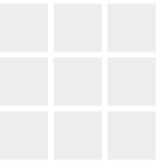




T. Rowe Price

**7TH ANNUAL PARENTS, KIDS &
MONEY SURVEY**



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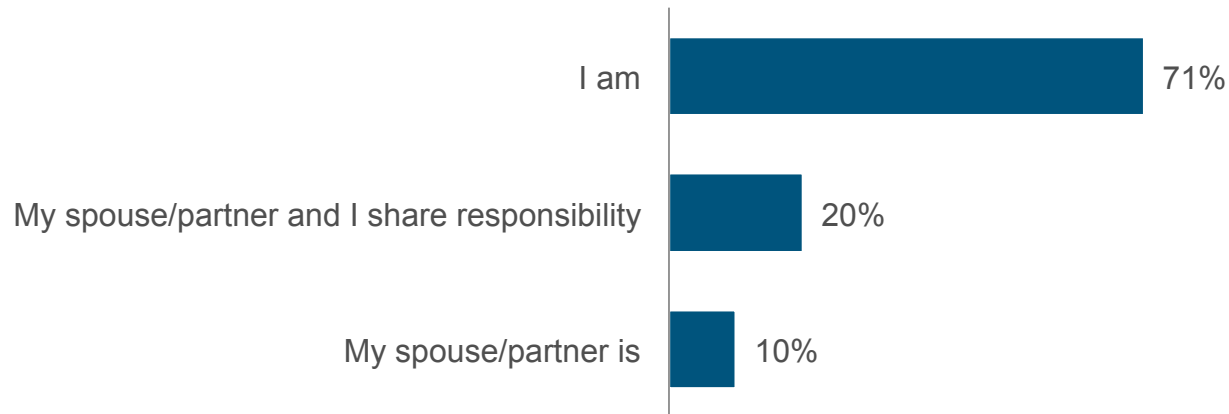
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FAMILY FINANCIAL PROFILE

Managing Day-to-Day Finances

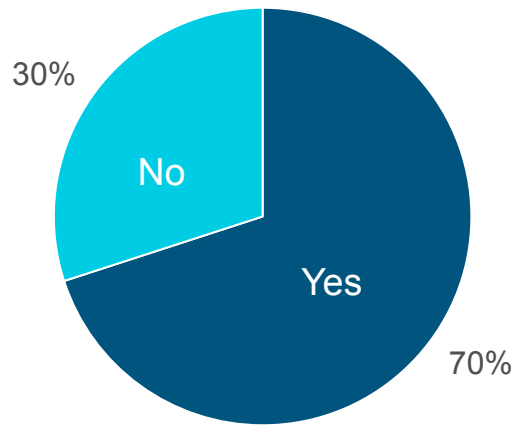
Q14. Who is primarily responsible for managing the day-to-day finances for the household?



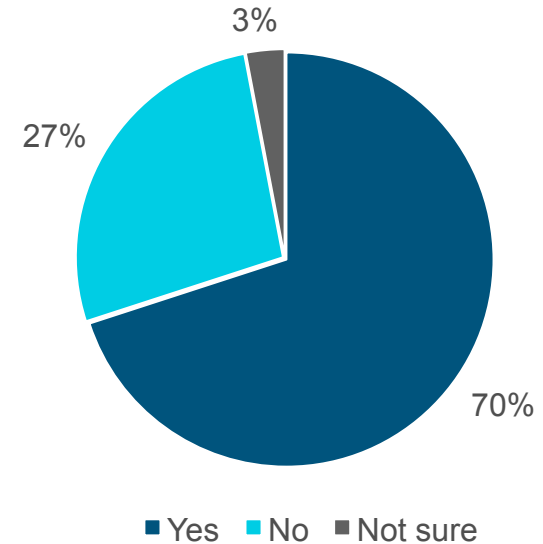
- Men are more likely than women to say they are responsible for managing the family finances (79% vs. 63%)

Household Budget

Q45. Do you follow a household budget?



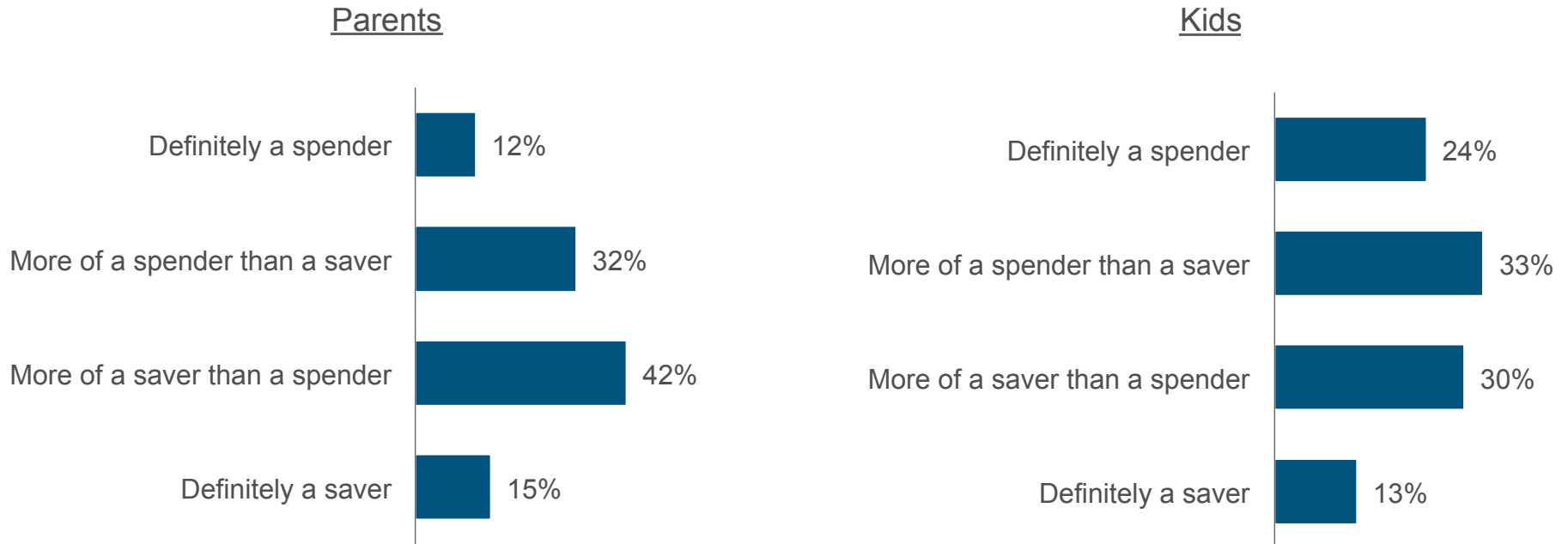
Q22. In a typical month, is there money left over after paying the monthly expenses?



- Seven out of 10 parents say that they follow a budget, and the same number typically have money left after paying the monthly expenses
- Of the 70% that follow a budget (N=701), 75% typically have money left over each month

Saver or Spender

Q37 & Q79. Would you consider yourself more of a saver or a spender?

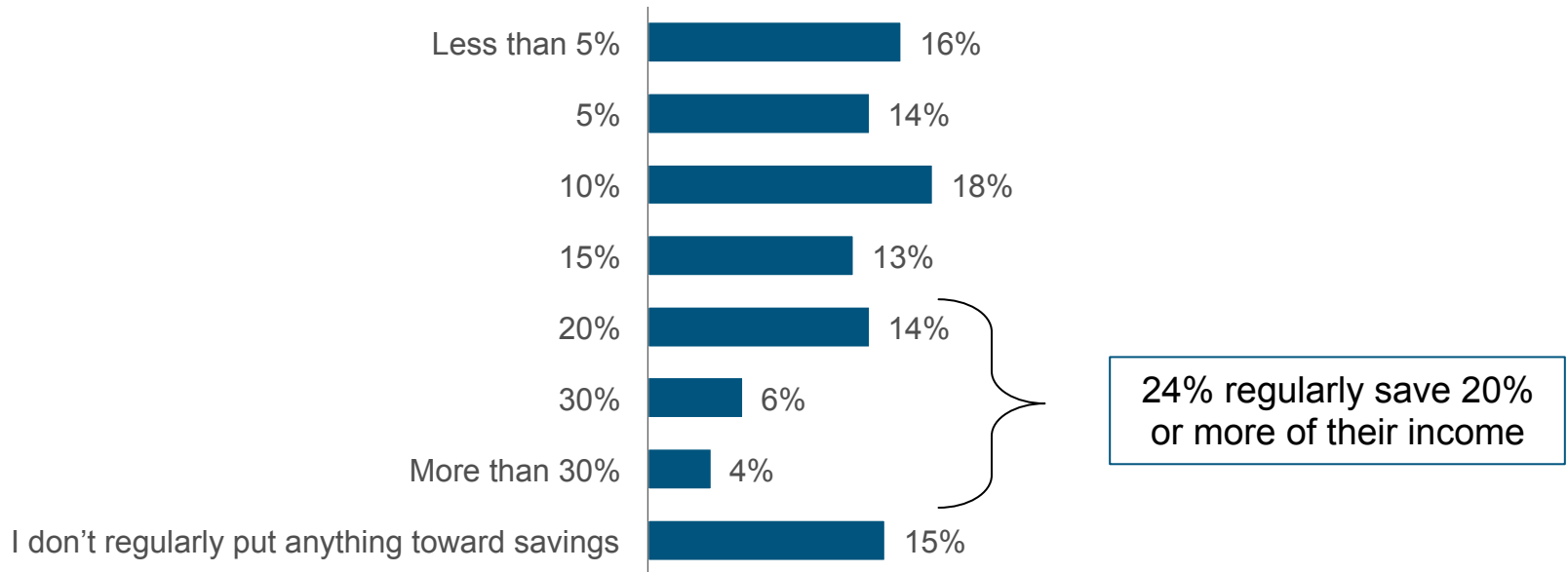


- Kids (57%) are more likely than parents (44%) to say they are spenders
- Parent “spenders” are more likely than parent “savers” to have kids who are “spenders” (64% vs. 52%)

