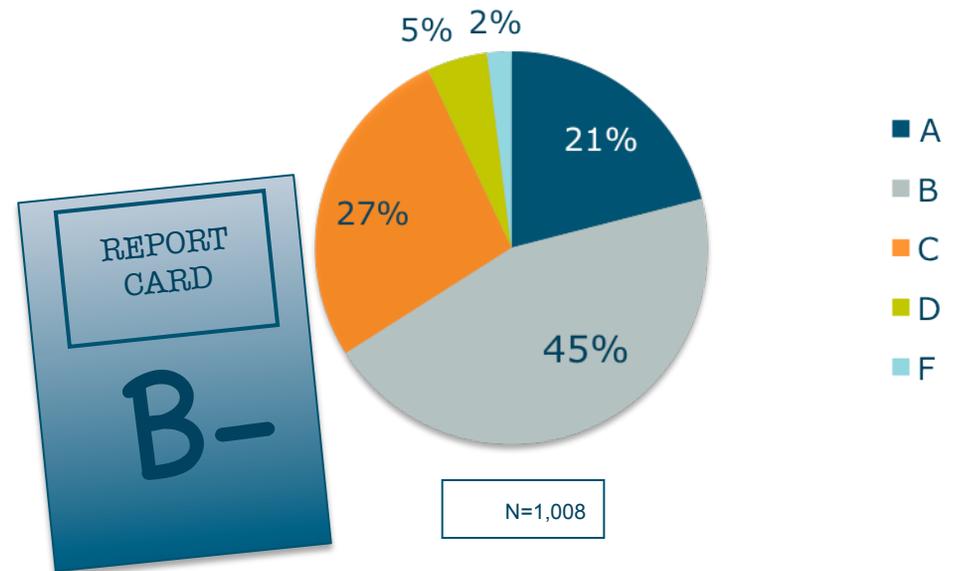
Parents overwhelmingly feel that they should have primary responsibility for teaching their children about personal finance, with 86% stating it is their role. Nearly one in ten (8%) feel schools or teachers should be primarily responsible for teaching this topic, with only a few thinking others should take the lead.

Parent Report Cards

Q12. If you were to give yourself a grade when it comes to your personal knowledge about money (your total understanding of setting goals, the importance of saving, spending smartly, inflation and diversification) what grade would you give yourself?



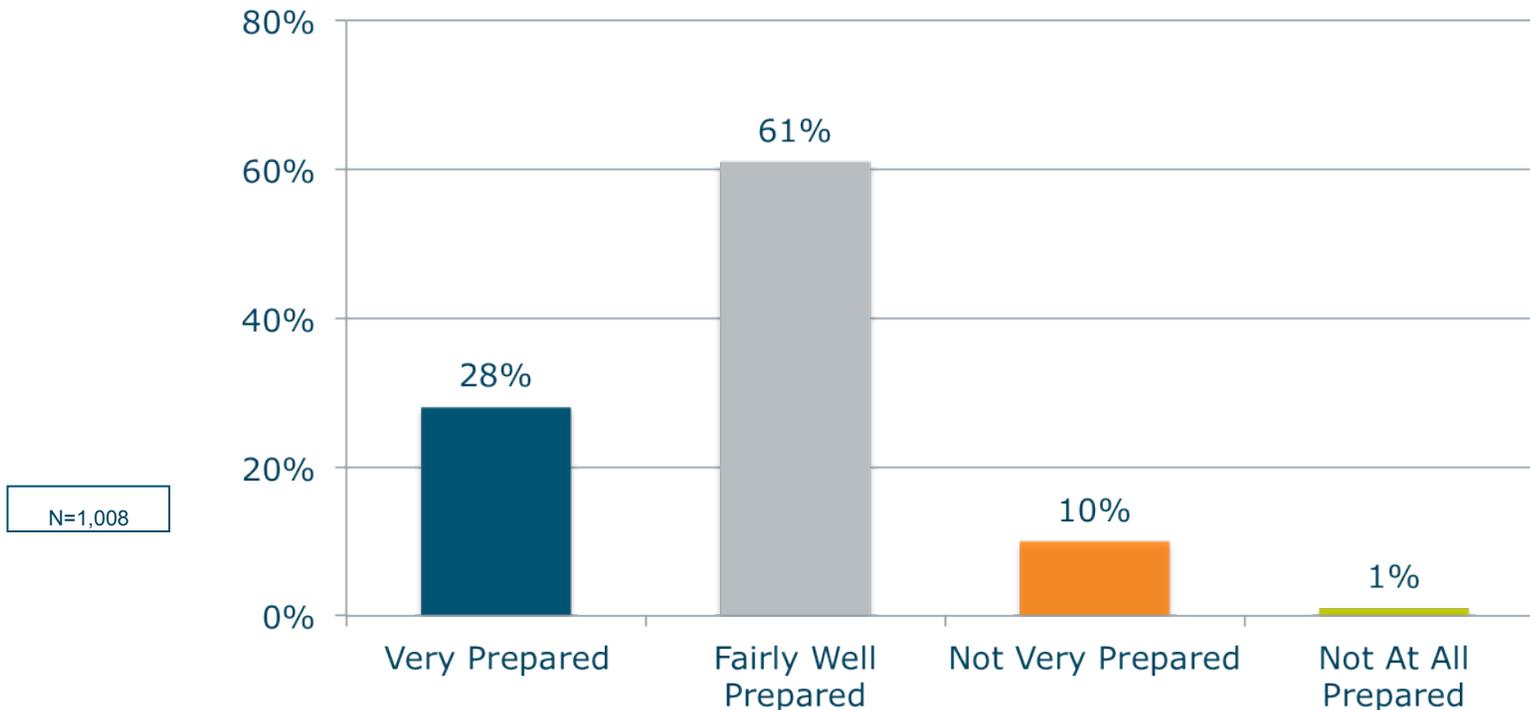
Q16. If you were to grade yourself as a role model for your (child/children) 8-14 regarding your savings and spending habits, what grade would you give yourself?



