投資者及理財教育委員會
Investor and Financial Education Council

# Parenting & Money Study 2021

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# Executive Summary

IFEC recognises that financial education should start as early as possible and that parents are pivotal in children's financial learning. The OECD International Network on Financial Education has also pointed out that financial education for children should start in kindergarten and primary schools[1]. This study sets out to investigate Hong Kong parents' attitudes and behaviour in teaching their children money matters, as well as their observations of their children's day-to-day money management.

The study has a comprehensive coverage – parents with a child studying in six key stages, from kindergartens up to tertiary institutions, are covered. This allows us to compare their views and practices in teaching their children about money across some common areas, as well as investigate issues specific to each stage of child development. It draws on data from 1,203 parents surveyed during March and April in 2021.

## Key Research Findings

### Overview

The study reveals that Hong Kong parents do not pay enough attention to teaching their children about money management and there are many aspects about financial education in the family that can be enhanced.

Providing pocket money to children is common at 81% - from 19% at kindergartens, up to 100% at senior secondary school, with slight dips to 92% at tertiary. However, only slightly over a quarter (28%) of surveyed parents set aside time to discuss money matters with their children, and less than half (47%) of Hong Kong parents thought children should start learning to manage money at primary school level or earlier. One in seven (14%) simply admitted they have no idea how to teach their children about money management.

Among the parents who give pocket money to their children, majority reported started doing so out of practical needs (77%). Only about half (53%) intend to use pocket money to cultivate their children's saving habits, and still fewer (28%) saw pocket money as a means to let their children experience money management.

Almost all parents thought it important for their children to develop good saving habits, while many overlooked other key aspects of money management – just 54% place importance on the correct attitudes towards money, 41% pay attention to setting financial goals and 8% care about tracking expenses. And many parents of young children (kindergarten and lower primary) overlooked the importance of teaching their children the relationship between work and income (less than 20% thought it important).

Further, while many parents complained that their children lack frugality and do not understand money comes from hard work (consistent across different stages of children), they generally do not bother to let their children know about household finances – less than half (42%) of children are reported to know about household expenses such as utility bills by senior secondary.

[1] OECD/INFE (2013), Financial education for youth and in schools
https://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_Finl_Ed_for_Youth_and_in_Schools.pdf

Needless to say, parents play a different role in shaping children's values and skills in day-to-day money management across children's various development stages, and they face a different set of challenges in each stage.

**Parents with children in kindergartens**

About one in six (16%) of these parents observed that their children in kindergartens have already developed a sense of their "own money", which may be associated with pocket money giving that coincidentally stands at 19%. The majority of parents thought kindergarten children are too young to handle money, and they are even more cautious with entrusting their children with bigger amounts of money - just 4% of the surveyed parents said they would let their children keep at least part of the lai-see money that they obtained during Lunar New Year.

While many kindergarten children have yet to have a chance to handle money, most of them are using Octopus cards (75%). Most of the parents (63%) top up their children's Octopus card for them and only a third (33%) would take care to top up the Octopus with their children together so that they can learn about the process and how Octopus relate to real money.

In fact, only 4% of all surveyed parents thought financial education should start at kindergartens.

**Parents with children in primary schools**

Per observations of the surveyed parents, over half (55%) of children have acquired a sense of their "own money" by lower primary and up to 79% by upper primary. The incidence of parents giving pocket money also increased significantly and almost all (96%) parents with children in upper primary reported giving pocket money, with amount averaging $512 per month. Close to half (48%) also allowed their upper primary children to keep at least a portion of their lai-see money.

Almost all parents said their children in primary schools own Octopus cards and by upper primary, one third of parents let their children top up their own Octopus card with cash. However, about two-fifths (42%) of parents reported that their lower primary children tend to use their Octopus cards excessively, which still stands at 33% by upper primary. Also, despite the perceived importance of cultivating their children's saving habits, only 39% and 56% of lower primary and upper primary children are reported to have developed saving habits. About half of these parents (47%) also thought their children lack frugality and do not understand money comes from hard work.

When asked about difficulties encountered when teaching children money matters, most parents admitted they often give in to children's material requests too easily (66%) while many (61%) also pointed to inconsistent approach with spouses/grandparents of their children. Further, upper primary children are reported to be increasingly subject to influence from peers (44%) and media (32%).

**Parents with children in secondary schools**

Secondary school children on average receive around a thousand dollars as pocket money per month ($952 for junior secondary and $1,316 for senior secondary). They are allowed more freedom in managing their money - majority are managing their Octopus card by junior secondary and by senior secondary, about half (52%) of children have their own bank accounts. More of them are reported to have started online shopping (29% and 53% for junior and senior secondary children respectively) which is mostly via pre-paid e-wallet or paid by family members.

More children at secondary schools are observed to have developed a saving habit (72% and 79% of junior and senior secondary respectively); while just about half have set financial goals (48% and 59% of junior and senior secondary respectively). As with parents with younger children, about half of these parents still thought their older children lack frugality and roughly one fifth reported their children tend to overspend.

By senior secondary stage, the number one obstacle for parents to teach their children about money management becomes the dominant influence of peers (60%), with about half (53%) of these parents said their children are unwilling to listen to parental advice. In fact, while children started to gain more control over their own money management during the stage of senior secondary, it is also a time parents start to lose sight of their children's finance with one-fifth saying they have no idea of their children's monthly expenses nor savings (compared to below 10% reported by parents with younger children).

**Parents with children in tertiary institutions**

Tertiary students, in their early adulthood and a transitional stage to independence, have garnered more freedom and responsibility to manage their own finance. While 92% still receive pocket money from parents, over half (59%) are earning part-time income as reported by the surveyed parents. About half (47%) are reported to be in possession of credit cards and 66% are using e-wallets. Over half (56%) of the parents observed that their children shop online at least once a month (notably 21% parents said they were not sure whether their children shop online).

In fact, one third of the parents said they did not know anything about their children's expenses and income. Yet, 14% thought their children prone to excessive online shopping, and 20% thought the prevalence of e-payment has made it difficult for their children to grasp how much they are spending. Credit card bills are another potential concern – while majority of parents said their children handle payment themselves, 14% recalled occasions when their children fail to settle card bills on time and 13% observed their children settle card bills with partial payment. Overall, 31% of these parents reported they still need to settle card bills for their children occasionally

Teaching children at tertiary stage about money management is not an easy task - 72% of the parents felt their children's peer influence is greater than theirs, and 42% cited influence from the media as an obstacle as well. Interestingly, just 70% expect their children to contribute to household expenses once they start working, and 64% expect them to be able to become financially independent after entering the workforce. Further, less than half (44%) expect their children to support them financially in their retirement.

## Conclusions & recommendations

Sound money management skills are crucial elements for individuals to effectively participate in today's social and economic life. The financial environment, including its digitalization, has become much more complicated and unpredictable, placing certain individuals at risk of considerable financial problems which may lead to severe societal consequences. Past studies have established that children's financial behavior and attitudes are shaped by their parents who pass on norms and social values to them[2]. Research has also shown that parental hands-on mentoring of financial skills was strongly related to lower levels of credit card debt among tertiary students[3].

Locally, research evidence has pointed to Hong Kong youth's live-for-today attitudes and alarming signs of misuse of credit cards[4]. It is high time that parents in Hong Kong step up financial education in the family and help bolster proper financial attitudes and behaviour for their children. The following are some key action pointers:

1. **Start teaching children about money in kindergartens**. Less than half of the surveyed parents thought financial education should start at primary schools or earlier. Many parents may think children in kindergartens are too young to understand money matters, but in fact a lot of young children are already using Octopus and have plenty of opportunities to witness transactions made by parents. Parents can make good use of everyday occasions to teach their young children about the use of money in daily life, such as guiding them through the process of topping up Octopus cards so that they have an early understanding of the relationship between digital payment and real money.

   Teaching children about money management in their formative years has one other advantage – that it is a time when parents do not have to compete against influence from the children's peers which becomes dominant at secondary school level.

2. **Place more focus on values and attitudes**. The survey shows that only about half of the parents placed importance on values and attitudes when it comes to teaching children about money management. Yet attitudes dictate behaviour and children would never be able to make responsible financial decisions without correct concepts of money and how they should be handling money. The understanding that money is a tool to realize dreams, and old wisdoms such as spending within means, saving for the rainy day, should be part of the norms and values that parents pass on to the next generation, and it is best to instil these values when children are young so that the beliefs are ingrained in their characters.