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

Level of Saving

Q20. How much of your annual income do you regularly put toward savings?
(Includes retirement, college, investment, and regular savings)



- Eighty-five percent of parents say they save regularly, with 24% saving 20% or more of their annual income
- Seventy-seven percent of the 150 parents who don't regularly save also don't have an emergency fund

Saving Habits

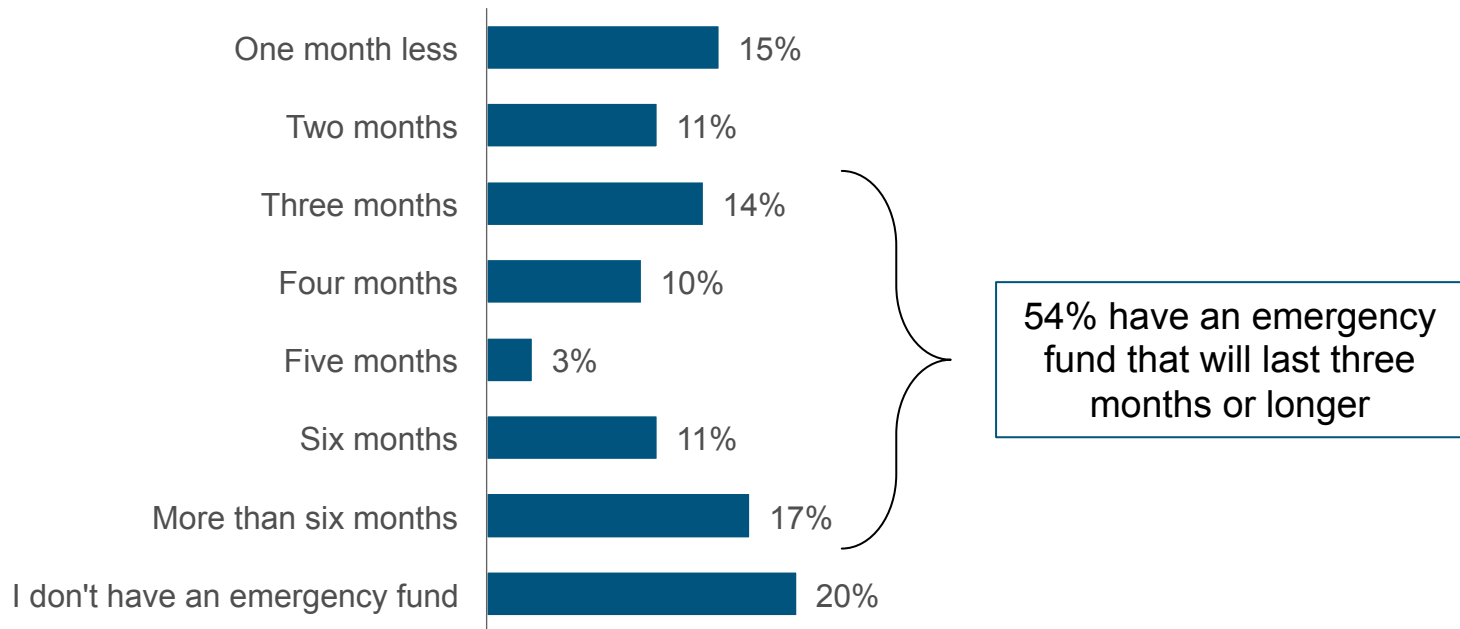
Q38. Which of the following things do you do on a regular basis?
(Check all that apply)



- More than half of parents do not regularly save for retirement (56%), do not set financial goals (60%), and do not ensure their investments are diversified (75%)

Emergency Funds

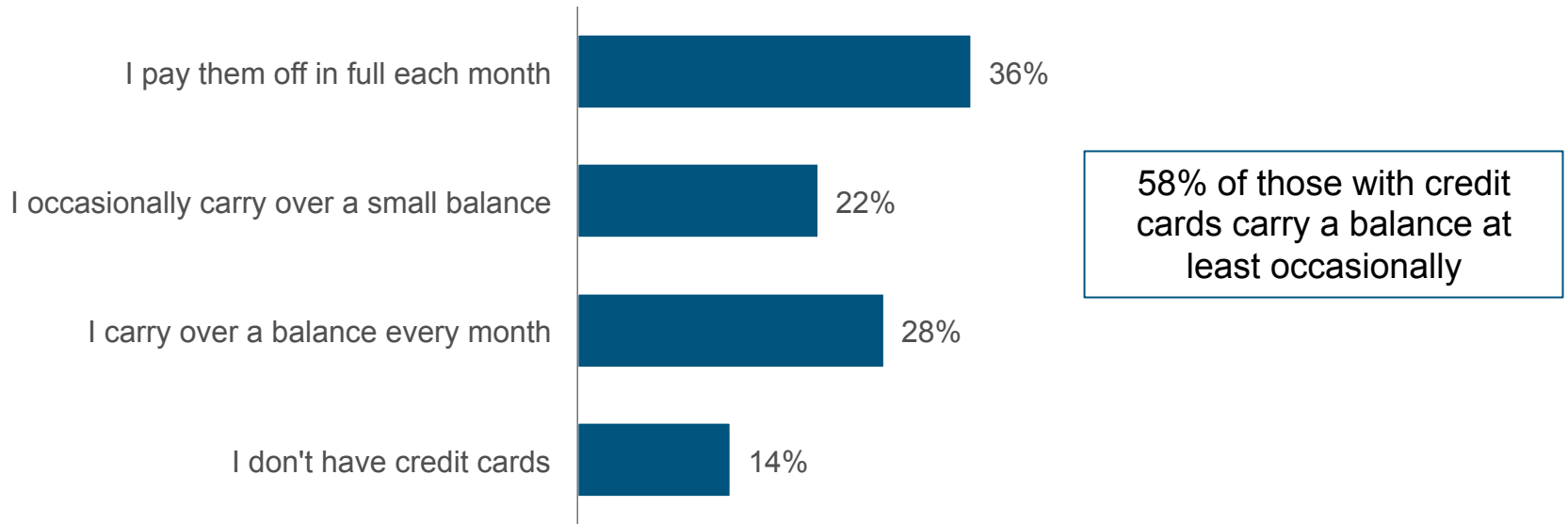
Q21. How long would your current emergency fund last if you needed to use it?