Parents grade themselves a B when it comes to their knowledge of money issues but a B- on how they serve as a role model for their children in terms of their own saving and spending habits. One quarter of parents (26%) grade themselves a C or lower on their knowledge about money topics, and one third (34%) give themselves a C or lower as a role model. This may leave a mixed message of “do as I say, not as I do” being presented to children when it comes to money matters. Of interest, significantly more men (28%) grade themselves an A compared to women (17%) when it comes to their personal knowledge of money.

Prepared for Conversations

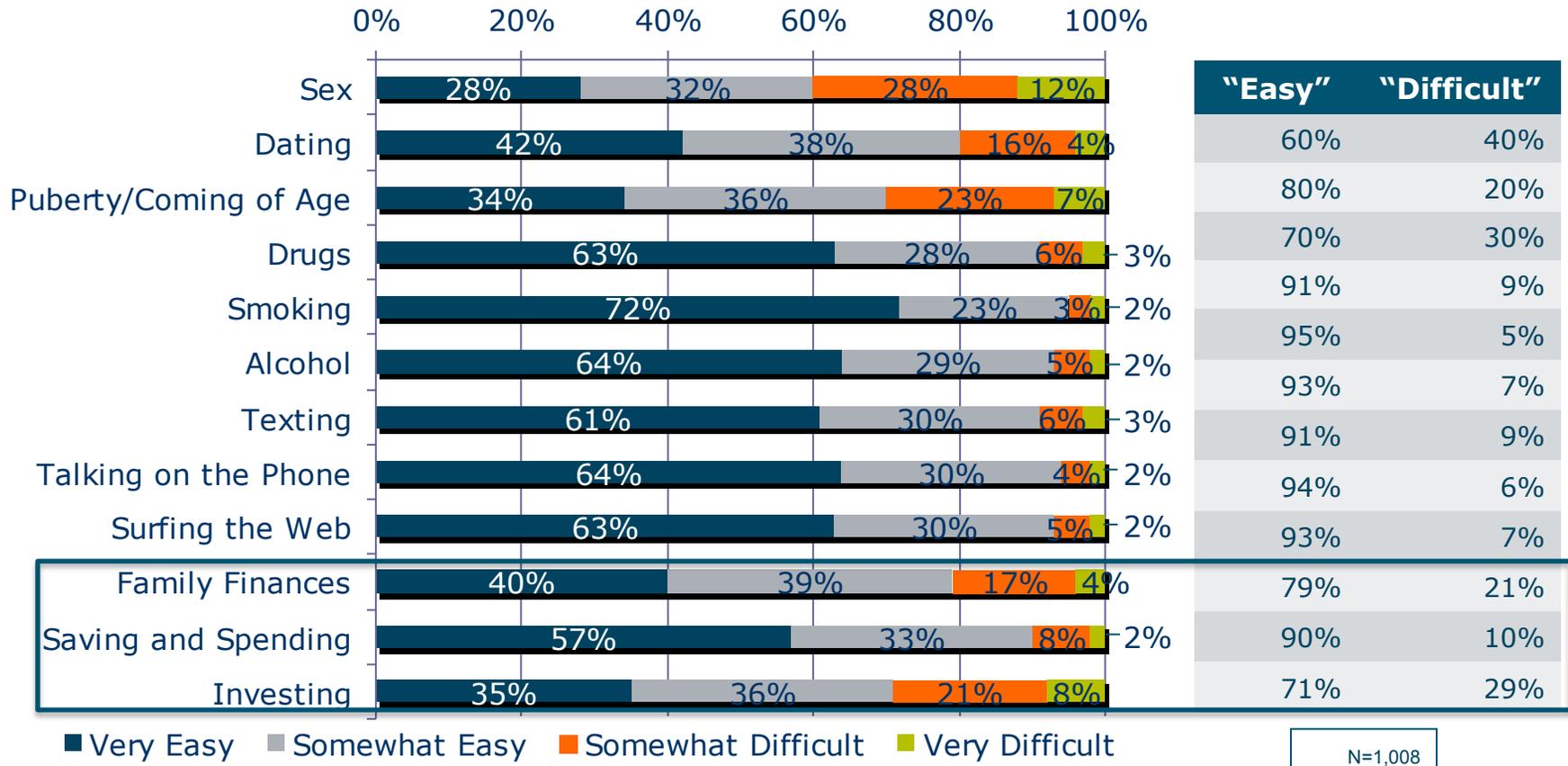
Q13. How prepared do you feel to teach your (child/children) 8-14 about basic finances such as setting goals, the importance of saving, spending smartly, inflation and diversification?



A majority (61%) of parents feel they are “fairly well prepared” to discuss basic financial issues with their children. This finding, combined with the overall parent grades, indicates there is room for improvement in helping parents better understand how to discuss financial issues with their kids and to move them more into the “very prepared” and “A grade” ranges.