3. **Recognise money management is much more than saving habits**. Many parents tend to focus on cultivating saving habits only and are myopic about other key aspects of money management. For one thing, goal setting is an overlooked area that deserves more attention. In fact, setting financial goals contributes to saving disciplines and once children taste the sense of fulfilment of achieving a goal, they are more likely to keep to a saving habit. When encouraging children to save money, parents should help them set achievable goals with rewards as motivations for action. Budgeting for the use of pocket money or lai-see and tracking expenses are other key skills to develop – the latter is especially important with the growing use of e-payments which makes people easily lose sight of their spending. All in all, sound money management involves a whole range of

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[2] Pinto, M. B., Parente, D. H., & Mansfield, P. M. (2005). Information learned from socialization agents: Its relationship to credit card use. Family and Consumer Sciences Research Journal, 33, 357-367 https://www.researchgate.net/publication/229742794_Information_Learned_From_Socialization_Agents_Its_Relationship_to_Credit_Card_Use

[3] Jill Norvilitis (2010), The Role of Parents in College Students' Financial Behaviors and Attitudes, February 2010, Journal of Economic Psychology 31(1):55-63 https://www.researchgate.net/publication/46493592_The_Role_of_Parents_in_College_Students'_Financial_Behaviors_and_Attitudes

[4] IFEC (2020), Financial Literacy Monitor 2019 (https://www.ifec.org.hk/web/common/pdf/about_iec/financial-literacy-monitor-2019.pdf )

different skills and parents should help develop age-appropriate competencies for their children[5].

4. **Let children practice managing their money**. While most of the parents surveyed are providing their children with pocket money, many tend to provide an amount just sufficient to cover their daily expenses. Parents are even more cautious with granting their children access to lai-see which are bigger amounts of money – by senior secondary still just one third give the full amount of lai-see received to their children. It is understandable that parents are worried their children would splash on hard-earned money, but money management is a practical skill best trained through practice in daily lives. Instead of limiting their access to money unnecessarily, parents can consider having their children responsible for buying some of their belongings with their own pocket money or lai-see that they usually purchase for their children (school bags, sports shoes, etc), and then spent time to discuss and plan for the purchases together. In this way, children can learn how to allocate their money and set budgets and goals.

5. **Get children involved with household finances**. It is common for parents to give in to children's material requests easily, which may lead to children's misperception that money comes easily, especially when they have no idea how their parents earn money and how much the household expenses are. It would be useful for parents to share with children the income sources and expenses of the household, and an easy starting point for young children would be utility bills. Older children can even be invited to work on managing household expenses together. This may reduce the resistance towards perceived didactic teaching, and instead encourage more engagement in household financial matters.

6. **Provide guidance to children about online shopping**. The survey shows that online shopping starts among children at upper primary schools (8%), which grows substantially to 53% for senior secondary and 71% for tertiary (actual figures maybe higher as some parents reported they are not sure about their older children's online shopping habits). Considering that online shopping scam has become a major type of scams in Hong Kong which exhibits 413% upsurge during 2016-2020[6], parents should monitor and discuss online shopping with their children and make sure they buy from reputable sellers as well as practise adequate cybersecurity measures. It is also important to educate children to set budget when shopping online and not be lured by low prices or convenience into unnecessary spending.

7. **Teach children to use credit cards responsibly**. Credit cards are commonly used by tertiary students nowadays, and some surveyed parents have observed issues with payment among their children. In view of the potential ease of building up debt with minimum payment of credit cards, it is imperative that parents educate their children in tertiary level about wise credit card habits and any problematic use should be nipped in the bud. Further, a cautious attitude towards the use of credit products should be encouraged in general.

8. **Review and better one's own money management.** One in ten (11%) of all surveyed parents admitted that they are not a good role model for their children when it comes to

[5] Investor and Financial Education Council, Hong Kong Financial Competency Framework https://www.ifec.org.hk/common/pdf/fcf/hong-kong-financial-competency-framework.pdf

[6] Research Office, Legislative Secretariat Council, Online Shopping Crime in Hong Kong https://www.legco.gov.hk/research-publications/english/2021issh29-online-shopping-crime-in-hong-kong-20210625-e.pdf

money management. Even for parents who see themselves as doing well, it is important to review one's financial habits every now and then and seek better ways to manage one's own finance. It is only through continual learning that parents can keep up with the fast-changing financial environment and help guide their children through the complexity of sound money management.

Cultivating proper money management habits among children is a herculean task and IFEC understands the challenges that parents face. We have always endeavoured to provide quality educational support to parents by providing relevant programmes and teaching resources to facilitate parent-child dynamics on money matters. Based on insights from this research study, we shall further strengthen our financial education work on this front and drive the wider agenda among fellow financial education practitioners.

# Research Design

## Research Objectives

This research sets out to identify gaps in how parents view financial education and how they teach their children about money, thereby formulating how financial education practitioners could assist in appropriately guiding parents to help their children develop the right attitudes and behaviour towards money management.

## Target Respondents

Hong Kong parents with children studying in kindergarten / primary school / secondary school / tertiary institutions were covered. Parents with more than one child were asked to focus on one child of selected stage (randomly selected) when answering the questions.

## Methodology

Face-to-face interviews via street intercepts were adopted.

To ensure the representativeness of samples and efficiency in data collection, interviews were conducted at high traffic locations (e.g., nearby transportation hubs) spreading across Hong Kong Island, Kowloon and the New Territories to better intercept respondents of different living districts. All interviews were conducted via tablet device for better efficiency and data accuracy.

## Sample Size

In total, 1,203 interviews were conducted among Hong Kong parents from all walks of life in terms of gender, age, working status and household income

Quota was imposed for each stage of children:

| Educational stage of selected child | Sample size (n=) |
|---|---|
| Kindergarten | 200 |
| Lower Primary (P1 - P3) | 200 |
| Upper Primary (P4 - P6) | 201 |
| Junior secondary (F1 - F3) | 201 |
| Senior secondary (F4 - F6) | 200 |
| Tertiary institutions | 201 |
| **Total** | **N=1,203** |

For each educational stage of kids (n=200):

- Equal split of mothers and fathers
- Quota on monthly household income
- Well spread across different age of kids *within* each stage (e.g., fairly split across 3 years of kids for P1, P2 and P3 within the lower primary segment)

Further, to ensure the samples are well-spread geographically, while fieldwork locations will be well-covered different districts, quota is also imposed on living districts of the respondents (i.e., Hong Kong Island, Kowloon, and NT) among the total sample.

During fieldwork, key parameters including working status and education level of the parents were also monitored to avoid any possible skewness of the sample.

## Fieldwork Period

Fieldwork was executed from 15th March to 3rd April 2021.

# Detailed Findings

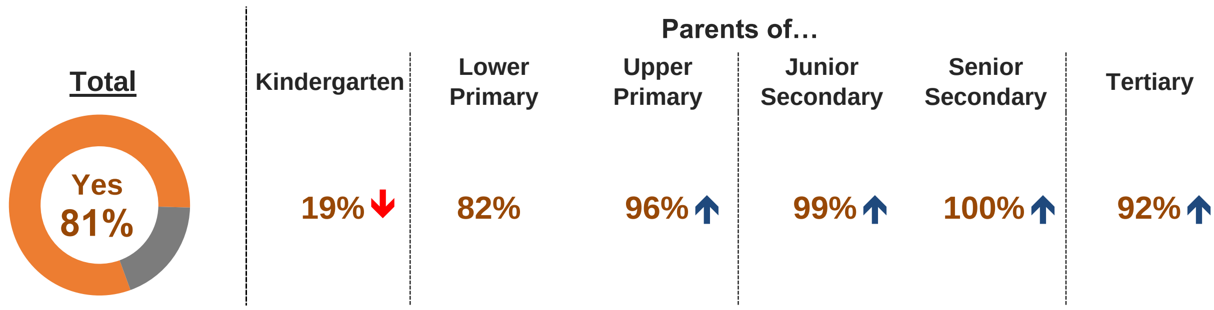
## Provision of Pocket Money & Lai-see

### Provision of Pocket Money

Pocket money is a big part of children's money management experience and often a starting point of their financial learning. We therefore dedicate a section of the study to look at how parents are providing their children with pocket money.