- While the majority of parents have a sufficient emergency fund, one in five have nothing set aside for emergencies

Managing Credit Card Balances

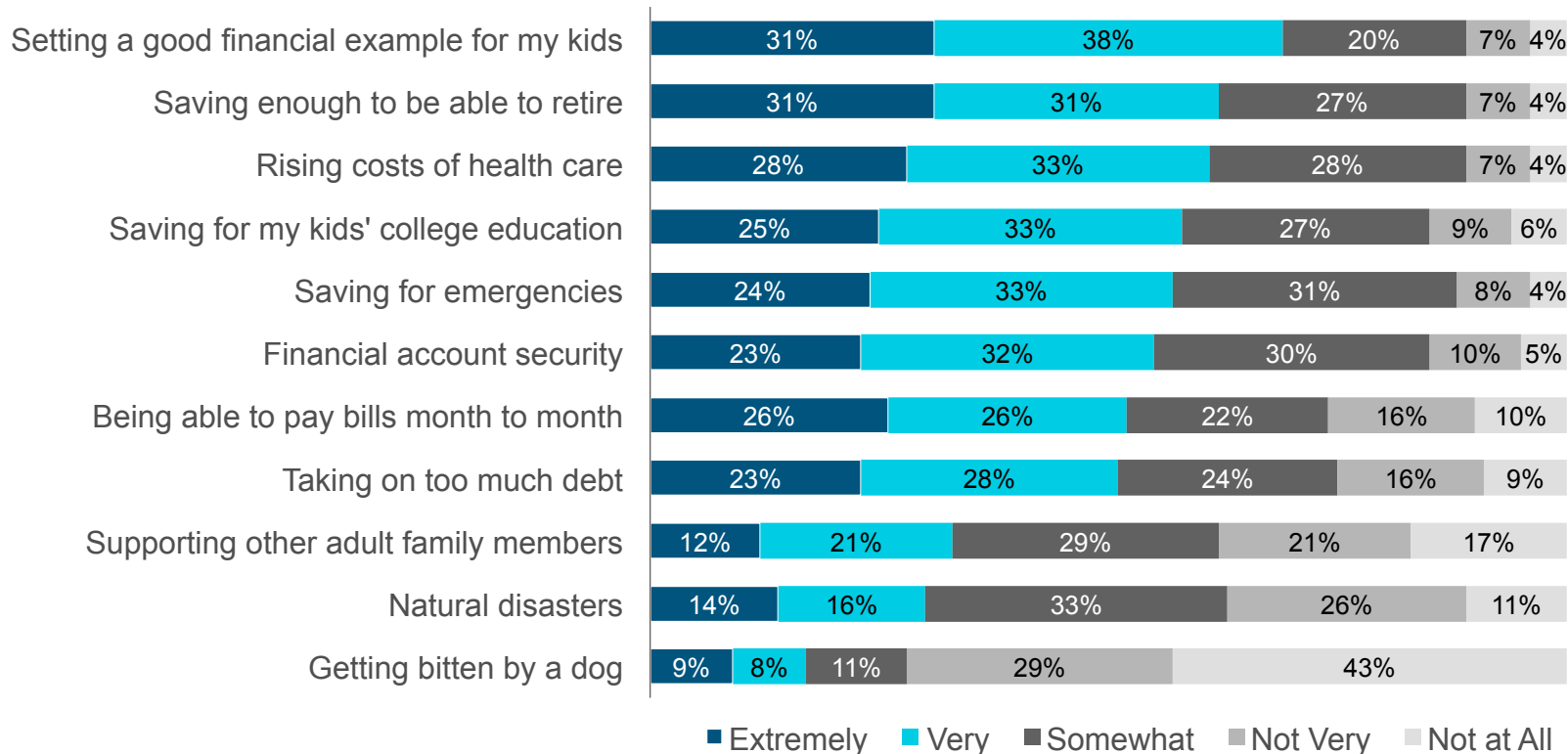
Q42. In general, which of the following best describes how you approach credit card balances?



- The majority of parents who have credit cards carry over a balance at least occasionally, and over one-quarter carry over a balance every month

Concerns

Q19. How concerned are you with each of the following?



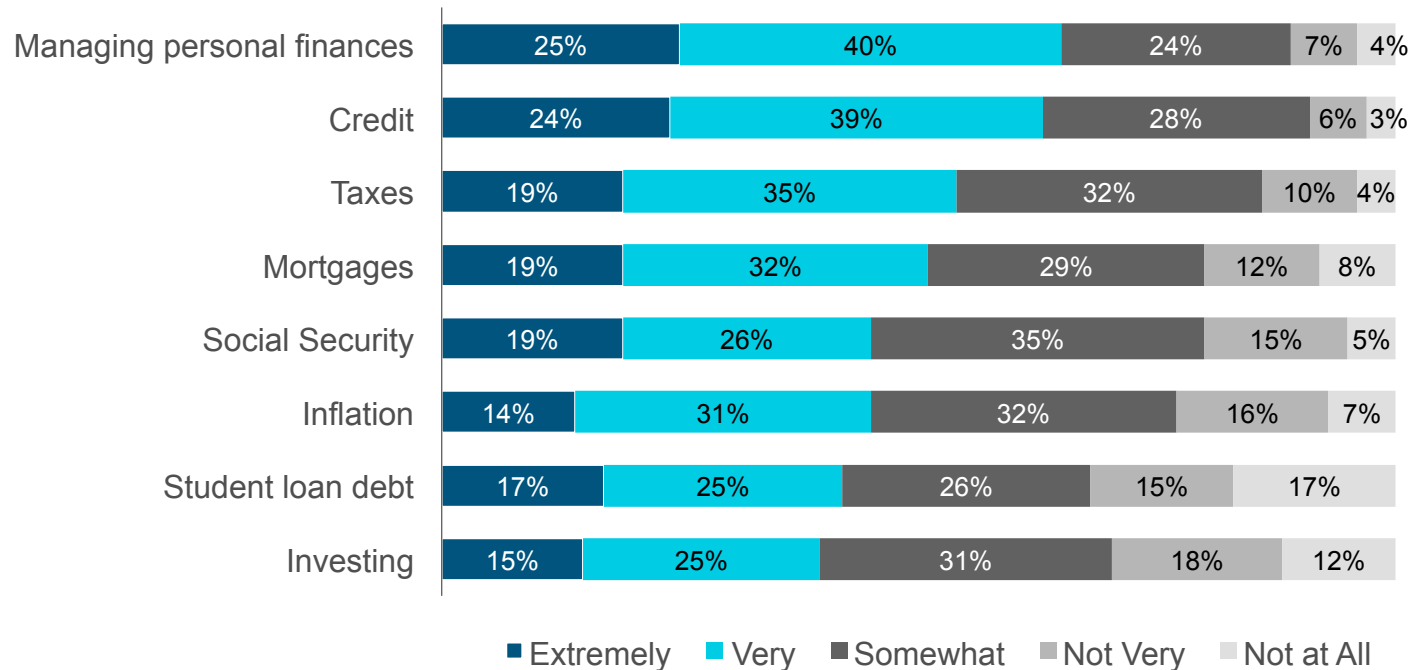
- A total of 69% of parents are very/extremely concerned with setting a good financial example for their kids
- 62% are very/extremely concerned about saving for retirement, while 58% say the same about saving for college



FINANCIAL KNOWLEDGE

Parents' Knowledge of Financial Topics

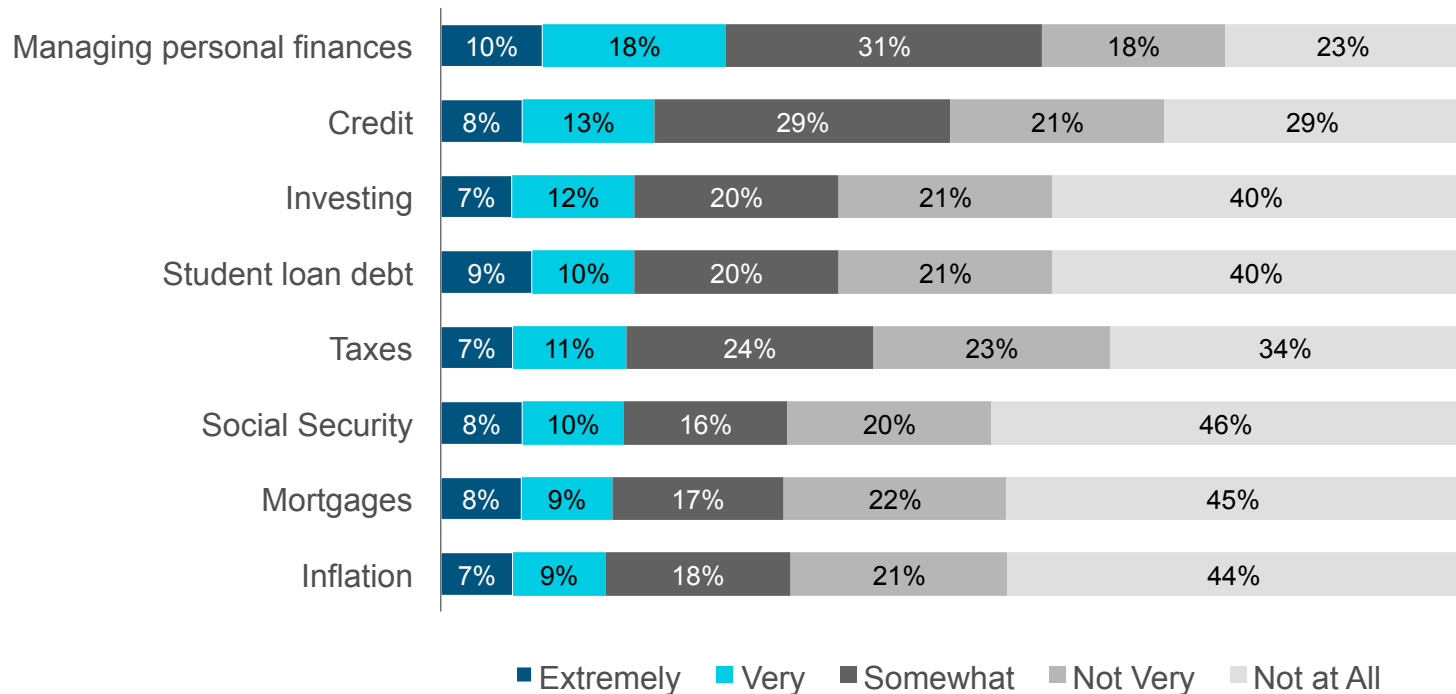
Q13. Overall, how knowledgeable are you about each of the following?