Ease of Financial Conversations

Q11. How easy or difficult do you find the following topics to discuss with your (child/children) 8-14?

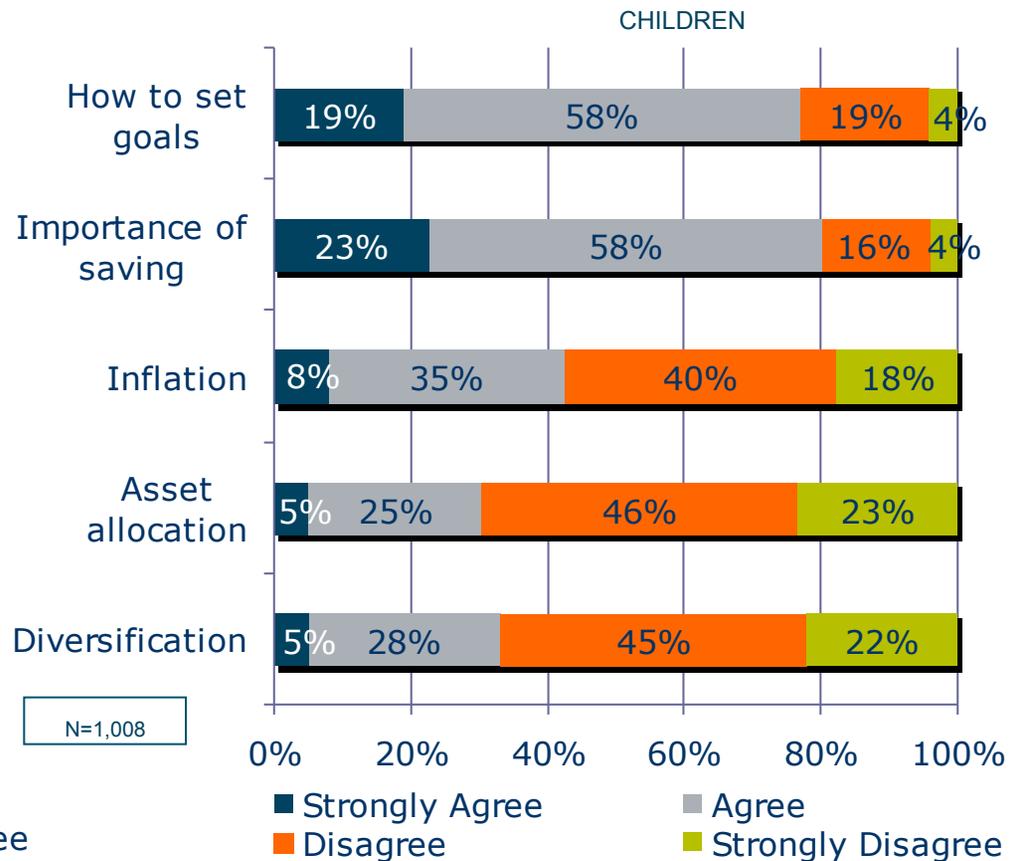
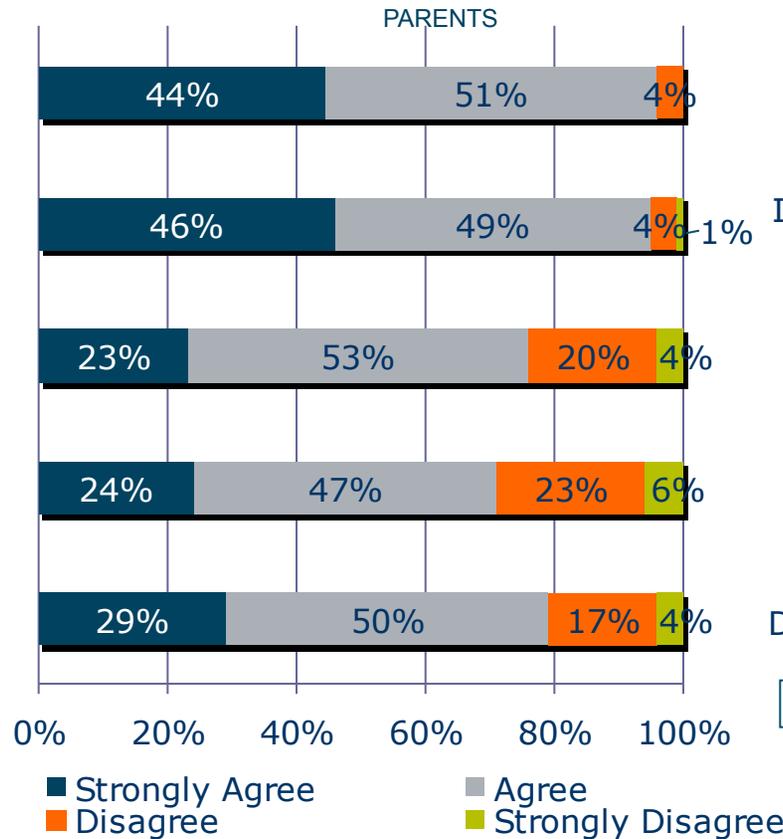


When it comes to financial topics, parents generally find it easier to discuss saving and spending than family finances or investing. Relative to other topics important to discuss with children, parents actually have an easier time discussing drugs and alcohol than family finances. They also find talking about investing just as difficult as talking about puberty/coming of age. With the exception of family finances and investing, women rated these topics "very easy" to discuss significantly more than men.