Majority of Hong Kong's parents start providing their children with pocket money by primary school. By secondary school level, all parents are giving pocket money. The incidence slightly dips among tertiary students, which might be because some of them have started to earn ncome from part-time jobs and become less reliant on parents' provision.

*Figure 1.1 – Incidence of giving pocket money to children*




*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*

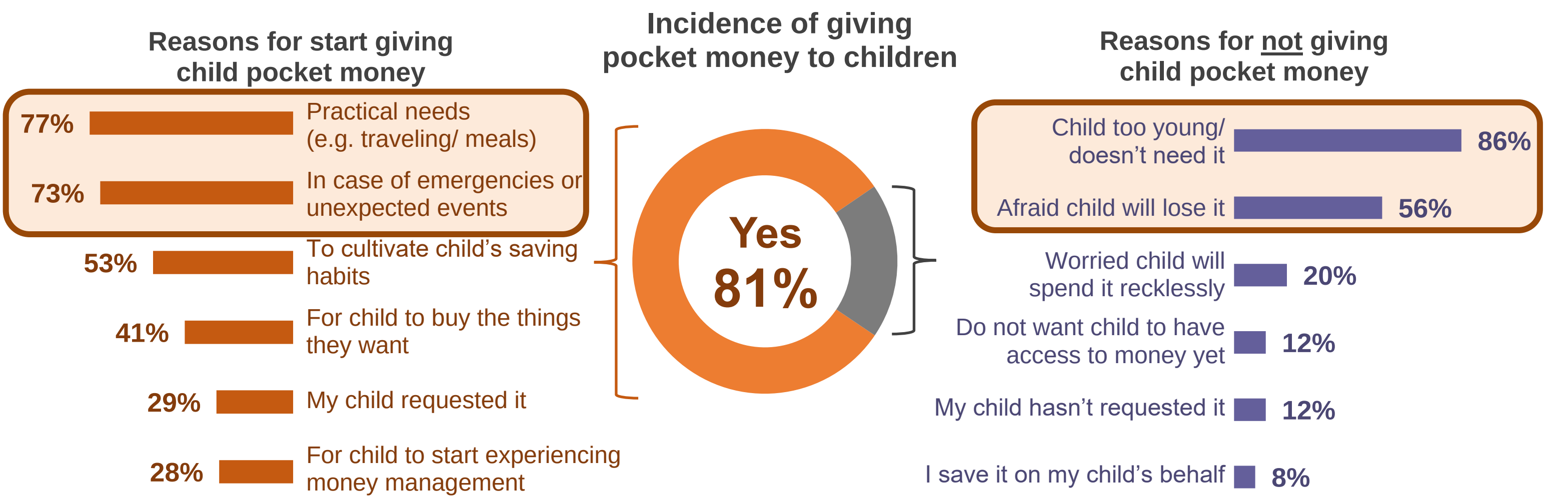
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

### Reasons for giving/ not giving child pocket money

The intentions or thoughts behind providing pocket money are indicative of parents' views of financial education and we asked parents what made them start to provide pocket money to their children in the first place (see Fig 1.5). It is found that pocket money is primarily provided for child's practical needs or emergencies, and over a quarter said it was in response to their children's requests for pocket money. Meanwhile, just about half of the surveyed parents intend to use it to cultivate their child's saving habits, and still fewer thought of it as a means for children to start experiencing money management.

On the other hand, parents who currently do not give out pocket money (mostly parents with children in kindergartens) mostly deem their children too young to warrant the use of pocket money, they are also concerned that young children will just lose the money. Interestingly, about one in ten simply said they children had not requested for pocket money.

*Figure 1.5 – Reasons for giving/ not giving child pocket money*




*Base: Parents who give pocket money to child n=978; parents who do not give pocket money to child n=225*

### Frequency and amount of pocket money

For parents with children in primary and secondary school, it is more common for parents to give pocket money on a weekly basis. Tertiary students are offered more flexibility, with most parents providing pocket money on a monthly basis.

*Figure 1.3 – Frequency of giving child pocket money*

| | | Parents of… | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** | **Tertiary** |
| **Daily** | 7% | 8% | 14% ↑ | 13% ↑ | 6% | 2% ↓ | 1% ↓ |
| **Weekly** | 53% | 21% ↓ | 49% | 61% ↑ | 70% ↑ | 64% ↑ | 24% ↓ |
| **Monthly** | 25% | 18% | 9% ↓ | 10% ↓ | 14% ↓ | 29% | 64% ↑ |
| ***Not fixed*** | 15% | *47%* ↑ | *28%* ↑ | *14%* | *11%* | *6%* ↓ | *10%* |
| ***When requested by child*** | 1% | *5%* ↑ | *1%* | *2%* | - | - | *1%* |

*Base: Total – parents who give pocket money to child n=978; parents of kindergarten children n=38#; parents of lower primary children n=164; parents of upper primary children n=192; parents of junior secondary children n=199; parents of senior secondary children n=200; parents of tertiary children n=185*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

The amount of pocket money provided to primary school children is generally restricted to less than $500 per month and is almost doubled among secondary school children (see fig 1.4). Tertiary students are generally getting more than $2,000 a month.

*Figure 1.4 – Amount of pocket money given to child*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|---|
| $3,000 or above | 5% | - | - | 1% | 1% | 2% | 23%↑ |
| $2,000 – 2,999 | 11% | -↓ | -↓ | 1%↓ | 4% | 17% | 40%↑ |
| $1,000-1,999 | 23% | -↓ | 5%↓ | 8%↓ | 33%↑ | 42%↑ | 30%↑ |
| $500-999 | 27% | 6%↓ | 25% | 29% | 42%↑ | 35%↑ | 7%↓ |
| $100-499 | 28% | 30% | 60%↑ | 59%↑ | 22% | 6%↓ | 1%↓ |
| Below $100 | 5% | 66%↑ | 11%↑ | 3% | - | - | - |
| Average amount ($HK) given p/month | $1,053 | $136 | $376 | $512 | $952 | $1,316 | $2,228 |

*Base: Total – parents who give pocket money to child n=978; parents of kindergarten children n=38#; parents of lower primary children n=164; parents of upper primary children n=192; parents of junior secondary children n=199; parents of senior secondary children n=200; parents of tertiary children n=185*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

### Determining the amount of pocket money

As most parents start giving pocket money to their children out of practical needs, it is not surprising that about half of them said they just provide an amount sufficient to cover their children's day-to-day expenses. About one fifth of parents (and more so among those with older children) are willing to offer their children more leeway in the form of additional money on top of basic expenses – they on average add 20% on top of basic expenses. Meanwhile, about one third (and more among parents with children in primary schools) reported the pocket money is for develop their children's saving habits and unrelated to their daily expenses.

*Figure 1.6 – Determining the amount of pocket money to give to child*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|---|
| Only to cover basic expenses | 48% | 55% | 40%↓ | 39%↓ | 59%↑ | 52% | 49% |
| Unrelated to basic expenses, for child to practice saving/ buying things | 30% | 39% | 45%↑ | 39%↑ | 25% | 27% | 16%↓ |
| Will add a certain amount on top of basic expenses | 22% | 5%↓ | 15% | 22% | 16% | 22% | 35%↑ |
| *Average amount (%) added on top of basic expenses* | 20% | ## | ## | 17%# | 16%# | 19%# | 22% |

*Base: Total – parents who give pocket money to child n=978; parents of kindergarten children n=38#; parents of lower primary children n=164; parents of upper primary children n=192; parents of junior secondary children n=199; parents of senior secondary children n=200; parents of tertiary children n=185*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

When it comes to lai-see money received during the Lunar New Year, parents with young children tend to be cautious and even at upper primary level, less than half of parents let their children keep at least a portion of the money. The control is gradually relaxed as the children grow older, yet many parents still retain some control over their children's spending of lai-see in senior secondary school.

*Figure 1.7 – Provision of child's lai-see*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary |
|---|---|---|---|---|---|---|
| Yes - let child keep all lai-see | 16% | 1% ↓ | 5% ↓ | 13% | 28% ↑ | 36% ↑ |
| Yes - let child keep a portion of lai-see | 33% | 3% ↓ | 25% ↓ | 35% | 46% ↑ | 56% ↑ |
| No - will save lai-see on their behalf till they grow up | 46% | 84% ↑ | 63% ↑ | 50% | 25% ↓ | 9% ↓ |
| No - will use them on the household bills | 5% | 13% ↑ | 8% | 1% ↓ | 1% ↓ | - ↓ |

*Base: Total – parents of kindergarten/primary/secondary schoolers n=1,002; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

### Child's sense of their 'own money'

Despite the high incidence of giving pocket money, just slightly over half of parents of young children observed that their children start to develop a sense of their 'own money' by lower primary. A more extensive understanding is observed among upper primary children though.