- Parents say they are most knowledgeable about managing personal finances (65% very/extremely) and credit (63% very/extremely), and least knowledgeable about student loan debt (42% very/extremely) and investing (40% very/extremely)

Kids' Knowledge of Financial Topics

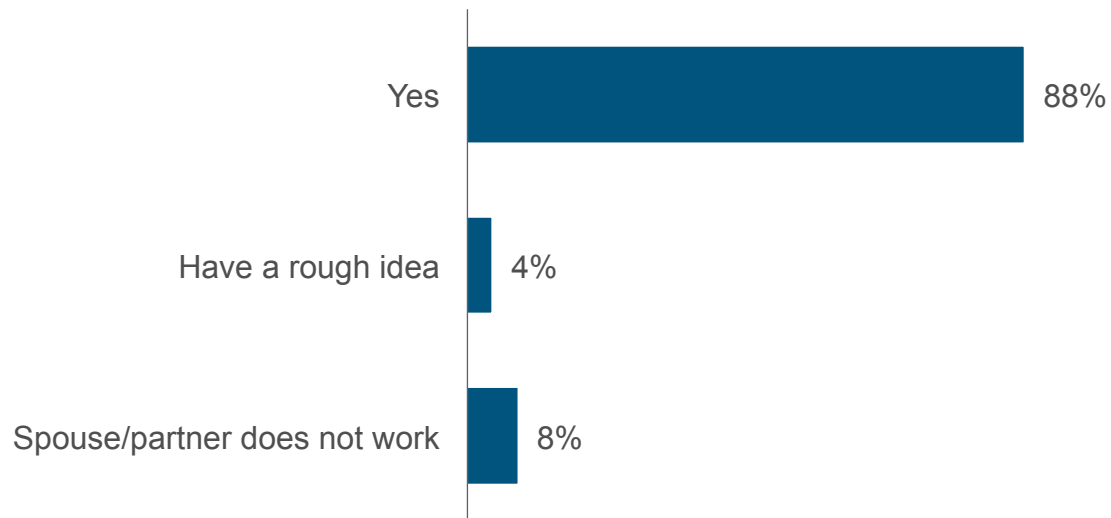
Q63. Overall, how knowledgeable are you about each of the following?



- Similar to parents, kids are most knowledgeable about managing personal finances (28% very/extremely) and credit (21% very/extremely), although they are more likely than parents to have investing as one of the top things they are knowledgeable about

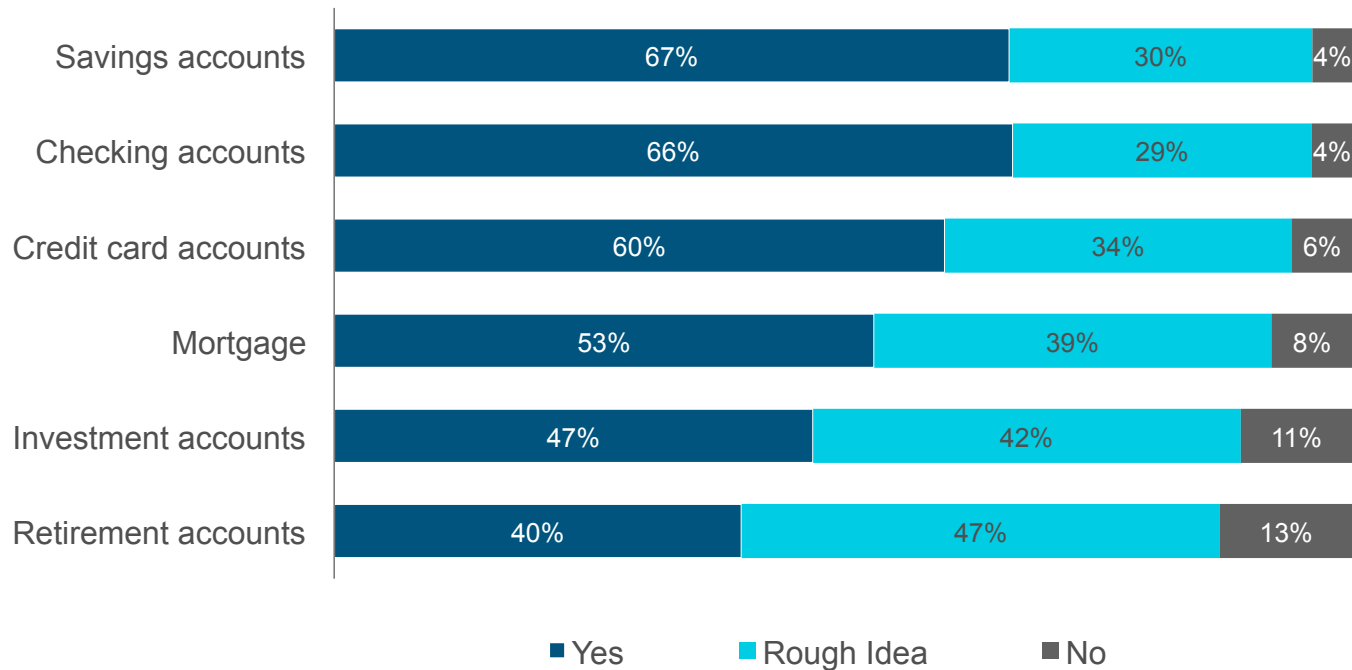
Knowledge of Spouse/Partner Salary

Q15. Do you know how much your spouse/partner earns in a year?



Current Balances

Q16. Are you aware of the current balance, for each of the following types of accounts?



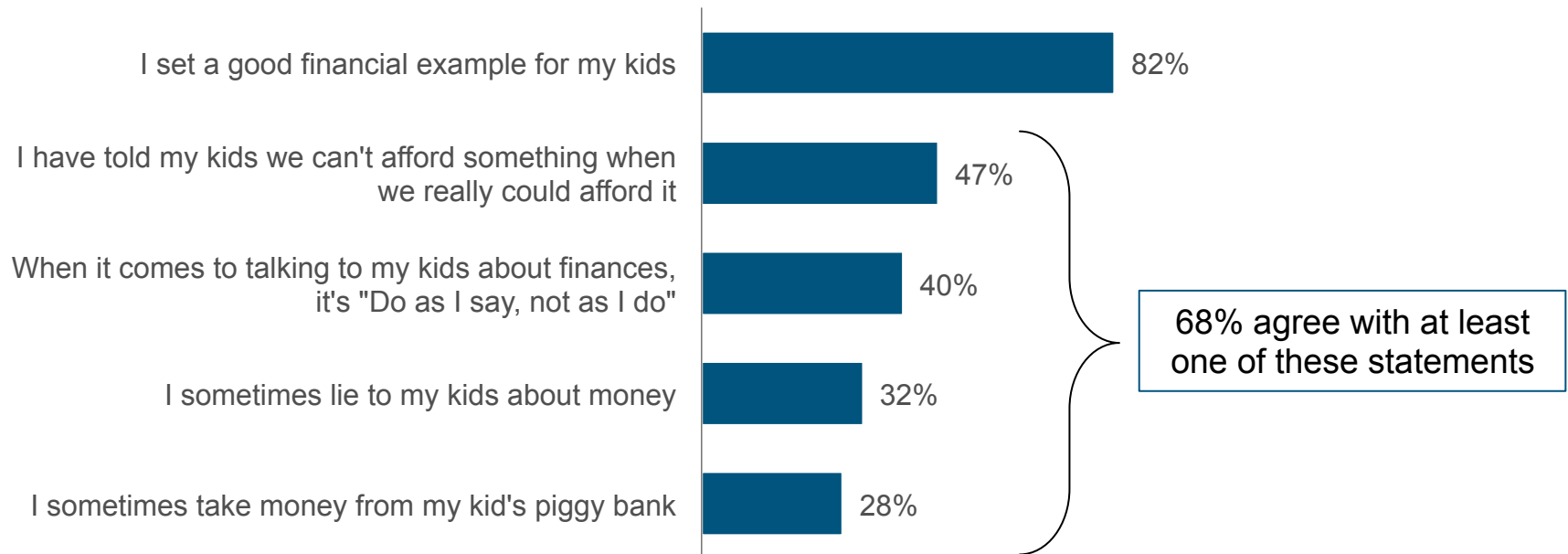
- Thirteen percent of parents are unaware of how much is in their retirement account, and nearly half have only a rough idea of how much is in their investment accounts