Understanding of Financial Terms and Practices

Q14. How much do you agree or disagree with each of the following statements: I have a really good understanding of...

Q15. My child/children have a really good understanding of...

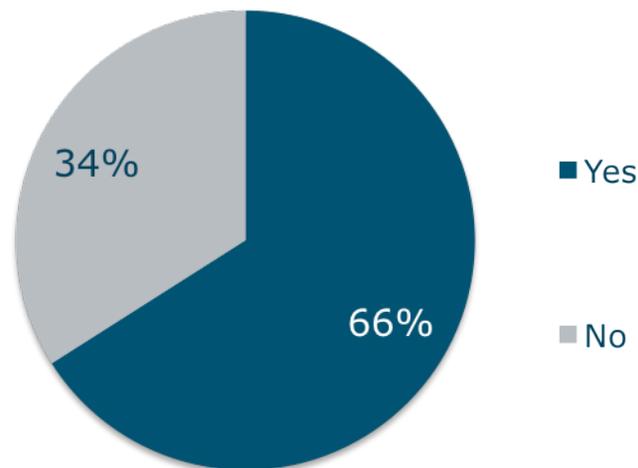


Parents report having a solid understanding of how to set goals and the importance of saving, but are less knowledgeable about other financial principles. They also report that their children have room to learn more about these basic concepts, particularly inflation, asset allocation and diversification. This presents an opportunity for parents to share with their children their knowledge of finances.



Parents Agree They Could be Doing More

Q22. Do you think you could be doing more for your (child/children) 8-14 to teach them about money and the basics of saving and spending?

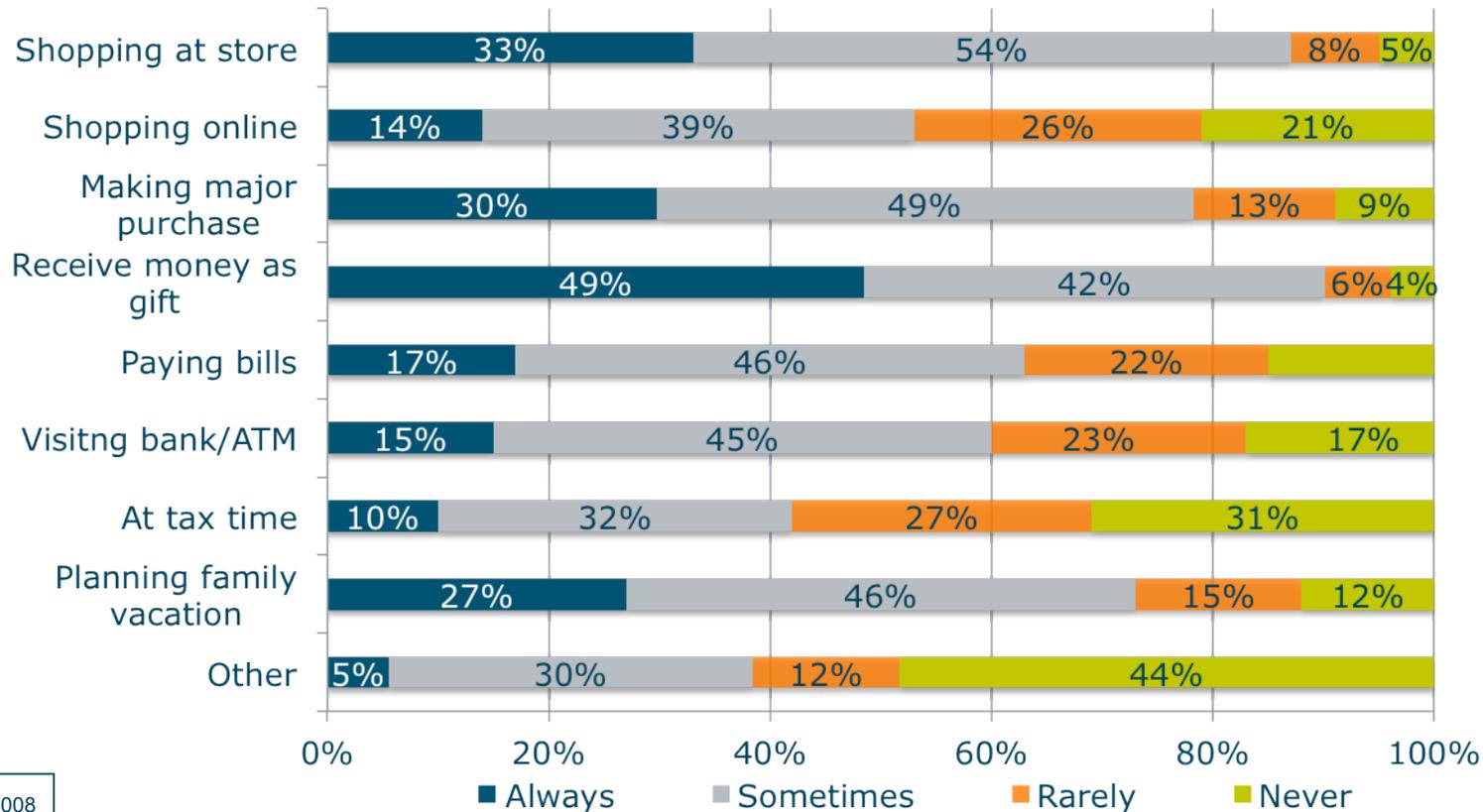


N=1,008

Two-thirds (66%) of parents feel they could be doing more to teach their children about the basics of saving and spending. When asked what more they would like to do to help teach their children, top responses included starting an allowance, encouraging more saving, educating more on financial topics, and setting a good example with their own actions.

