

The M&S Money Under 18's Work and Money Survey 2010

A report into the UK's under 18s attitude to and experience of work and money



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Foreword

This is the 'M&S Money: Under 18's Work and Money Report 2010', an analysis and overview of the attitudes to work and money of under 18s in the United Kingdom today. Recent economic issues have led to an increase in debate about the financial knowledge of individuals living in the United Kingdom (UK). This report has been compiled to display and discuss the findings of the research into the financial knowledge and behaviour of today's younger generation, 8-18 year olds. The report also investigates the level of input from parents and grandparents into children's awareness of money matters. Additionally, Amanda Newman, Head of Marketing at M&S Money, will offer an overview and comment throughout.

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8-18s: the tweens and teens

The M&S Money 'Under 18's Work and Money Report 2010' looks at two defined age groups, reflecting key stages of child development. These are:

- Tweens – (8-13 years old) the older child/pre-teen years, where first contact with money matters and financial resources will become noticeable.
- Teenagers – (14-18 years old) the core teenage years, when financial matters are starting to play a larger role in their life. Some may be working and most are considering their futures.



Income levels and sources

8-13 year old 'tweens'

Pocket money income

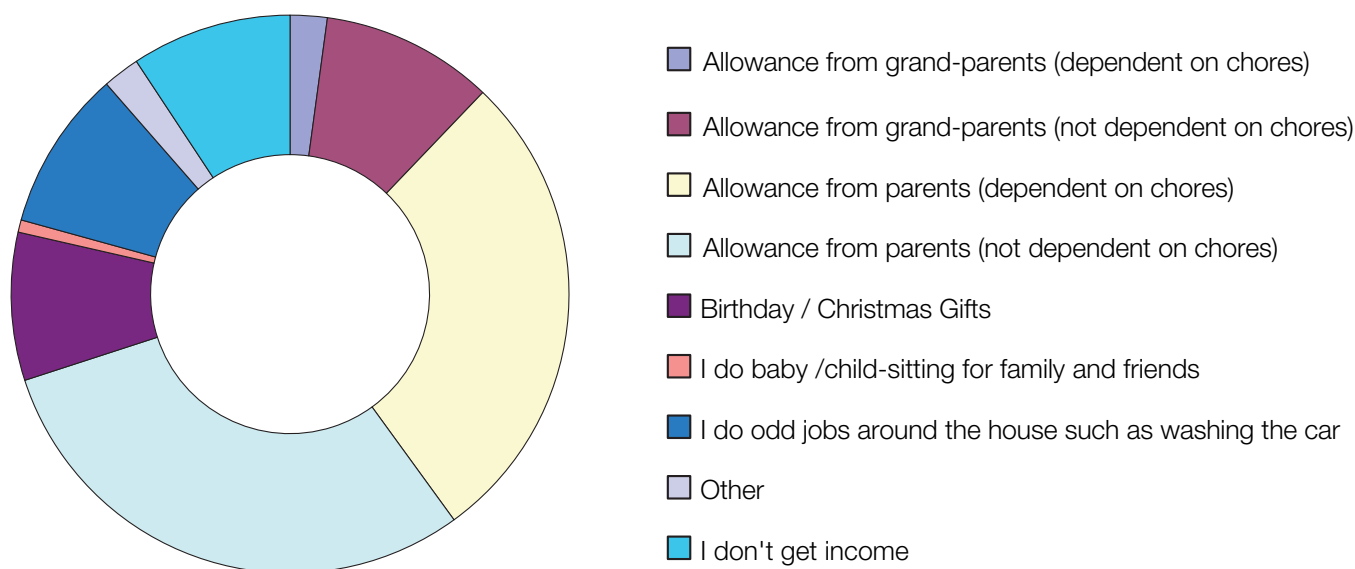
For the 'tween' age-group, the average monthly income from pocket money and helping around the house is £14.30. The amount received rises from £9.70 for 8-9 year olds to £19.40 for 12-13 year olds. 11% of this age group do not receive any pocket money.

Where does the money come from?