PARENTING

Setting an Example

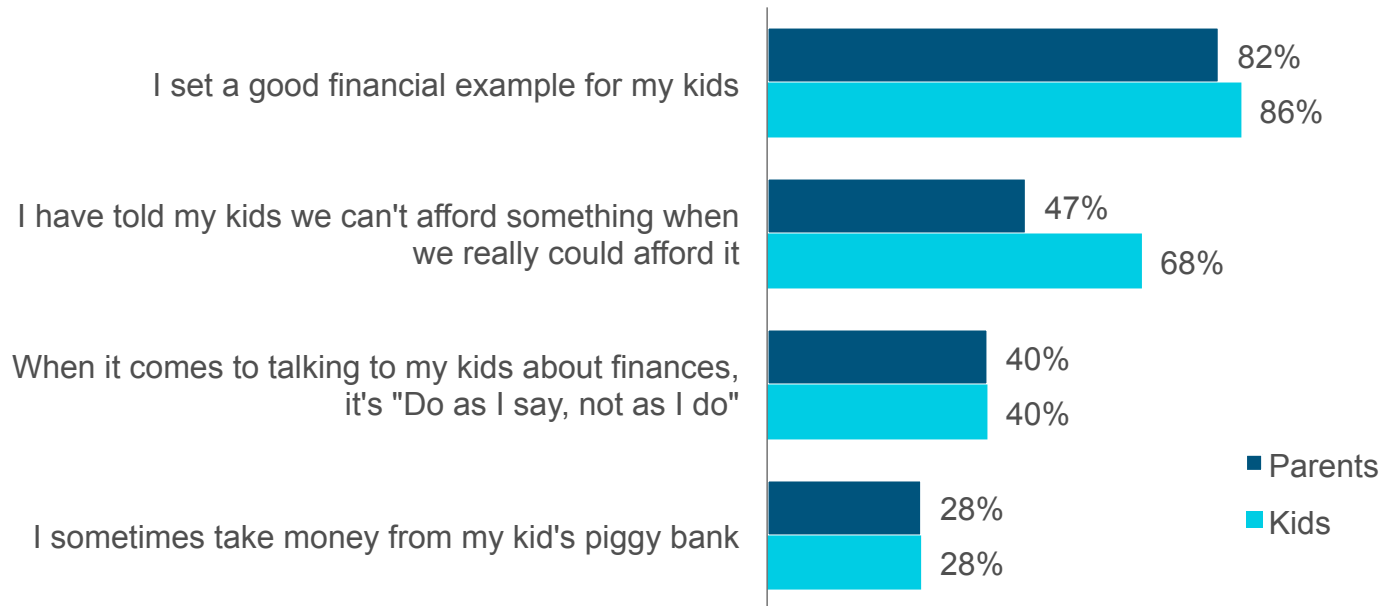
Q24 & Q36. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



- Eight out of 10 parents feel that they are setting a good financial example for their kids; however, two-thirds also say they've done things that may not qualify as setting a good example

Setting an Example

Q24 & Q36. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)

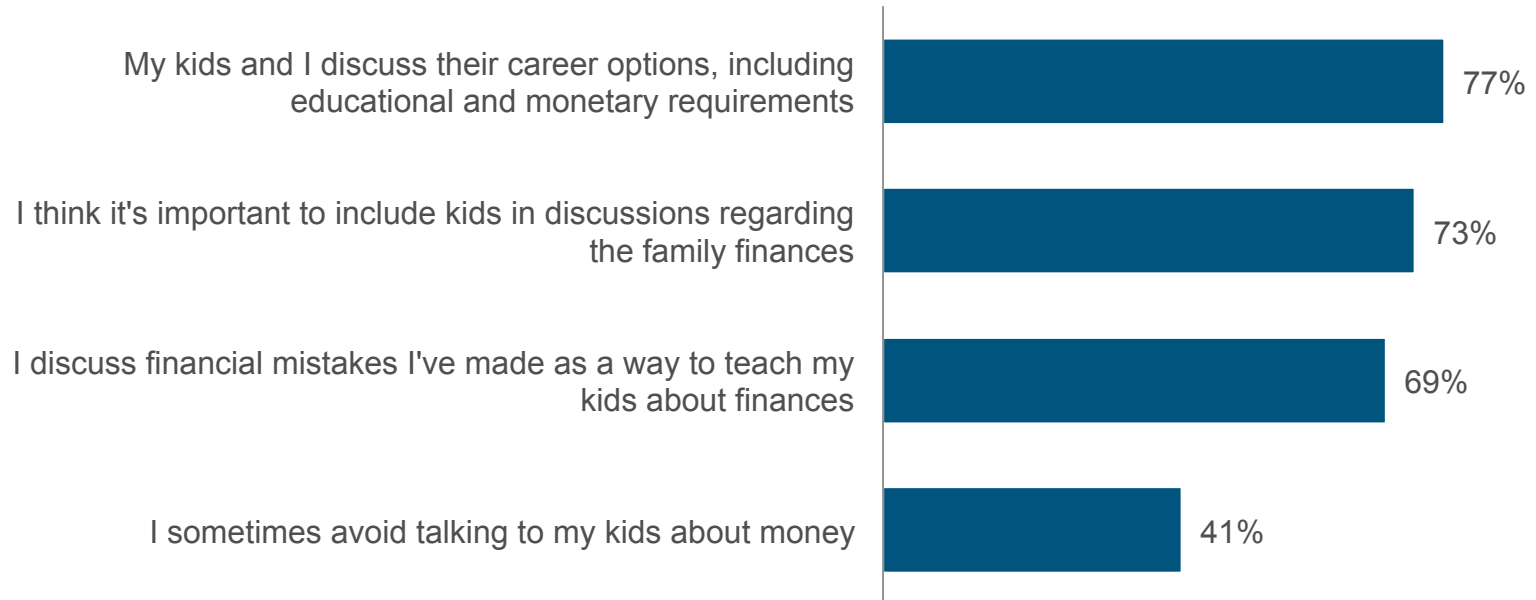


- Similar responses from parents and kids, except that kids tend to be suspicious when parents say they can't afford things

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

Parent/Kid Discussions

Q36. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



- Over one-quarter (27%) of parents say it's not important to include kids in discussions about family finances, and 41% say that they sometimes avoid talking to their kids about money