Teachable Moments

Q23. How often do you take advantage of teaching your (child/children) 8-14 about money at each of the following moments?

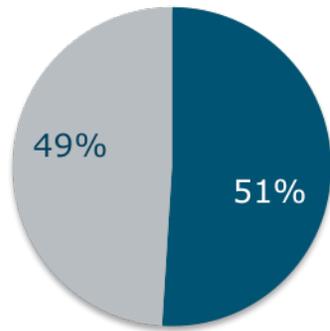


Although parents often take advantage of “teachable moments” during certain family activities such as shopping at a store or when children receive money as a gift, they tend to miss opportunities to have these conversations during other times such as shopping online, paying bills, or visiting the bank or ATM.



Financial Game Nights

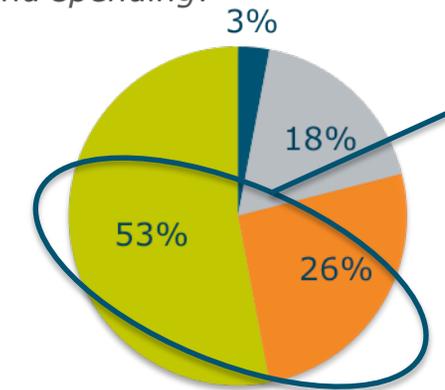
Q24. Do you have game nights at home on a regular basis with your (child/children) 8-14 where you play board or video games together?



■ Yes ■ No

N=1,008

Q25. How often do you set aside time or have a "financial night" dedicated to talking with your (child/children) 8-14 about money and the basics of saving and spending?



■ Often ■ Sometimes
■ Rarely ■ Never

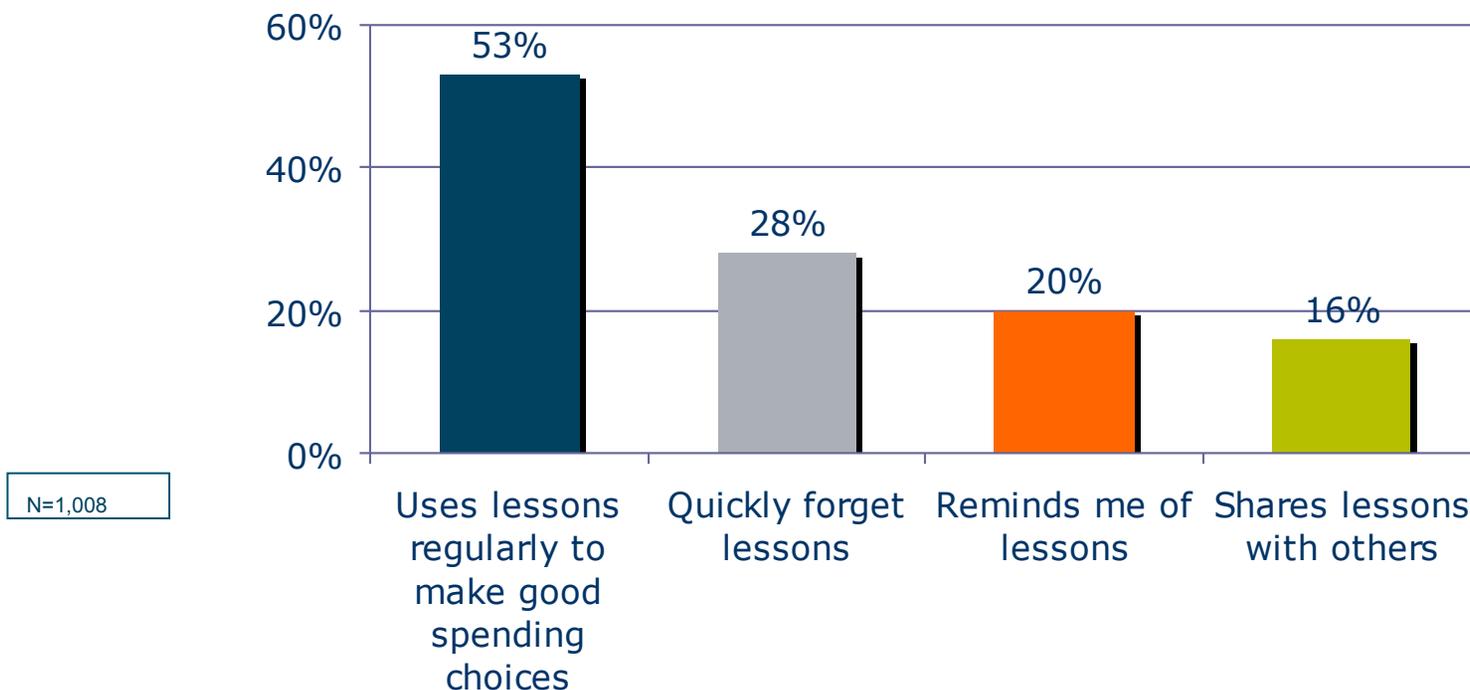
Q25a. What are the main reasons you do not have financial nights with your (child/children) 8-14?