For most tweens pocket money is not dependent on chores; 42% are given money by their parents each month, and 14% given money by their grandparents. However, more than one in three (39%), more than one in three, do have to help around the home with tasks such as cleaning to earn their pocket money. And 3% earn money in this way from grandparents. In addition, 13% earn extra money from doing jobs such as washing the car, and 1% babysits to earn money.

How tweens earn their money

Fig. 1 – Earning methods - tweens



'Teens' income

Teenagers aged 14-18 years old have a far higher average monthly income than tweens, of £74.20.

This amount increases at a rapid pace as teenagers approach the higher end of the age bracket, with the total monies received rising from £35.40 for 14-15 year olds, to £86.80 for 16-17 year olds and £219 for 18 year olds. 20% of all teenagers have a monthly income of £100 or more, yet 5% have a zero income.

Sources of teenage income

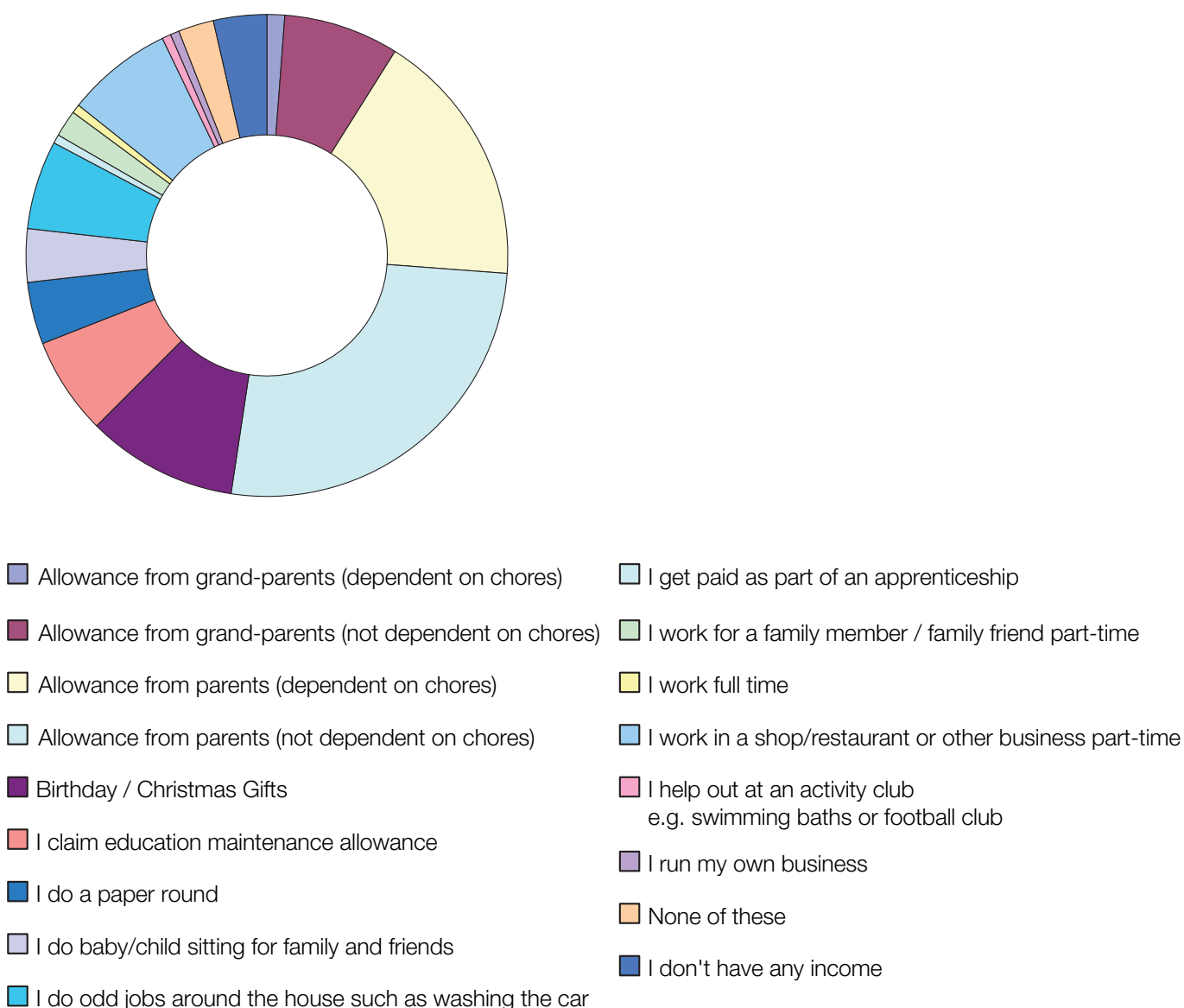
The primary source of monthly income of teenagers is still an allowance from their parents which is not dependent on chores, which 44% receive.