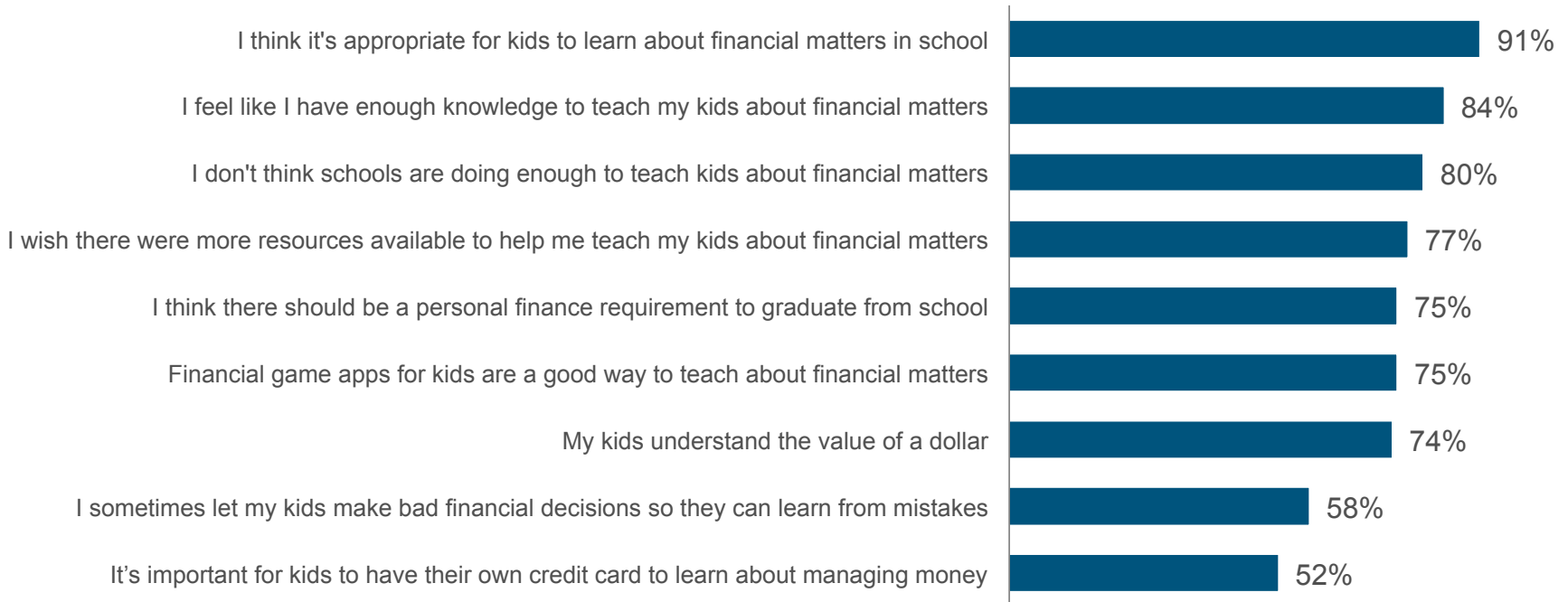
Parent/Kid Discussions

Q36. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



Teaching Kids About Money

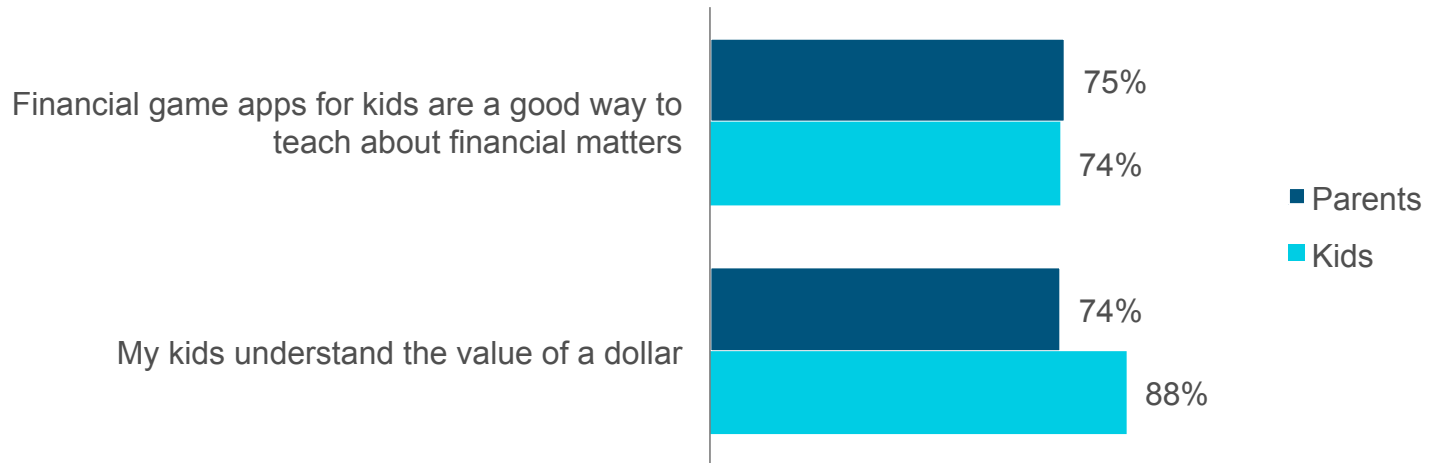
Q24. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



- Parents feel that kids should be learning about financial matters in school and that the schools could be doing more to teach kids about money

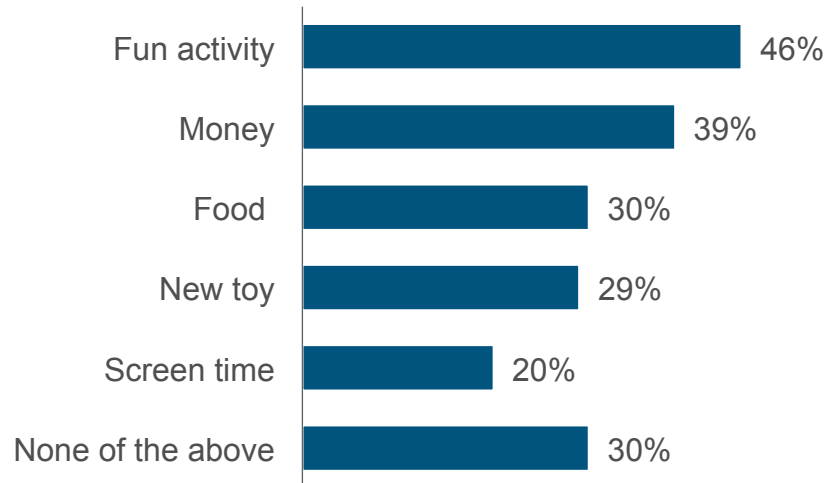
Teaching Kids About Money

Q24. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



Bribing Kids

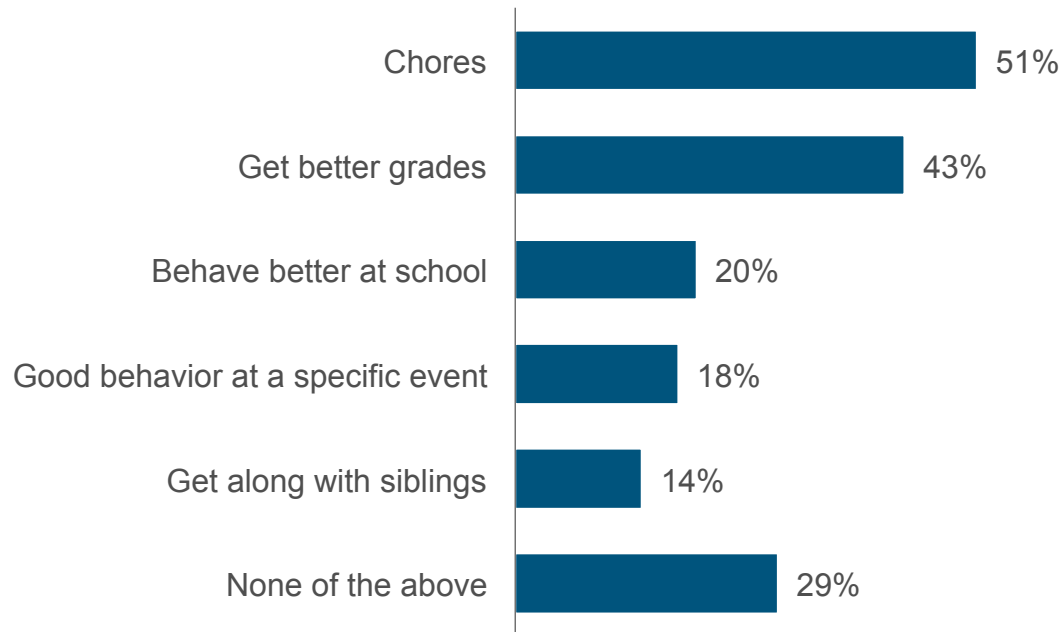
Q53. Which of the following have you used to bribe your kids?
(Check all that apply)



- Seventy percent of parents say they have used one of the items listed to bribe their kids

Using Money as an Incentive

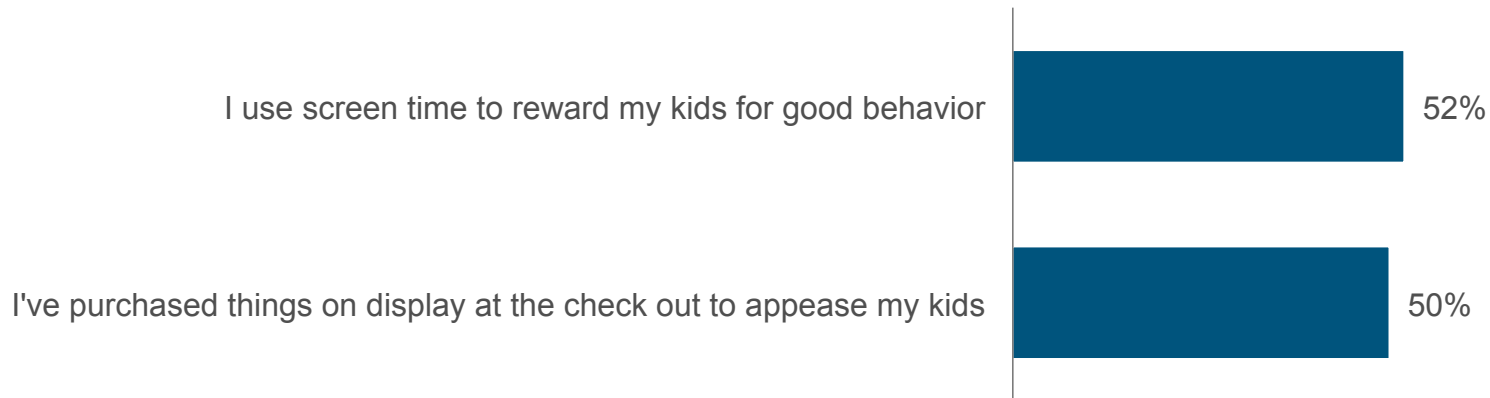
Q54. Have you ever used money as an incentive to get your kids to do any of the following?
(Check all that apply)



