

## **Talking Money Matters with Children**

- 97 per cent of parents think it's important to teach their children about money
  - Over a quarter don't feel equipped to have the first 'money conversation'
- 35 per cent also said they find it hard to talk about money in their child's 'language'

An M&S Bank study has found four in 10 parents (39 per cent) want to teach their children about money, but are unsure how - and when - they should have their first conversation.

Nearly all parents surveyed (97 per cent) thought it was important to teach their children about money, but over a quarter didn't feel equipped to do it.

The average age that parents choose to have the first 'money conversation' with their children is five years old. However, over a third of parents (38 per cent) said they didn't know what age their child should be when they approach the concept of money, with just 34 per cent having spoken to their child about money before they turned five years old.

The top reason parents feel they are unequipped to talk to their children about money is finding it hard to talk about the topic in their children's 'language' (35 per cent) or explaining things in a way their child would understand (35 per cent).

Other reasons cited included not feeling like they would be a good teacher (29 per cent), finding it hard to simplify the topic (28 per cent) and not feeling like they were very good with money themselves (28 per cent).

### **How parents introduce the money conversation:**

The study of 2,000 parents found a quarter (25 per cent) said they had used tactics such as 'playing shop' from the age of three to help teach their child about money, 22 per cent had used counting money from the age of five and a fifth (19 per cent) had found introducing pocket money a useful lesson, also from the age of five.

The research revealed that nearly half (44 per cent) of parents believe taking their child to the shops specifically to help them learn how money works is an effective teaching method.

While 80 per cent of parents said they have discussed money with their children in some capacity, 60 per cent felt they should be doing more to help their little ones learn, and from an earlier age.

## **Why parents feel the money talk is important:**

The reasons why parents feel it's important to talk about money included - 'it prepares them for the future' (75 per cent), 'it's a part of life' (70 per cent) and 'it helps them understand savings' (62 per cent).

Some of the biggest future worries parents had when teaching children about money was whether their children would be able to support themselves financially (55 per cent), whether their children would be able to build their own savings (46 per cent) and whether they will be confident with money (35 per cent).

With the world moving towards a more cashless society, 35 per cent of parents were also concerned about helping their children understand the value of money in a world of digital payments.

## **Parents share their challenges:**

The M&S Bank study showed that more than a third (36 per cent) of parents would like additional support on how to speak to their children about money and finances, particularly when it comes to answering questions, with nearly a quarter (23 per cent) of children typically asking more than three money-related questions a week. These includes questions such as 'Is £1 a lot of money?' and "Why do we need money?".

Reasons parents would like additional support included finding it hard to talk about money in their child's 'language' (35 per cent) and lacking confidence in their own finances (25 per cent).

When asked about what support they wish they had to teach their children about money, 60 per cent of parents said guidance on how to answer their children's questions, 44 per cent said tips and tricks to help their child understand finance and over a quarter said a rhyme or poem that they could sit and learn together.

Psychologist, Emma Kenny, commented on the findings: “It’s important that as parents, we take the time to talk confidently and openly with our children about money, and from an early age. The M&S Bank research found that the most common age to start introducing money into conversations is from age five, but parents can do this through play even earlier, which can really help to give meaning to your conversations, whenever the time is right for you. Early conversations can really help your children to not only understand the concept and value of money, but also help to set a positive and confident financial foundation, that will benefit them in later life.”

To help support parents talk to their children about money in a way the whole family can understand, M&S Bank also partnered with popular children’s poet, Roger McGough, to create a simple and fun poem to help children learn about money.

Gill Roberts, Head of Products, M&S Bank, said: “It is great to see that many parents are having conversations about money with their children, but also interesting that many parents still feel they could be doing more to help their children learn about money; and many felt they would benefit from further support themselves. Our research highlighted that over a quarter of parents said they would welcome a rhyme or poem that they could sit and learn together with their child, so we partnered with renowned children’s poet Roger McGough to create something new to support the introduction of those early conversations about money.”

The research also explored the more challenging questions children are likely to ask with the hardest question to answer being ‘where does money come from?’.

## **TOP 10 TRICKIEST QUESTIONS TO ANSWER ABOUT MONEY WITH YOUR CHILDREN ACCORDING TO PARENTS**

1. Where does money come from?
2. Why do some people have lots of money?
3. ‘How can I get rich?’
4. ‘Why do we need money?’
5. ‘How can I make money?’
6. ‘Is £1 a lot of money?’
7. ‘What can I buy with this 50p?’
8. ‘How much is a house?’

9. 'Can I have some money?'

10. 'Are we rich?'

The research lands during M&S's Little Shop 2 campaign, which this year, includes a new collectable – the M&S Bank piggy bank, which is a great way to start introducing those first conversations around money.

The collectables – of which there are 25 to collect - are made to last from more sustainable materials including recycled washing machines and fridges, and sustainable paper and card. The campaign aims to help children learn a little bit more about money, as well as where food comes from and how energy is produced. There are also lots of games and fun activities to keep families entertained during the summer and beyond – from colouring in to memory and maths-based games.

ENDS

#### **Notes to editors:**

The survey was conducted by One Poll in July 2020 with a sample size of 2,000 parents.

To see Roger McGough's poem to help children learn about money, please use the contact details below.

#### **For more information, please contact:**

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#### **About M&S Bank**

M&S Bank (the trading name of Marks & Spencer Financial Services plc) launched in 2012 on the foundations of M&S Money, which was established in 1985 as the financial services division of Marks and Spencer plc. In November 2004, HSBC bought 100 per cent of the share capital of Marks and Spencer Retail Financial Services Holdings Limited.

Today, M&S Bank operates as a joint venture arrangement between HSBC and Marks & Spencer, however, M&S Bank has its own banking licence and its own Board.

# M&S BANK

M&S Bank offers a broad range of financial products, including current accounts, the M&S Credit Card, and a range of loans, savings and general insurance products, while its travel money offering boasts one of the widest ranges of currencies available on the high street. M&S Bank has 29 branches and over 120 bureaux de change located in M&S stores across the UK. M&S Bank services almost 4 million customers.

## **HSBC UK**

HSBC serves c17 million customers in the UK and employs approximately 43,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including bank accounts and mortgages. It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.