However, the rapidly rising level of teenagers' income reflects their greater propensity to work; the research reveals that 25% of 16-17 year olds and 30% of 18 year olds hold a part time job. Entrepreneurial spirit is also evident in this age group, with 3% of 18 year olds running their own business. 1% of 18 year olds are working full-time.

Older, time-honoured methods of generating income remain prevalent. Classic money earning enterprises such as paper rounds (7%), babysitting (6%) and washing the car (10%) rank as popular ways to earn money.

How teens earn their money

Fig. 2 – Earning methods - teens



Where does this money come from?

	Tweens (%)	Teens (%)
Allowance from grand-parents (dependent on chores)	3	2
Allowance from grand-parents (non-dependent on chores)	14	13
Allowance from parents (dependent on chores)	39	29
Allowance from parents (non-dependent on chores)	42	44
Birthday / Christmas gifts	12	17
I claim education maintenance allowance	n/a	11
I do a paper round	n/a	7
I do baby/child sitting	n/a	6
I do odd jobs around the house such as washing the car	13	10
I work for a family member part time	n/a	3
I work full time	n/a	1
I work in a shop/restaurant/other part time	n/a	12
I help out in a sporting activity club	n/a	1
I run my own business	n/a	1

Due to Government legislation around working age, younger age groups were unable to earn money in as many ways as the older age group.

Amanda Newman, Head of Marketing at M&S Money comments:

“Tweens are more likely than teens to help around the house in order to earn their pocket money. This is probably due to the fact that the older age groups are keen on gaining experience in the working world and earning higher sums than their parents can afford to give them.”

Impact of the recession on under 18s income

Tweens faring better than teens

The recession has affected a large percentage of the population, with people having to cut back and draw their purse strings ever tighter. The 'M&S Money: Under 18's Work and Money Report 2010' looked at how this is affecting under 18s income.

The results showed an interesting comparison between the two under 18 age groups, with tweens' lower income appearing to withstand the recession far better than teens'.

Over half of tweens (57%) have seen their pocket money levels remain constant in the last six months, and a lucky 17% have experienced a rise in their allowance. Only 11% have felt the bite of the recession, seeing their pocket money take a tumble in the past six months.

Teenagers experience the BIG freeze

Teenagers have felt a much greater blow to their finances. Almost one in four (23%) have had to cut back on their activities in the past six months and 16% have sold possessions to raise money. In addition, 15% of teenagers have received less money from their parents in the past six months and 8% have received less valuable presents.

Another impact on teenagers is job scarcity; over half (55%) of 16-18 year olds surveyed have attempted to supplement their income by finding a part time job in the last six months, more than twice the number that actually have one (25% of 16-17 year olds, 30% of 18 year olds).



Spending habits

The M&S Money research looked at both what parents, who are the key source of under 18 incomes, expect the money to be used for and what under 18s are actually spending on.

Parental expectations

With the main income of both tweens and teens being parental allowances, under 18s are acutely aware of what their parents expect them to use the money for. While tween spending is focussed on fun items, parents expect teens to finance far more from their monthly income and this increases rapidly as they get older.

Research shows that parents expect tweens to use their pocket money mostly for treats, sweets and magazines (58%), followed by going out with friends (17%) and online game subscriptions and downloads (14%).