- Seventy-one percent of parents have used money as an incentive to get their kids to do something

Appeasing & Incentives

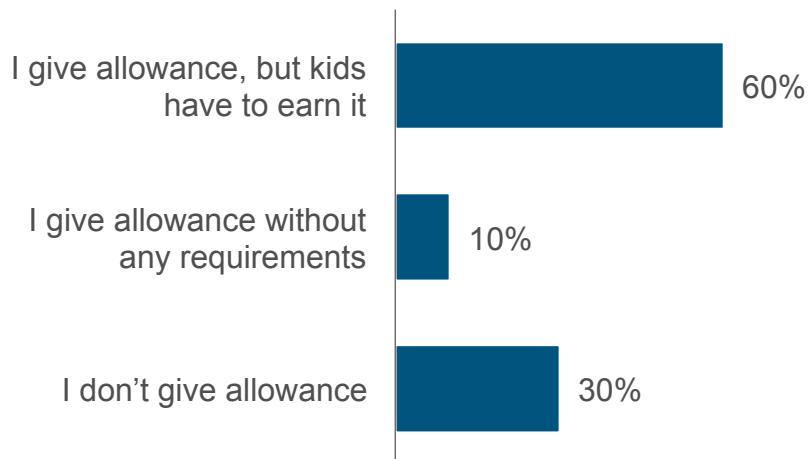
Q44. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



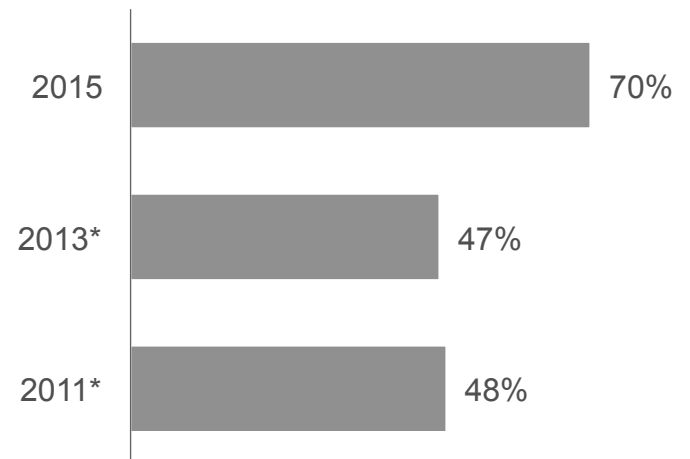
- Screen time is being employed as an incentive by parents, with over half saying they use it as a reward for good behavior
- Millennial parents are more likely than Gen X and Baby Boomer parents to use screen time as a reward (71% vs. 51% vs. 39%)

Approach to Allowance

Q49. Which of the following best describes your approach to allowance?



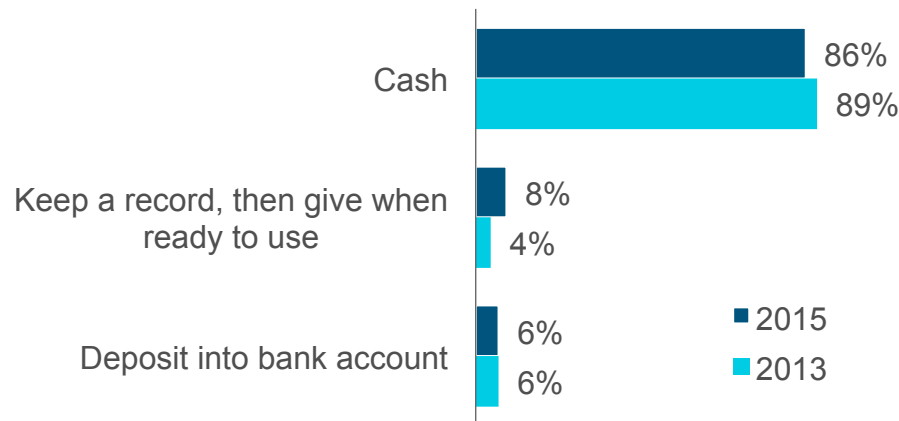
% of parents who give allowance



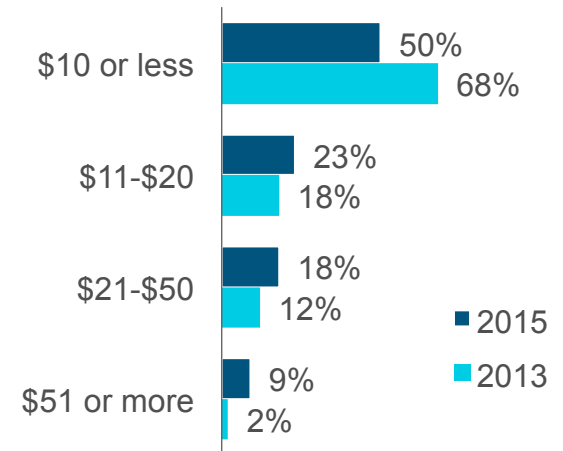
- Compared with previous years, it appears that significantly more parents are giving allowance in 2015

Allowance Form & Amount

Q52. In what form do you usually give allowance?



Q51. On average, how much allowance do you give each week?

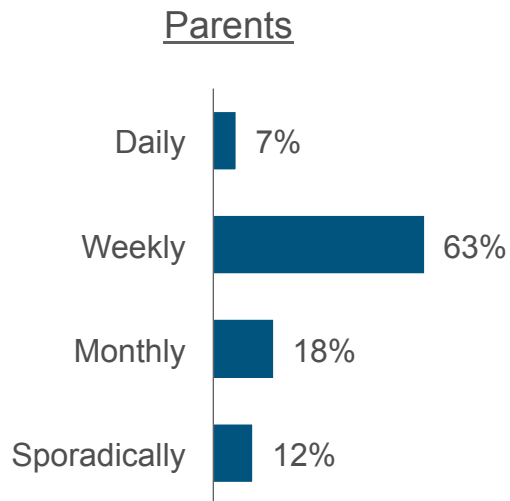


- In 2013, parents reported lower amounts for allowance, with 68% saying \$10 or less per week

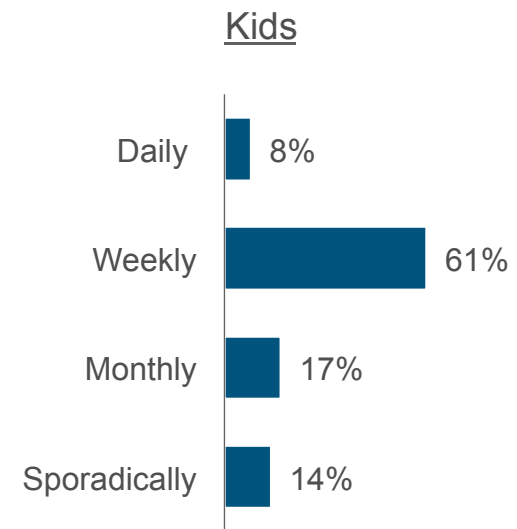
2015 & 2013 T. Rowe Price Parents, Kids & Money Survey
 2015: N=703 (Parents that give allowance)
 2013: N=472 (Parents that give allowance)

Allowance Frequency

Q50. How often do you **give** allowance?



81. How often do you **get** an allowance?



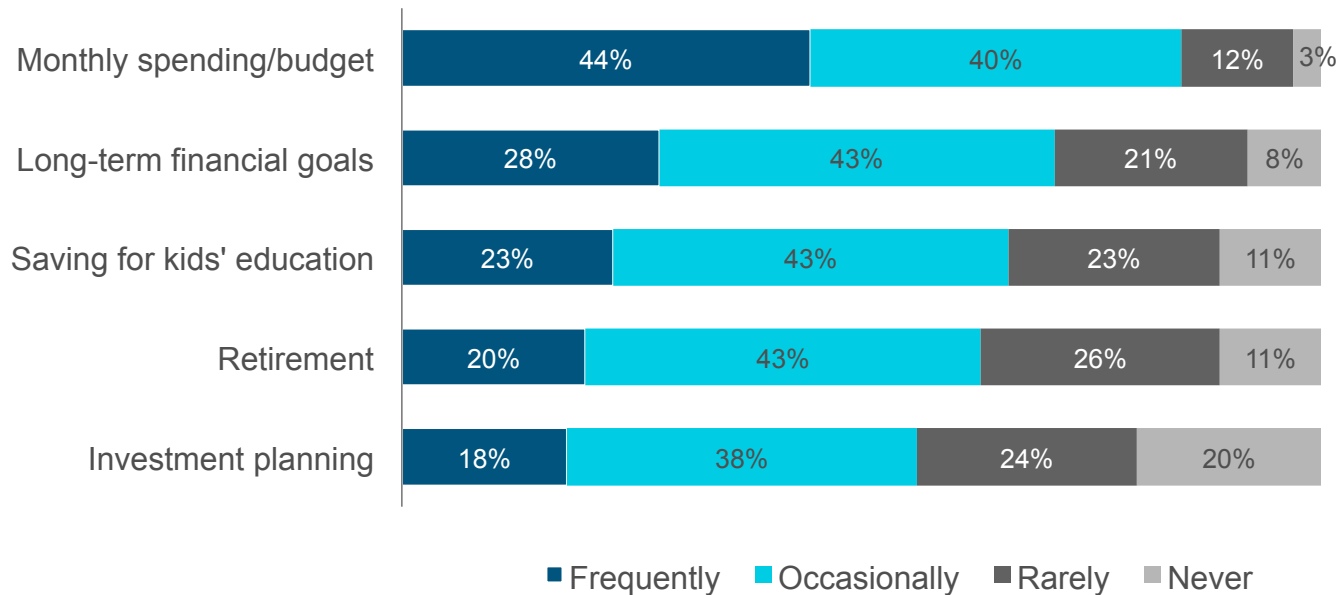
- Reported frequency of allowance is consistent between parents and kids