*Figure 1.8 – Observation of child having a sense of their 'own money'*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary |
|---|---|---|---|---|
| **Has a sense of their 'own money'** | **50%** | **16% ↓** | **55%** | **79% ↑** |
| Starting in kindergarten | 14% | 16% | 15% | 12% |
| Starting in lower primary | 30% | - ↓ | 40% ↑ | 52% ↑ |
| Starting in upper primary | 5% | - ↓ | - ↓ | 15% ↑ |
| **Does not have sense of their 'own money'** | **49%** | **84% ↑** | **43%** | **20% ↓** |
| **Not sure** | **1%** | **1%** | **2%** | **1%** |
| ***Incidence of giving pocket money to child*** | ***66%*** | ***19% ↓*** | ***82% ↑*** | ***96% ↑*** |

*Base: Total – parents of kindergarten/primary schoolers n=601; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

## Child's awareness of household finances

In a similar vein, it is more common for children to become aware of expenses related to them during upper primary, while most parents do not disclose household finances to their children till secondary level.

*Figure 1.9 – Observation of child's awareness of household finances*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|---|
| **Expenses related to child** | **58%** | **4%↓** | **32%↓** | **65%** | **77%↑** | **84%↑** | **89%↑** |
| Tuition/ textbook fees | 52% | 2%↓ | 24%↓ | 48% | 72%↑ | 81%↑ | 88%↑ |
| Extracurricular activities fees | 52% | 4%↓ | 27%↓ | 59% | 69%↑ | 78%↑ | 76%↑ |
| **Household finances** | **43%** | **4%↓** | **16%↓** | **29%↓** | **48%** | **69%↑** | **92%↑** |
| Household income | 33% | 3%↓ | 13%↓ | 21%↓ | 34% | 55%↑ | 71%↑ |
| Household bills (e.g. utility bills) | 27% | 3%↓ | 6%↓ | 16%↓ | 28% | 42%↑ | 66%↑ |
| Family/ Parents' savings | 5% | -↓ | -↓ | 2% | 5% | 6% | 16%↑ |
| **Child doesn't know any** | **30%** | **91%↑** | **57%↑** | **22%↓** | **6%↓** | **5%↓** | **-↓** |
| **I'm not sure** | **3%** | **3%** | **3%** | **7%↑** | **3%** | **2%** | **-↓** |

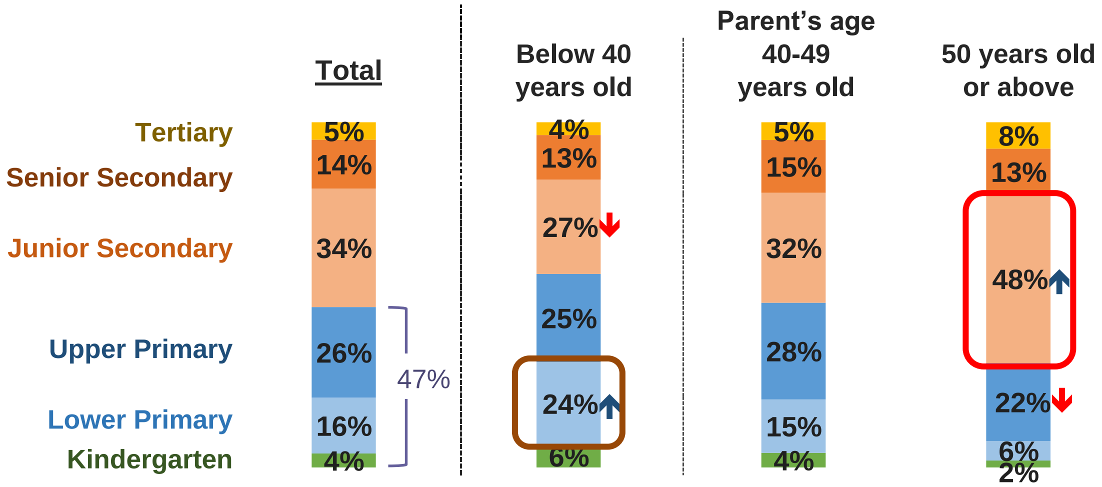
*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

## Teaching Children About Money

**Parent's views and practices of providing financial education**

Just about half of surveyed parents thought it is best to start financial education in upper primary or earlier, while the remaining half agree that education should take place before tertiary. On a positive note, younger generations of parents are more likely to recognize the importance of financial education at a young age.

*Figure 2.1 – Stage deemed most appropriate for children to start learning about money management*




*Base: Total – all parents n=1,203; parents below 40 years old n=407; parents 40-49 years old n=546; parents 50 years old or above n=250*
**Remark: Interviewer read out: "Money management refers to children's concept of money as well as attitudes and behaviour such as saving habits"*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

In line with the conservative views towards financial education, only about a quarter of parents set aside time to discuss money management with their children, which is largely consistent across different stages (see fig 2.2). In contrast, about one third don't really touch on money topics unless issues of concerns arise.

Among those that do not discuss money management with their children at all, majority (61%) cited the reason being that their child is too young to understand money management. Many also said they did not want their children to be overly concerned about money (41%). About one third, mostly parents with older children, admitted they rely on others – schools or other carers – to teach their child about money.

*Figure 2.2 – Practices of having money talks with child*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|---|
| **Set aside time to discuss money topics with my child** | 28% | 26% | 30% | 31% | 29% | 26% | 24% |
| **Will discuss when things related to money occur** (e.g. go shopping together) | 36% | 35% | 38% | 35% | 38% | 35% | 36% |
| **Would not discuss until there are concerns over money** (e.g. insufficient pocket money) | 24% | 18% | 19% | 25% | 26% | 25% | 30% |
| ***Do not really discuss it at all*** | *12%* | *22%* ↑ | *14%* | *9%* | *6%* ↓ | *14%* | *9%* |

*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*

## Money management topics deemed important to teach child

Almost all surveyed parents recognise the value of proper saving habits, which appears to be the single dominant topic about money management for children across all stages.

*Figure 2.5 – Money management topics deemed important to teach child*

| | Total | Parents of… Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|---|
| Saving habits | 90% | 84% ↓ | 87% | 92% | 97% ↑ | 91% | 93% |
| Budgeting before spending | 72% | 39% ↓ | 66% | 78% | 84% ↑ | 85% ↑ | 79% ↑ |
| Attitudes & key principles | 54% | 43% ↓ | 49% | 53% | 62% ↑ | 61% | 59% |
| Smart spending (e.g. shop around) | 50% | 25% ↓ | 40% ↓ | 50% | 62% ↑ | 65% ↑ | 59% ↑ |
| Setting financial goals | 41% | 29% ↓ | 36% | 34% | 49% ↑ | 46% | 53% ↑ |
| Concepts of currencies | 25% | 62% ↑ | 49% ↑ | 39% ↑ | - | - | - |
| Investment fundamentals and knowledge of different products | 10% | - | 5% ↓ | 6% | 12% | 13% | 25% ↑ |
| Usage & management of credit cards | 9% | - | - | - | - | 10% | 46% ↑ |
| Tracks income & expenses | 8% | 4% ↓ | 4% ↓ | 10% | 12% | 10% | 10% |
| Work and income sources | 8% | 10% | 18% ↑ | 19% ↑ | - | - | - |
| ***Average no. of topics*** | ***4.1*** | ***3.1*** | ***3.8*** | ***4.3*** | ***4.3*** | ***4.4*** | ***4.9*** |

*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

Parents with young children (kindergarten/lower primary) understandably focus on money basics while those with older children place more focus on smart spending and budgeting. Parents with children in tertiary institutions also start to pay attention to credit card management.

On the other hand, just slightly over half of the surveyed parents place importance on cultivating proper financial attitudes and passing on key principles in money management; and still less than half regard setting financial goals as essential. Further, less than 10% of parents recognize the merits of tracking expenses; among those with young kids, only about one fifth thought it important for their children to know the relationship between work and income.