62% of teens are expected by parents to pay for treats such as sweets and magazines, 61% to pay for going out with friends, 41% to pay for fashionable clothes, and 29% mobile phone costs.

At least 50% of 18 year olds are expected to pay for all of these items, 32% are paying for activities such as driving lessons, and 23% paying car and petrol costs.

What do you spend your money on?

Interestingly, the following table shows the how under 18s do spend their income and the contrast between tweens and teens. A teenage lifestyle can be a turbulent ride for the individual involved and for the parental pocket. As an individual progresses from tween to teen, they will see their social life increase, interests widen and costs rise.

	Tweens (%)	Teens (%)
Treats for myself such as clothes or cinema tickets	54	77
Necessities such as clothes, transport or school books	4	22
Help with family bills and expenses	n/a	2
Birthday presents	14	39
Extra activities such as swimming or driving lessons	3	14
Online subscriptions and downloads	14	27
Mobile phone costs	11	29

The 'M&S Money: Under 18's Work and Money Report 2010' has revealed that teens spend a significant amount of their income on the social side of life, such as going out and treats for themselves (77%). Keeping in contact with other people features highly with 29% of teenagers paying for their mobile phone, and 27% spending on online subscriptions and downloads. 22% finance necessities such as clothes, transport or school books.

Saving and money awareness

The research reveals good money awareness and habits among under 18s.

Tweens

Over half of tweens (53%) are saving a proportion of their income in a savings account or piggy back each month. The average tween saving level of £7.20 per month is an impressive 50% of their average monthly income (£14.30).

Three quarters of tweens surveyed have opened and regularly use a savings account. Their money management is also good with 94% of tweens staying well within their financial means and not owing money to their parents, friends or siblings.

Teens

An impressive 62% of teens save every month although the average saved of £23.50 a month is just 30% of their average monthly income, a figure proportionally lower than that of the tween saver (50% of income), possibly because they have more costs to cover.

The research also revealed that savings accounts are very popular among this age group with 74% holding an account, 45% have a current account and 36% a cash card. However teenagers are more in debt than tweens; with 10% in debt to their parents and 7% to others including friends and 1% to a bank.