Reasons why no financial nights with children		N=797
Never thought of it	51%	
My children already understand the basics	23%	
Not a priority at this time	22%	
Hard to find time/busy	13%	
Don't have enough information	5%	
Not knowledgeable enough	4%	
Topic of money is hard to explain	4%	
Other	11%	

More than half (51%) of parents have a regular game night with their children, but 79% have never or rarely hold a dedicated financial night with them. Among those who do not, more than half (51%) simply never thought of it. This suggests an opportunity to hold a dedicated family financial game night as a way to turn financial education into a fun and interactive family activity.

How Children Use Spending/Saving Lessons

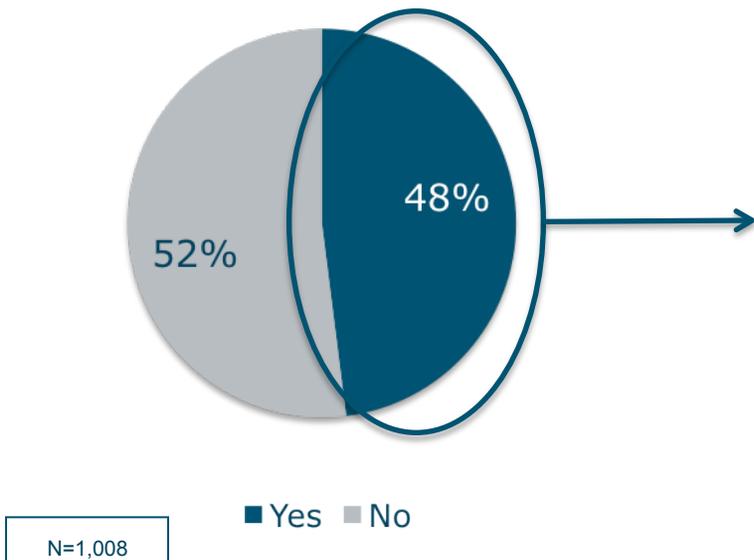
Q6. Overall, which of the following best describes the behavior you observe in your children as a result of your conversations about money?



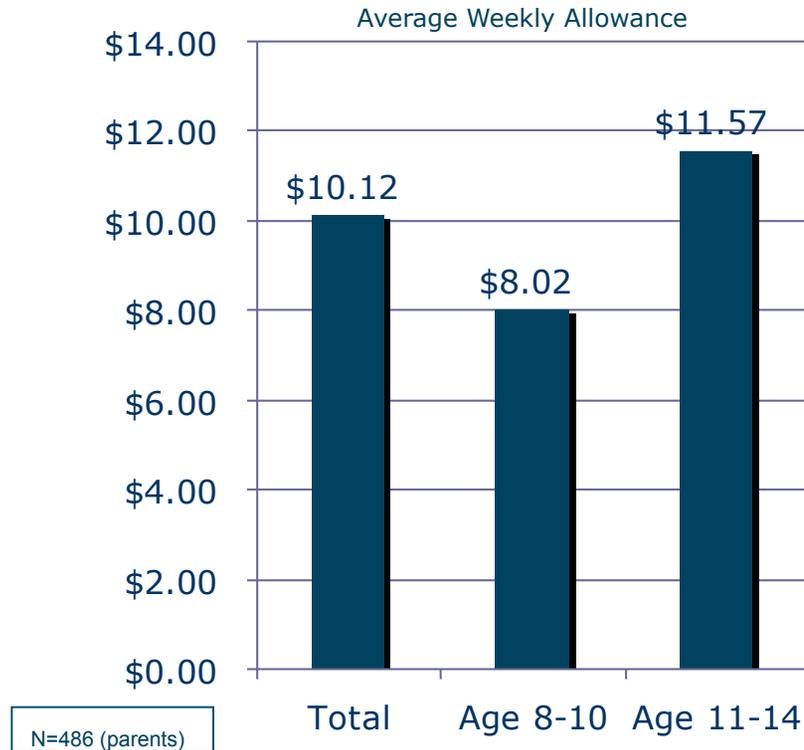
More than half (53%) of parents agreed that their children use their financial conversations as the basis to make good choices about how they spend money. Still, more than one-quarter (28%) quickly forget those lessons. The fact that 20% of the time their children remind them of the money lessons they had discussed suggests that parents may not always be practicing what they preach.

Allowances

Q17. Do you give your (child/children) 8-14 an allowance?



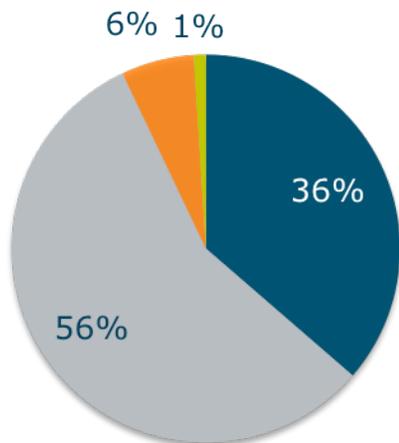
Q18. How much allowance do you give your (child/children) 8-14 per week (to the nearest dollar)?



Parents are nearly equally split on whether or not they give their children a weekly allowance, with 48% reporting they do give their children an allowance. Not surprisingly, children ages 11-14 receive greater allowances than those ages 8-10.