### Issues encountered when teaching child about money

Most of the surveyed parents tend to struggle with caving in to children's materialistic requests (more so among those with young children). Parents with young children are also faced with the challenges of inconsistent teaching approaches with spouses and other carers of their child. Meanwhile, parents with older children need to contend with children's peer group pressure which is seen as more dominant than parental influence. The materialism promoted in the media is also an issue for many.

About one in seven said they have no idea how to teach their children money management, which is a more common worry among those with children in secondary or tertiary levels. Two-fifths of those with children in tertiary institutions also noted that the prevalent use of e-payments has made it difficult for the new generation to have a good concept of money. And one in ten admitted they are simply not a good role model in money management for their children.

*Figure 2.3 – Issues encountered when teaching child money management*

| | | Parents of… | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** | **Tertiary** |
| Easily give in to materialistic requests from children | 63% | 68% | 70% | 66% | 69% | 56% | 49% ↓ |
| Inconsistent approach with spouse/grandparents | 58% | 75% ↑ | 65% | 61% | 53% | 49% ↓ | 45% ↓ |
| Child's peer group influence is greater | 45% | 10% ↓ | 26% ↓ | 44% | 54% ↑ | 60% ↑ | 72% ↑ |
| Child unwilling to listen to me | 41% | 28% ↓ | 34% | 38% | 47% | 53% ↑ | 46% |
| They are easily influenced by the media | 30% | 11% ↓ | 26% | 32% | 31% | 38% | 42% ↑ |
| No idea how to teach | 14% | 8% | 13% | 8% ↓ | 19% | 15% | 18% |
| Prevalence of e-payments makes it difficult for children to grasp correct concept of money or spending | 12% | 4% ↓ | 5% ↓ | 11% | 16% | 16% | 20% ↑ |
| Not a good role model myself | 11% | 12% | 9% | 13% | 10% | 12% | 12% |

*Base: Total - parents who educate their children on money management n=1,053; parents of kindergarten children n=156; parents of lower primary children n=172; parents of upper primary children n=183; parents of junior secondary children n=188; parents of senior secondary children n=172; parents of tertiary children n=182*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

**Preferred money management teaching resources**

As a financial educator producing teaching resources for parents to teach their children, we are interested in knowing what kind of teaching resources parents need. Of the different formats, videos and online games about money management are a favoured learning tool across all segments. Parents with younger children show a preference for more interactive resources that they can use or join together with their child, such as storybooks, videos and parent-child workshops.

*Figure 2.6 – Resources deemed useful to help parents teach children money management*

| | | Parents of… | | | | |
|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** |
| **Videos** | 41% | 50%↑ | 39% | 40% | 40% | 36% |
| **Online games** | 40% | 38% | 40% | 41% | 44% | 36% |
| **Parent-child workshop** | 34% | 46%↑ | 36% | 41% | 30% | 20%↓ |
| Money management-themed **story books** | 30% | 52%↑ | 40%↑ | 28% | 16%↓ | 14%↓ |
| **Board/card games** | 29% | 25% | 29% | 31% | 31% | 30% |
| **Workshop/ Talks** for parents | 28% | 21% | 24% | 31% | 32% | 31% |
| **E-learning tools** | 24% | 32%↑ | 32%↑ | 28% | 20% | 10%↓ |
| Money management-themed **worksheets** | 11% | 12% | 12% | 9% | 10% | 10% |
| **No need for teaching resources, I can handle it myself** | 13% | 5%↓ | 10% | 12% | 16% | 23%↑ |

*Base: Total - parents of kindergarten/primary/secondary schoolers n=1,002; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200*

*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

## Parents' observation of children's money management

### Ownership and usage of financial tools

Majority of the surveyed parents reported their children got their own Octopus cards by kindergarten; while bank accounts are not common till senior secondary school level. Joint bank accounts are not common even among parents with young children; while well over half of parents reported their children in tertiary institutions are using e-wallets. As an interesting benchmark, about half of the parents provided their children with a personal mobile phone by the time they reach upper primary; and majority own a phone by secondary level.

*Figure 3.1 – Child's ownership of financial tools/gadgets*

| | | Parents of… | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** | **Tertiary** |
| Octopus | 95% | 75%↓ | 98% | 100%↑ | 100%↑ | 100%↑ | 100%↑ |
| Own bank account | 30% | 2%↓ | 4%↓ | 9%↓ | 19%↓ | 52%↑ | 96%↑ |
| e-wallet | 17% | 1%↓ | -↓ | 3%↓ | 8%↓ | 26%↑ | 66%↑ |
| Joint bank account with parents | 13% | 11% | 13% | 16% | 19%↑ | 16% | 4%↓ |
| Mobile phone* | 60% | 2%↓ | 24%↓ | 49%↓ | 87%↑ | 100%↑ | 100%↑ |

*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
**Refers to ownership of the physical object regardless whether it is used for e-payment*

Parents generally started to let their children manage their Octopus card starting in junior secondary level. Prior to that, only a third of parents with younger children take the opportunity to guide their child through the top-up Octopus card process.

*Figure 3.2 – Usual way of adding-value to child's Octopus*

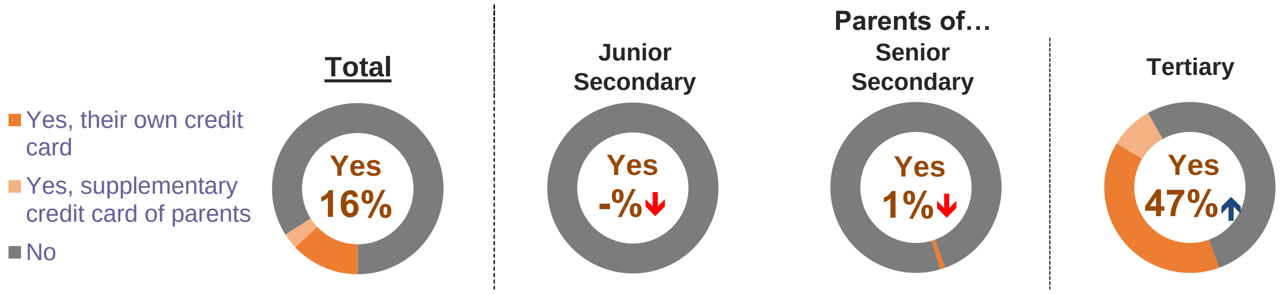
| | | Parents of… | | | | |
|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** |
| Topped up by child using cash | 45% | 2%↓ | 8%↓ | 33%↓ | 79%↑ | 93%↑ |
| Topped up by me/spouse using cash | 32% | 63%↑ | 58%↑ | 33% | 11%↓ | 5%↓ |
| Topped up by me/spouse with child, so they can learn the process | 21% | 33%↑ | 33%↑ | 35%↑ | 6%↓ | 1%↓ |
| Automatic add value service (linked to my/ spouse's credit card) | 1% | 2% | 1% | - | 3% | 2% |

*Base: Total - parents of kindergarten/primary/secondary schoolers who possess an Octopus card n=947; parents of kindergarten children n=150; parents of lower primary children n=196; parents of upper primary children n=200; parents of junior secondary children n=201; parents of senior secondary children n=200*
↑/↓ *denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

Close to half of the parents with children in tertiary institutions reported that their children use credit cards, and they are essentially left to their own means to pay the bills off – though close to one third of these parents said they still need to settle card bills for their children occasionally.

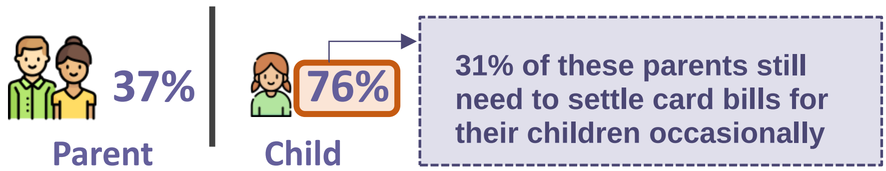
Among parents who reported their children use credit cards, one fifth were aware that their children have had issues managing card bills, mainly involving failing to make payments on time/ settling bills with partial payment.