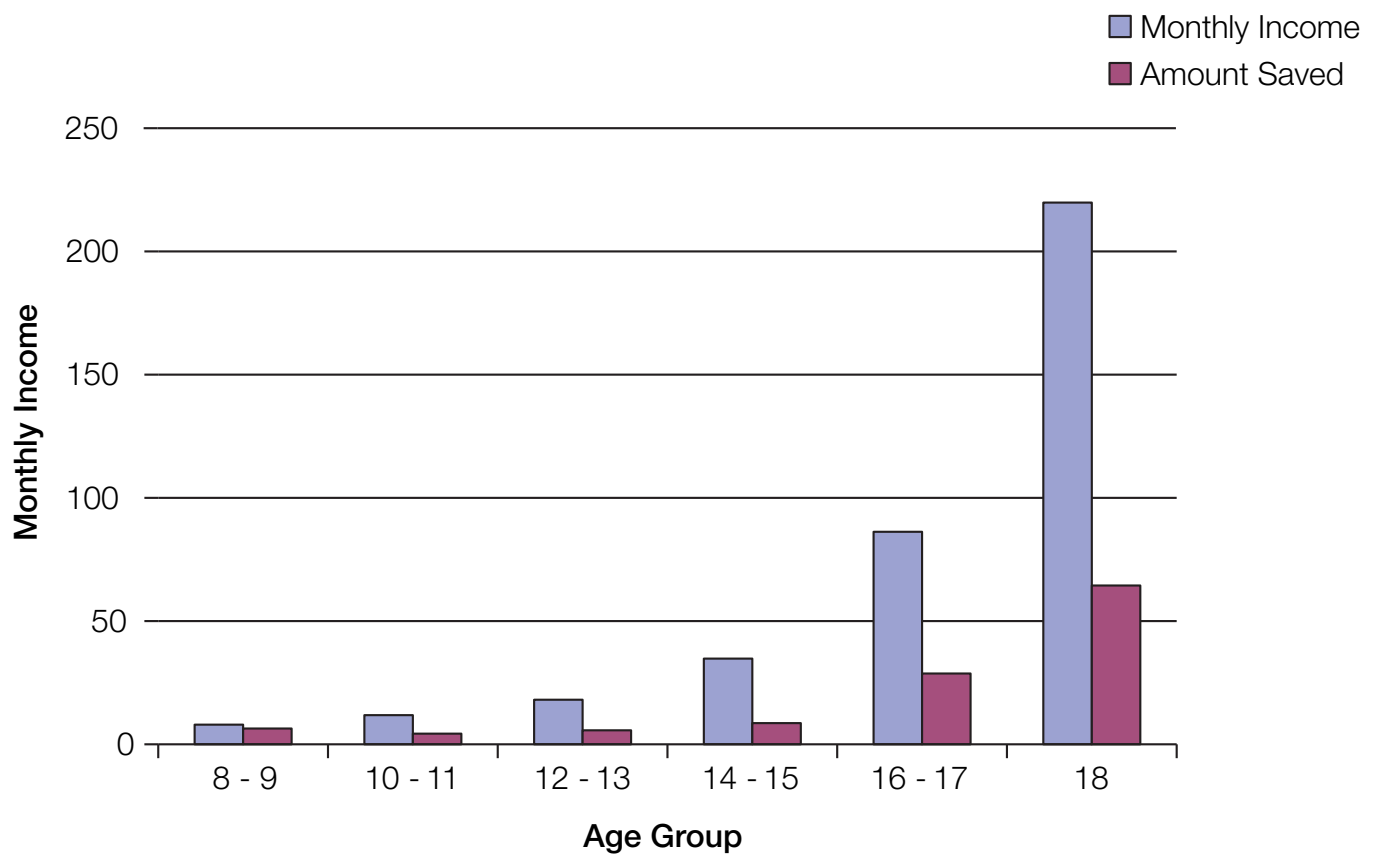
Saving and money awareness continued

Future money management and confidence

This research has revealed a generation that is largely very confident in its future money management abilities. One in five of those surveyed think they will manage their money better than their parents, while half think they will manage as well as their parents.

However optimism is not a trait shared by all of those surveyed, with just 11% of tweens and 17% of teenagers thinking they may find it tougher than their parents.

Fig. 3 – Average Monthly Income & Savings



Employment aspirations of a generation

Planning for the future and aspiration to achieve are important things to consider when maturing and indeed, both tweens (8-13 year olds) and teenagers (14-18 year olds) seem very clued-up about using part time work now to get ahead in life.

The survey reveals that up to 87% of all 8-18s are keen to have a part time job before they are 18. The importance of financial independence is seen as a key benefit, with 62% of tweens and 65% of teens aspiring to earning their own money.

Many tweens and teens also see what they do now as relevant to their future CVs and a great way to help them develop and mature. 37% of tweens and 43% of teens believe that working now will help them get a job when they are older, teach them to be more responsible and grow up (35% of tweens and 44% of teens) and help them to learn about managing money (28% of tweens and 39% of teens).