Children's Allowance Spending Habits

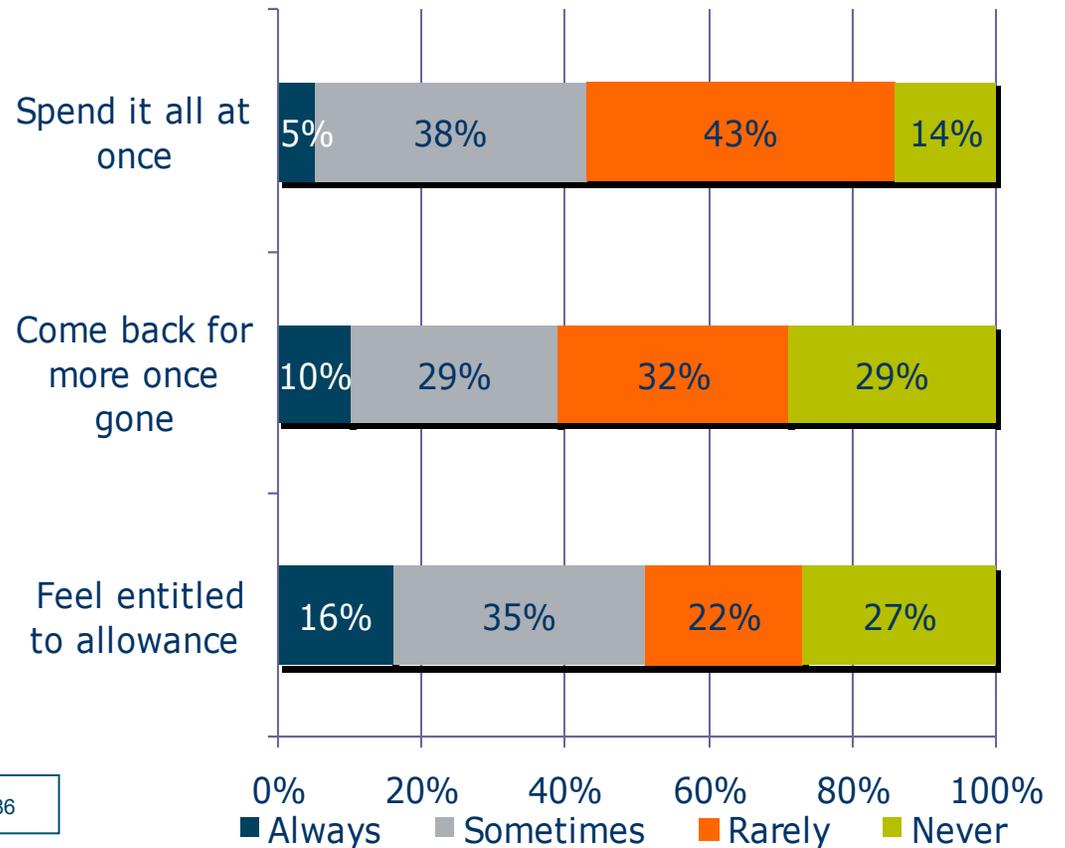
Q19. How often do you discuss with your (child/children) 8-14 how the allowance should be handled – specifically, discussions about how much should be saved, spent, and/or donated?



■ Always ■ Sometimes ■ Rarely ■ Never

N=486

Q20. Regarding the allowance, how often (does/do) your (child/children) 8-14 engage in the following behavior?