*Figure 3.3 – Child's ownership of credit cards*



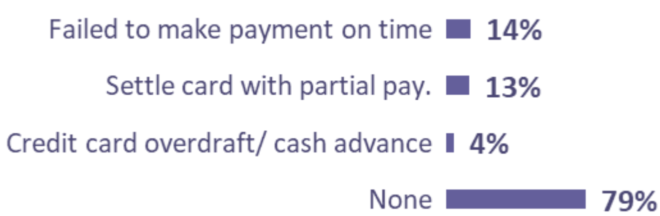

*Base: Total – parents of secondary/ tertiary schoolers n=602; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

*Figure 3.31 – Responsible party for child's credit card payments*




*Base: Parents with child who owns a credit card (n=95)*

*Figure 3.32 – Situations about bill payment encountered by child*

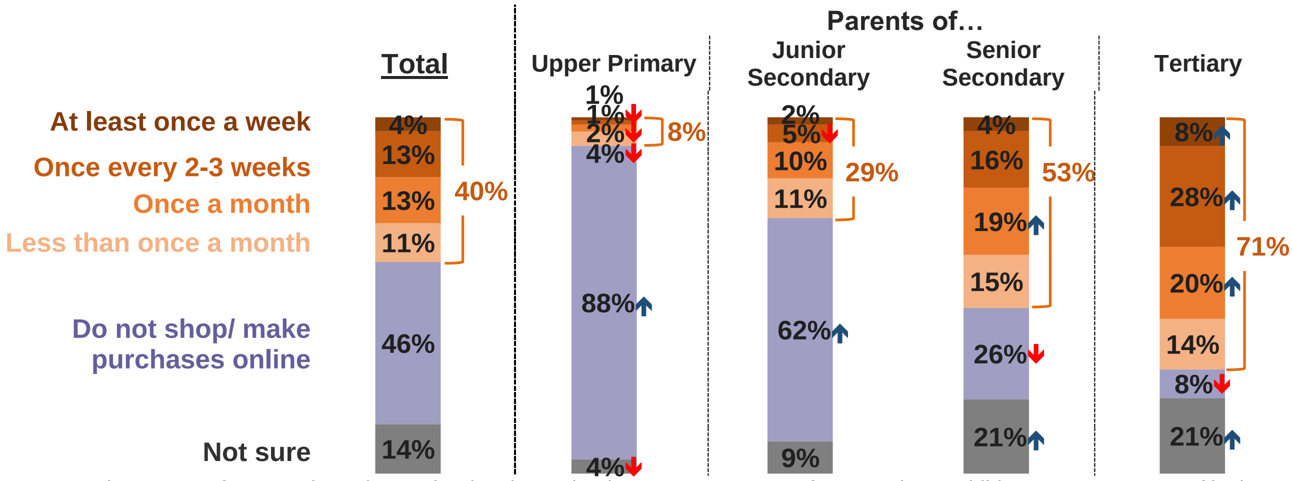



*Base: Parents with child who owns a credit card and settles their own payments (n=72)*

## Online shopping

Coinciding with increased ownership of bank accounts which signifies more money management duties, online shopping becomes common at senior secondary level and many children appear to make online purchases every month. Of note, one fifth of parents of older children reported that not knowing their children's online shopping behaviour.

*Figure 3.4 – Observed frequency of online shopping of child*




*Base: Total - parents of upper primary/secondary/ tertiary schoolers n=803; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

Product purchases are focused on personal needs - more on gaming among junior secondary school children, while the older children are more focused on fashion and electronics. Amount spent on online shopping increases as children age, reaching about $500 per month for secondary school children and $800 for tertiary students (estimation of parents may be less accurate for older children).

*Figure 3.5 – Usual goods child purchases online*

| | Total | Parents of… Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|
| Clothing/ Shoes/ Bags/ Accessories etc. | 52% | 31% ↓ | 44% | 71% ↑ |
| Electronic goods | 42% | 36% | 43% | 48% |
| Books | 38% | 31% | 35% | 42% |
| In-game purchases | 32% | 45% | 31% | 27% |
| Snacks or other food | 28% | 26% | 33% | 26% |
| Music/ video streaming subscriptions | 24% | 17% | 25% | 26% |
| Stationery | 20% | 28% | 18% | 18% |
| **Average no. of categories** | 2.5 | 2.2 | 2.4 | 2.8 |
| **Average $ spent each month** | *$595* | *$402* | *$525* | *$783* |

*Base: Total - parents of upper primary/secondary/ tertiary schoolers who shop online n=323; parents of junior secondary children n=58; parents of senior secondary children n=107; parents of tertiary children n=142*
*Remark: Insufficient base size to analyse upper primary schoolers (n<30)*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

The majority of transactions are paid through pre-paid e-wallets or by parents, though the latter gradually falls in popularity when older children got his/her credit card. Parental guidance will be essential to make sure children understand the need for secure online payments, while appropriate budgeting should also be encouraged to ensure they don't overspend.

*Figure 3.6 – Child's payment method for online purchases*

| | | Parents of… | | |
|---|---|---|---|---|
| | **Total** | Junior Secondary | Senior Secondary | Tertiary |
| Pre-paid e-wallet (e.g. Tap & go) | 48% | 52% | 57% | 44% |
| Paid by parents | 43% | 53% | 54% ↑ | 25% ↓ |
| Child's credit card/ e-wallet linked to credit card | 18% | - ↓ | - ↓ | 41% ↑ |
| e-wallet linked to bank account | 13% | 7% | 13% | 17% |
| **Not sure** | 4% | 3% | 2% | 6% |

*Base: Total - parents of upper primary/secondary/ tertiary schoolers who shop online n=323; parents of junior secondary children n=58; parents of senior secondary children n=107; parents of tertiary children n=142*
*Remark: Insufficient base size to analyse upper primary schoolers (n<30)*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

### Awareness of child's finances

Parents may need to become more familiar with their children's habits in order to appropriately assist them though. While the majority of parents reported knowing how much their children are spending each month, only half are aware of the amount of their savings. Furthermore, parents seemingly start to lose track of their children's personal finances when they reach tertiary education, and only 27% reported awareness of their children's part-time earnings (vs 59% said to be working part-time).

*Figure 3.7 – Awareness of child's finances*

| | | Parents of… | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | Kindergarten | Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
| Monthly expenses | 79% | 83% | 85% ↑ | 87% ↑ | 87% ↑ | 76% | 55% ↓ |
| Amount of savings | 48% | 57% ↑ | 61% ↑ | 60% ↑ | 52% | 34% ↓ | 24% ↓ |
| Part-time job monthly income | 5% | - ↓ | - ↓ | - ↓ | - ↓ | 4% | 27% ↑ |
| **None of the above** | 16% | 15% | 12% | 7% ↓ | 10% ↓ | 20% | 32% ↑ |

8% of senior secondary and 59% of tertiary students working part-time as reported by the surveyed parents

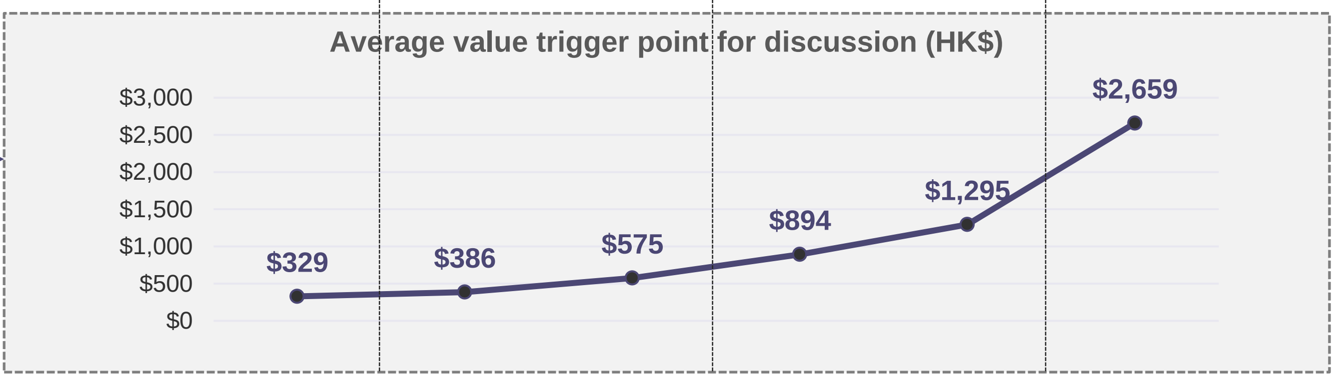
*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

## Decision-making for purchasing expensive items

Nearly all parents retain control of their children's spending, requiring their children to obtain permission before making big-ticket purchases.  Although this starts to relax among secondary school children, where the trigger point for discussion is increase to nearly $1,000, parental permission is still expected.  Only a small portion of parents of tertiary children allow their child make their own decisions.