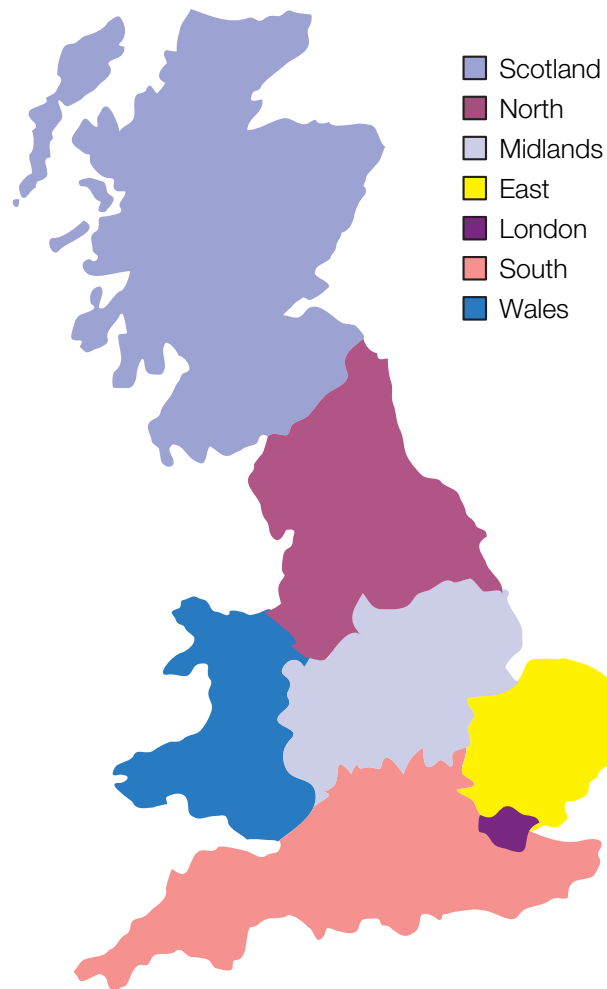
Interestingly fewer tweens than teens have concerns about working before they are 18. Teenagers (14-18 year olds) are a little more concerned about the impact on their school work, with just over one in five (22%) thinking they should concentrate on their studies rather than pursue a part time job compared to 15% of tweens. In addition, 7% of teens think they shouldn't have to work compared to 5% of tweens.



Regional trends

Regional overview of average income and savings

The regional picture shows that London and Scottish tweens are best off in terms of monthly income, with these children also saving the highest amounts. Tweens in East England are earning least. Teens in the South of England earn most yet those in Wales are saving most per month.



	Region	Tweens (Income)	Tweens (Savings)	Teens (Income)	Teens (Savings)
1	North	14.1	6.1	64.9	20.7
2	Midlands	13.7	5.7	68.0	22.0
3	East	11.3	5.0	65.3	31.5
4	London	18.2	12.9	76.4	22.1
5	South	13.1	6.3	87.8	25.2
6	Wales	15.7	4.1	78.2	34.0
7	Scotland	17.1	14.4	77.8	15.5
	Average	14.3	7.2	74.2	23.5

Parent and grandparent input to money awareness

The research shows that parents and grandparents are investing time and effort in communicating with today's under 18s about money matters. Therefore a lot of credit for the attitudes towards money and work of 8-13 and 14-18 year olds must be offered to both parents and the grandparents of the individuals surveyed.

The survey revealed that more than four out of five parents have discussed how to spend and save money with both 8-13 year olds and 14-18 year olds. One in five grandparents has also played a role in the financial education of tweens and 15% have talked about money with teens.

The research also found that many parents are also talking about broader financial issues; six in ten parents have explained what a budget is and have discussed current financial news with their children and also talked about their own spending in a bid to help their children's understanding.

The fact that three quarters of under 18s have savings accounts is substantially due to parents' help in opening them – 65% of parents have helped their tween child open a savings account as have 69% of parents of teens.

Just 6% of teens and 7% of tweens have had no input from parents into their financial education and 29% of teens and 24% of tweens have received no input from grandparents.

So what does all this tell us?

Final comment from Amanda Newman, Head of Marketing at M&S Money.

“These findings show that Britain's 8-18s are clued up and motivated by money and work to a surprisingly mature extent. They have great saving habits and a tremendously positive attitude to earning their own money both for its own sake and to gain career building and life skills. The vast majority would like to have a part time job while still in education, although not all are finding it easy to get one at present.

“It is great also to see that many parents and grandparents are giving children a good awareness of money matters by talking to them about spending and saving, and it is clearly having a benefit. We encourage parents and grandparents who have such a key opportunity to foster good financial skills in their children, to talk about their own money and budgeting experiences to build the children's understanding even further.”

For more information about this report or M&S Money products, please contact the M&S Money press office:

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Report Research Details

The data in this report was sourced by research conducted by YouGov on behalf of M&S Money.

The research was conducted among 3131 8-18 year olds between 17th-22nd September 2010.

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