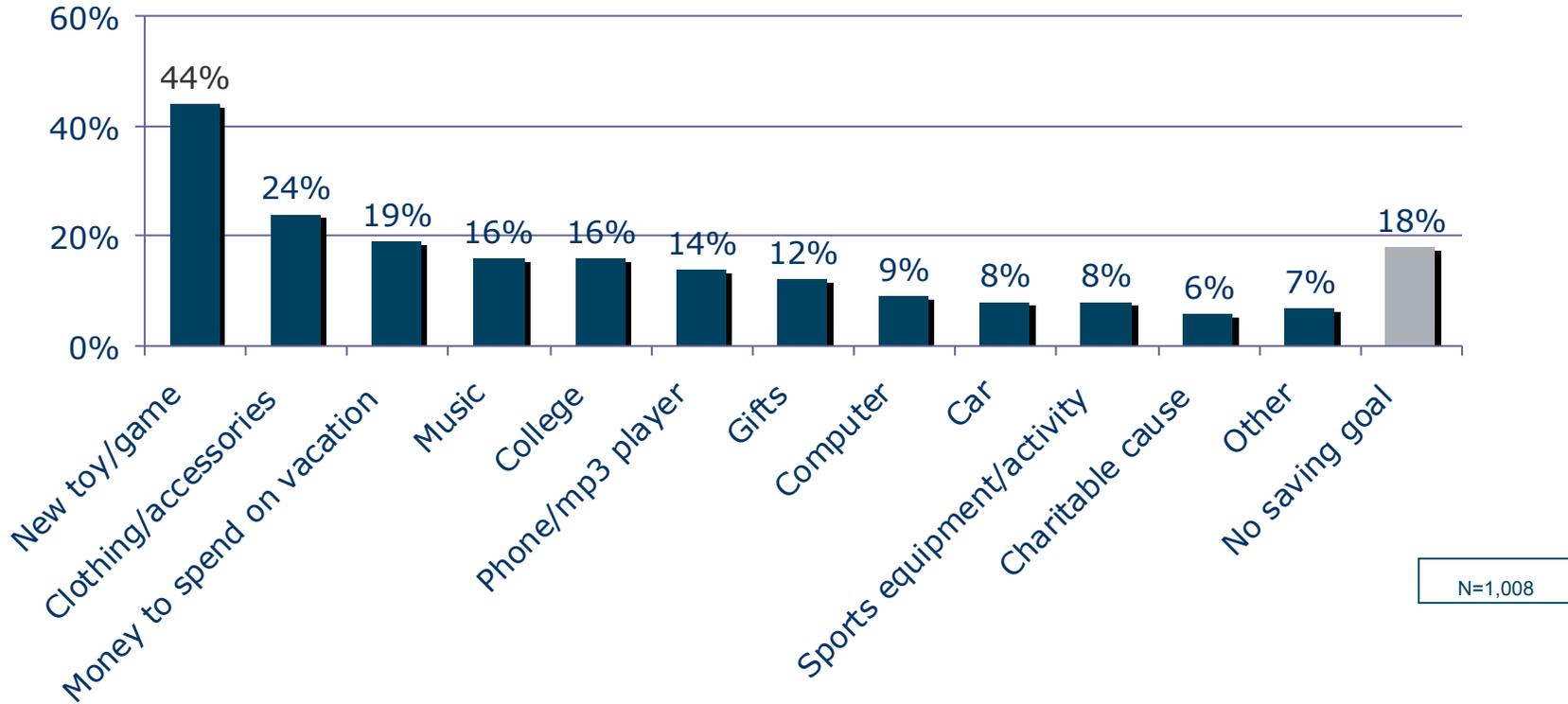


More than one-third (36%) of parents “always” talk with their children about their allowance, with more than half (56%) discussing it “sometimes.” Nevertheless, 43% of kids at least sometimes spend it all at once and 39% sometimes or always come back for more – suggesting that they have room to grow in their financial habits.



Children's Saving Goals

Q21. What type of goal, if any, (is/are) your (child/children) 8-14 actively saving money for?
(select all that apply)



Most children are actively saving for a goal, with most (44%) saving for a new toy or game. Still, 18% of children ages 8-14 are not currently saving for any goal at all. Of interest, more children are saving for college (16%) than a car (8%). The fact that children are saving for a goal – and that their parents are aware of it – should help make it easier for parents to use concrete examples when talking to their children about saving versus spending. The 18% who are not saving for a goal creates an opportunity to reinforce the importance of goal setting as the starting point to savings.

Additional Teaching Resources

Q26. Which of the following items would you find useful in teaching your (child/children) 8-14 about personal finance? (select all that apply)

Helpful for Teaching	N=1,008
My own life experience	69%
Free online educational game	45%
Website with tools/tips/advice	29%
Brochure with tips	24%
Online tools or calculators	20%
Seminar on saving/investing plans	10%
Other	3%

Parents would find additional resources to be useful when teaching their children about personal finances. Outside of their own life experiences, parents say the resource they would find most useful would be a free online educational game, followed by websites with tools, tips, and advice.

Facilitating family financial conversations and helping convey basic money lessons is one reason T. Rowe Price collaborated with Walt Disney Imagineering and Walt Disney Parks and Resorts Online to create *The Great Piggy Bank Adventure*®, which offers lessons on goal setting, spending vs. saving, inflation, and diversification. *The Great Piggy Bank Adventure*® comes to life through a free online board game at www.thegreatpiggybankadventure.com and through a hands-on, interactive experience at INNOVENTIONS at Epcot® at the Walt Disney World® Resort in Florida.

T. Rowe Price and Disney Enterprises, Inc., are not affiliated companies.



Demographics & Methodology

Survey Goal & Methodology

Goal

- To understand the basic financial knowledge, attitudes and behaviors of parents of children ages 8-14 years old, as it relates to teaching their kids about money.

Methodology

- T. Rowe Price commissioned an online survey of parents of children ages 8-14 years old.
- The survey was fielded from February 20 - March 7, 2011, with quotas of at least 500 men and 500 women.
- 1,008 parents in the U.S. participated; the margin of error is +/- 5.0 percentage points.
- MarketTools, Inc. administered the survey.

T. Rowe Price and MarketTools, Inc. are not affiliated companies.

Demographics

Marital Status

Single, never married	11%
Married/domestic partnership/living with partner	78%
Separated/divorced	8%
Widowed	2%
Prefer not to answer	<1%

Region

Northeast	22%
Midwest	29%
South	29%
West	20%

Employment

Employed full time	51%
Employed part time	10%
Self-employed	6%
Not employed, looking for work	5%
Not employed, not looking	1%
Retired	7%
Student	4%
Homemaker	15%
Prefer not to answer	1%

Income

Under \$25,000	9%
\$25,000-\$49,999	23%
\$50,000-\$74,999	25%
\$75,000-\$99,999	18%
\$100,000-\$149,999	14%
\$150,000 or more	6%
Prefer not to answer	6%

Demographics

Age	
18-24	6%
25-29	4%
30-34	14%
35-39	16%
40-44	19%
45-49	17%
50-54	10%
55-59	5%
60-64	4%
65 or older	5%

Gender	
Male	50%
Female	50%

Spanish/Hispanic/Latino	
Yes	12%
No	88%

Ethnicity	
White/Caucasian	83%
Black/African American	13%
Asian	<1%
Pacific Islander	0%
Native American	<1%
Other	3%
Prefer not to answer	<1%