*Figure 3.8 – Decision-making for purchasing expensive items*

| | Parents of… | | | | | |
|---|---|---|---|---|---|---|
| | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** | **Tertiary** |
| **Need to discuss with me/ spouse** | **99%↑** | **99%↑** | **98%↑** | **96%↑** | **91%** | **72%↓** |
| *Purchases of any value* | *77%↑* | *47%↑* | *20%* | *5%↓* | *1%↓* | *-↓* |
| *Purchases above certain values* | *22%↓* | *53%↓* | *78%↑* | *91%↑* | *90%↑* | *72%* |
| **No need to discuss if paid from child's own savings** | **1%↓** | **1%↓** | **2%↓** | **4%↓** | **9%** | **28%↑** |




*Base: Parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

## Child's money management issues observed by parents

Parents' main concern with their child's money management lies in a perceived lack of frugality, that they tend to take things for granted and don't understand parents' hardship in earning the bread. This complaint is common across parents with children in different stages. A lack of saving disciplines is another common issue observed by different parent groups, while those with young children also report their children's excessive use of Octopus. Some 15% of parents observed that their children lack correct values towards money, which is more or less consistent across different stages of children.

Parents with children in tertiary level are less likely to have spotted any money management issues with their children, which could be partly because parents start to lose track of their older children's money management. Yet 14% reported their children are prone to excessive online shopping.

*Figure 3.9 – Child's money management issues observed by parents*

| | Total | Parents of… Lower Primary | Upper Primary | Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|---|---|
| **Lack frugality, don't understand money comes from hard work** | 44% | 45% | 47% | 53% ↑ | 42% | 33% ↓ |
| **Lack saving disciplines** | 24% | 22% | 23% | 27% | 28% | 21% |
| **Use Octopus excessively** | 21% | 42% ↑ | 33% ↑ | 21% | 7% ↓ | 4% ↓ |
| **Tend to overspend** | 16% | 14% | 12% | 16% | 20% | 16% |
| **Lack correct values towards money** | 15% | 19% | 13% | 17% | 16% | 12% |
| **Overly concerned about money** | 10% | 5% ↓ | 8% | 7% | 17% ↑ | 14% |
| **Prone to excessive online shopping** | 5% | - ↓ | * ↓ | 4% | 8% | 14% ↑ |
| **None of the above** | 29% | 21% ↓ | 27% | 28% | 29% | 41% ↑ |

*Base: Total - parents of primary/secondary/tertiary schoolers n=1,003; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*

## Expectation of child

While traditionally children are regarded as the best form of retirement protection, the parents we surveyed do not seem to hold high expectation of their children. Only about two thirds of parents with older kids expect their children to contribute to household expenses when they start earning paychecks, and still fewer expect their children to financially support them when they retire.

*Figure 3.10 – Expectation on child's money management*

| | Total | Parents of… Junior Secondary | Senior Secondary | Tertiary |
|---|---|---|---|---|
| Will **contribute to household expenses** once start working | 67% | 62% | 68% | 70% |
| Understand it is not easy for parents to make money, know how to **live frugally** | 63% | 68% | 63% | 59% |
| **Financially independent** once start working | 63% | 62% | 62% | 64% |
| Will **support me financially** after I retire | 39% | 36% | 38% | 44% |
| **Take up part-time jobs** while studying in **college/ university** | 19% | 20% | 17% | 19% |
| **Take up part-time jobs** while studying in **senior secondary** | 3% | 3% | 3% | 2% |
| **No expectations** | 4% | 3% | 6% | 2% |

*Base: Total - parents of secondary/tertiary schoolers n=602; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
*↑/↓ denotes subgroups who are significantly higher/ lower at 95% confidence level compared to the total*

# Children's financial competency seen through parents' eyes

IFEC has identified key aspects of financial competency that are observable for parents/carers to monitor across children's different key stages:

## Traits relevant to children of all ages

**Savings**
*Saves a proportion of money for future use, this could be a fixed amount or a percentage of money received*

**Keeps track of spending**
*Marks down daily spending and reviews on a weekly basis*

## Aged 6-8 ~ Lower Primary

**Protects belongings**
*Keeps belongings such as money, clothes, toys safe from theft and being lost, as it costs money to replace them*

**Makes an effort to gain rewards**
*Understands that he/she needs to make effort to gain rewards, such as going out to watch a film after achieving a certain task*

**Spends within their means**
*Buys things that we within the amount of cash that they have*

## Aged 9-11 ~ Upper Primary

**Checks payments**
*When purchasing, checks the price and change, also checks the outstanding amount when using an Octopus card*

**Sets short-term saving goals**
*Willing to delay immediate gratification and saves the money for achieving the financial goal*

**Allocates pocket money**
*Identifies needs and wants, prioritises money for saving, spending & sharing*

**Compares prices**
*Compares the prices of different products at different outlets at different dates before purchasing this product*

## Aged 12-14 ~ Junior Secondary

**Returns borrowed things**
*Returns money/ items on time and in good condition, fulfilling any additional obligations as promised*

**Uses bank account for saving**
*Realises the benefits of saving in a bank, e.g. can gain interest in building wealth, be more secure, keep track of money*

**Takes notice of purchasing terms**
*Understands the terms of purchase such as promotions, return and refund policies*

**Does budgeting**
*Uses a tool to make a budget and regularly reviews it*

## Aged 15-17 ~ Senior Secondary

**Compares assistance options for study**
*Plans different options that most suit their further study preferences*

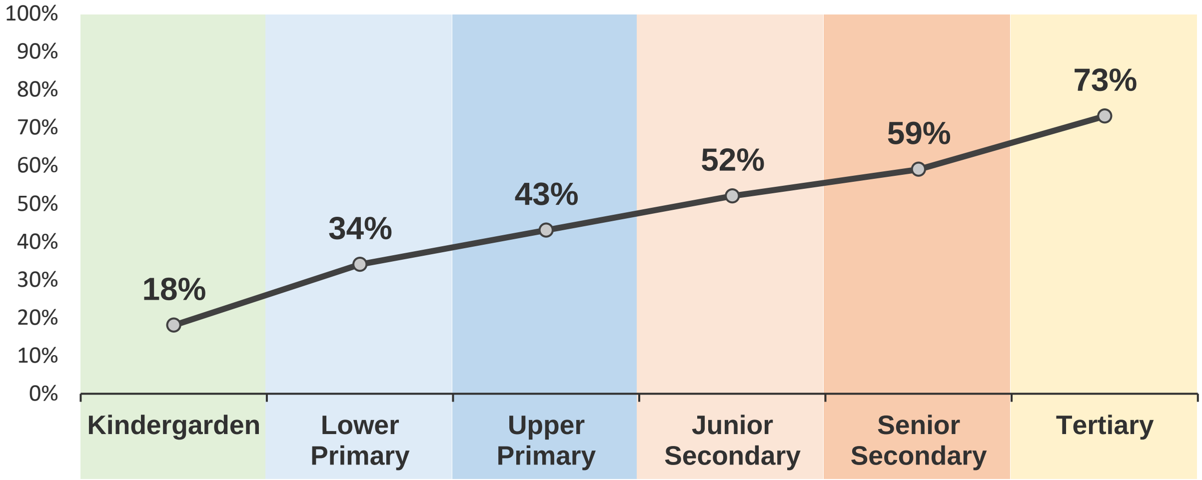
**Checks financial records**
*Makes sure the amounts on receipts, invoices, statements, Octopus transactions etc. are correct and follows up on any that are not*

**Makes a career plan with financial consideration**
*Considers the salary, benefits, professional development cost and prospects of different jobs*

**Reduces household expenses**
*Uses less water, electricity or gas and observes the financial impact*

From parents' perspectives, their children's financial competency steadily grows across different stages.

*Figure 4.1 – Child's knowledge and mindset towards money management as observed by parents**




*Base: Parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*
** denotes average fulfillment of money management traits*

Children are observed to start developing saving habits during primary school, likely due to the prevalence of pocket money by that age. Echoing parents' lower priority on setting financial goals and expenses tracking, observed competency of child in these two aspects is on the low side.

*Figure 4.2 – Child's displayed financial competency observed by parents (Common traits)*

| | | Parents of… | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **Kindergarten** | **Lower Primary** | **Upper Primary** | **Junior Secondary** | **Senior Secondary** | **Tertiary** |
| Have a habit of **saving** | **58%** | **15%** | **39%** | **56%** | **72%** | **79%** | **89%** |
| **Spend money rationally** | **48%** | **12%** | **29%** | **42%** | **63%** | **70%** | **75%** |
| Set **saving** goals | **39%** | **5%** | **17%** | **34%** | **48%** | **59%** | **75%** |
| **Track spending** regularly | **11%** | **2%** | **2%** | **7%** | **11%** | **20%** | **25%** |

*Base: Total - all parents n=1,203; parents of kindergarten children n=200; parents of lower primary children n=200; parents of upper primary children n=201; parents of junior secondary children n=201; parents of senior secondary children n=200; parents of tertiary children n=201*

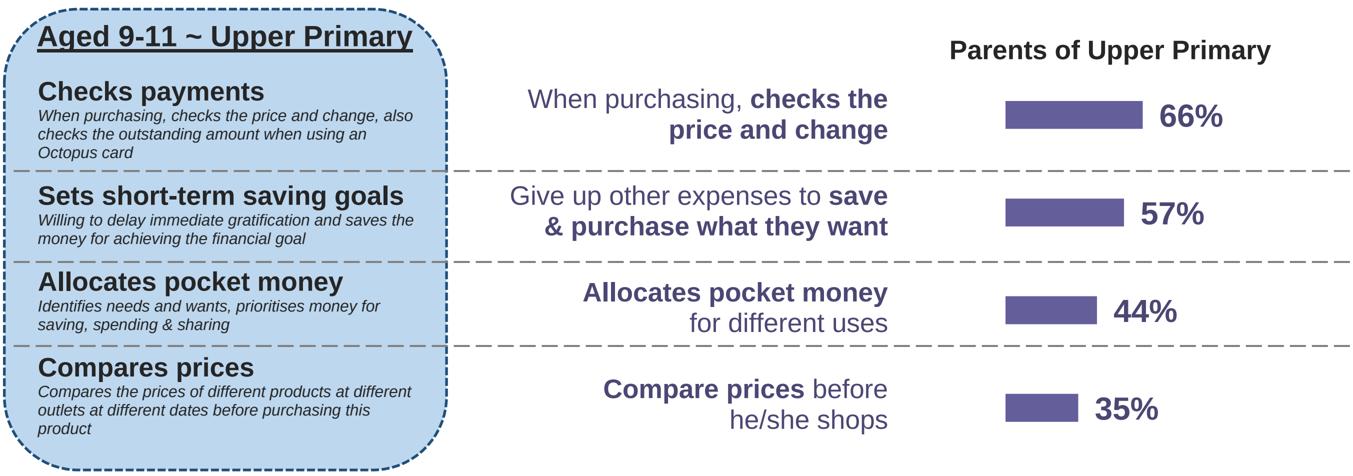
Parents observed that younger children possess a decent understanding of basic concepts by the time they reach lower primary, particularly in protecting their belongings. Yet, still less than half understand the need to make an effort to gain rewards and spending within means, which may have contributed to parents' perception that they lack frugality.

*Figure 4.3 – Child's displayed financial competency observed by parents (Unique traits)*


*Base: Parents of kindergarten children n=200; parents of lower primary children n=200*

As the children reach upper primary, over half are observed to be able to check payments and willing to give up other purchases to save up when they have a favourite item in mind. Meanwhile, less than half are able to allocate pocket money and majority fail to shop around and compare prices.

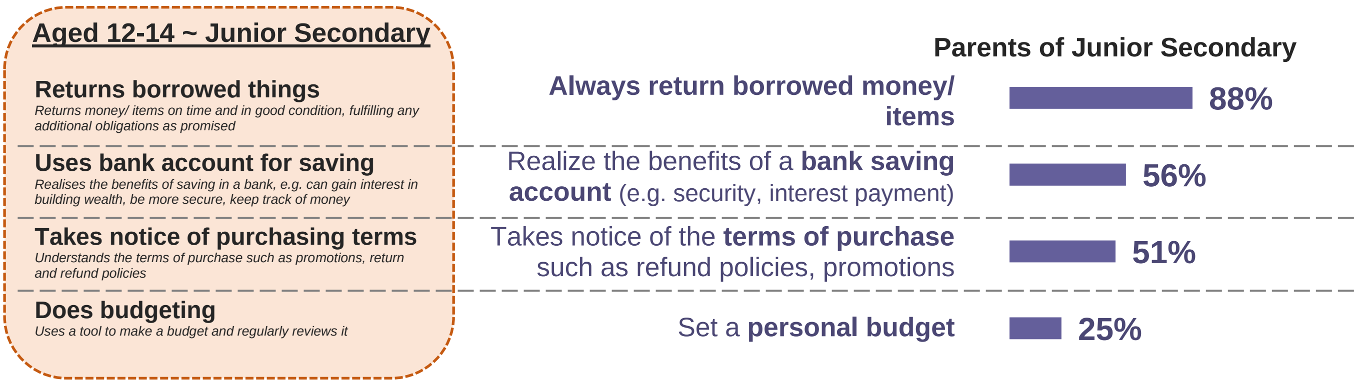
*Figure 4.4 – Child's displayed financial competency observed by parents (Unique traits)*




*Base: Parents of upper primary children n=201*

Junior secondary students are seen to aptly return borrowed items, on the other hand they are lackadaisical about budgeting.  Around half takes notice of the purchasing terms and recognise the benefit of saving in a bank though.

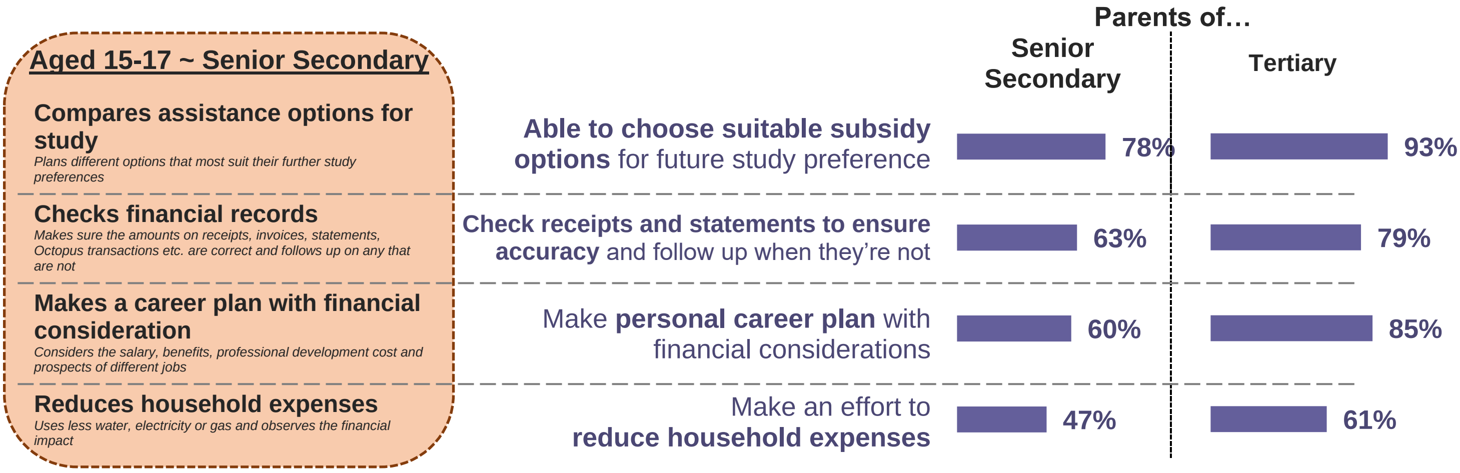
*Figure 4.5 – Child's displayed financial competency observed by parents (Unique traits)*




*Base: Parents of junior secondary children n=201*

Senior secondary school students are mostly able to consider financial arrangements for future study; but slightly over one third of parents reported their children are not adept at checking financial records, and less than half are helping to reduce household expenses. Meanwhile, children reaching tertiary level are largely seen to be meeting these financial basics, but could probably spend more efforts in helping parents cut down household expenses.

*Figure 4.6 – Child's displayed financial competency observed by parents (Unique traits)*




*Base: Parents of senior secondary children n=200; parents of tertiary children n=201*

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