DISCUSSING FINANCIAL MATTERS

Discussions With Spouse/Partner

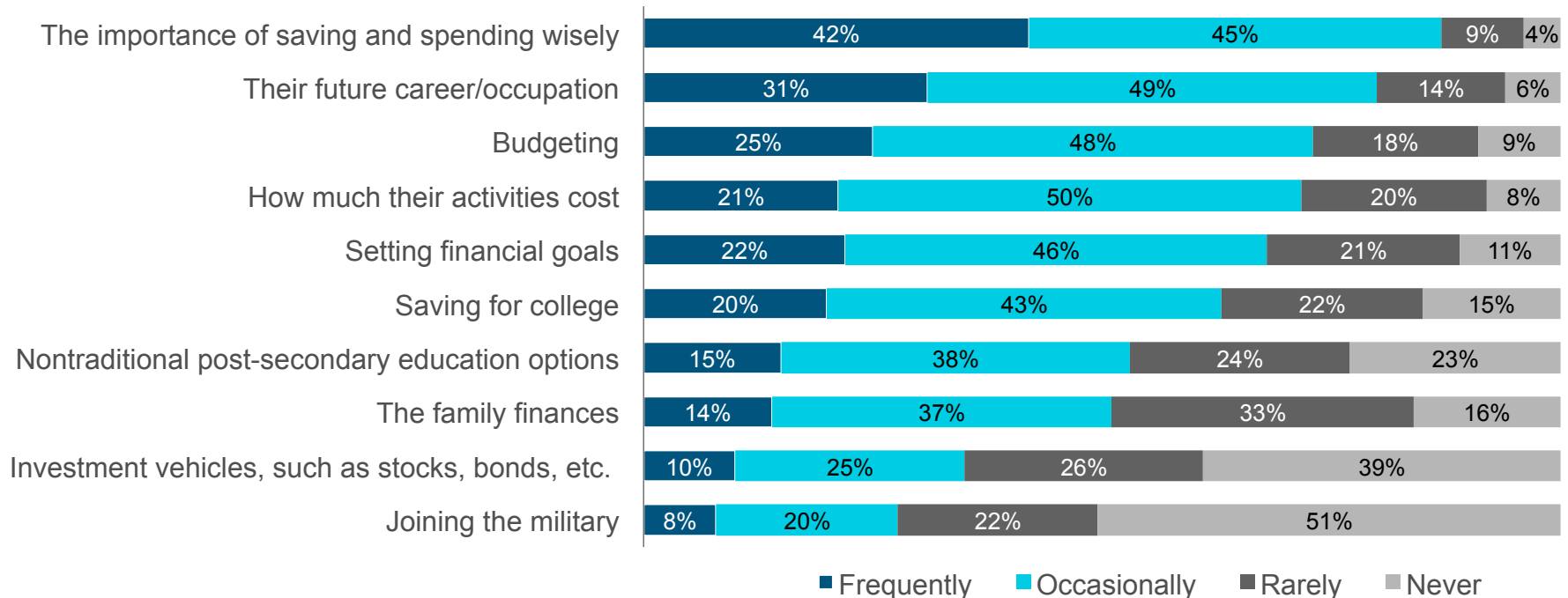
Q31. How often do you and your spouse/partner discuss each of the following?



- While most married parents discuss monthly spending with their spouse at least occasionally, fewer discuss saving for kids' education and retirement, and one in five never discuss investment planning

Discussing Finances With Kids

Q34. How often do you discuss each of the following topics with your kids?

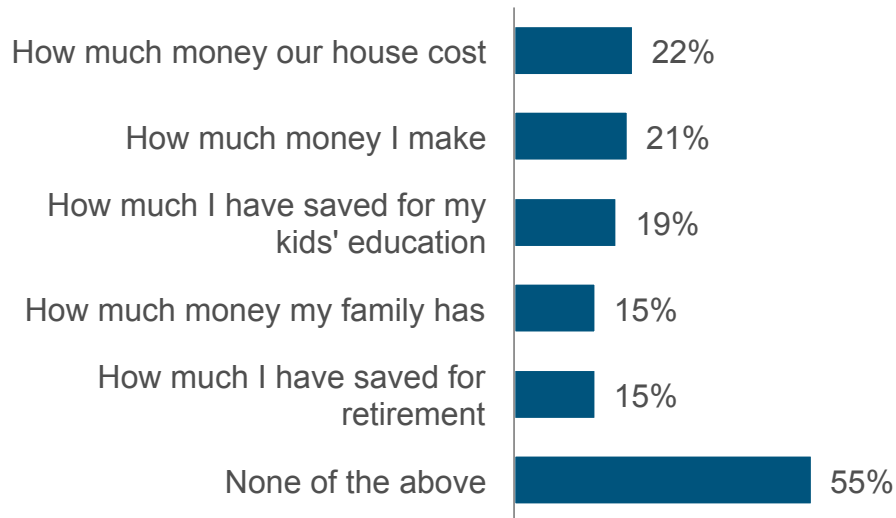


- Parents are most likely to have discussions with their kids about the importance of saving and spending wisely
- Thirty-seven percent of parents rarely/never discuss saving for college with kids

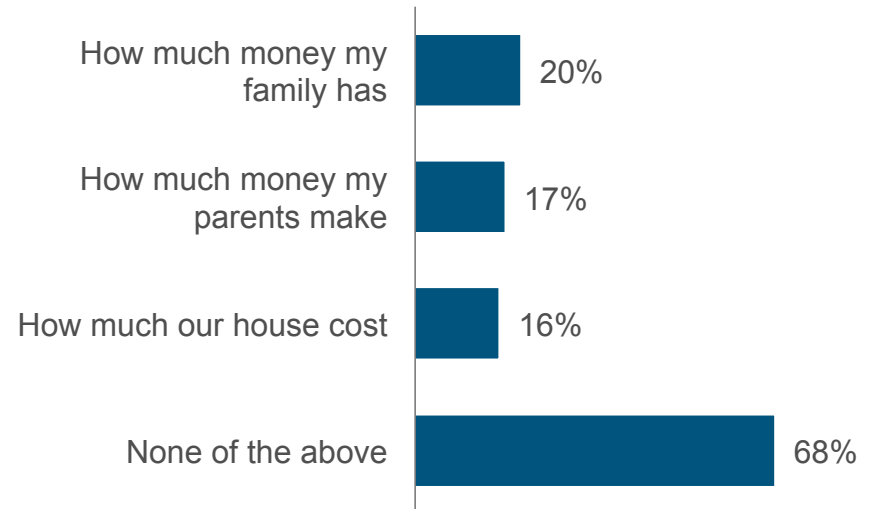
Discussing Finances With Friends

Q35 & Q77. Which of the following things have you talked about with your friends?
(Check all that apply)

Parents



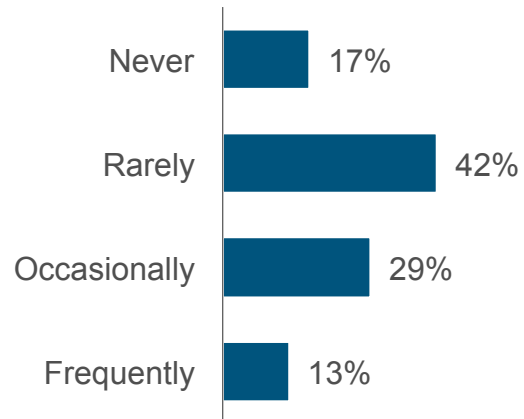
Kids



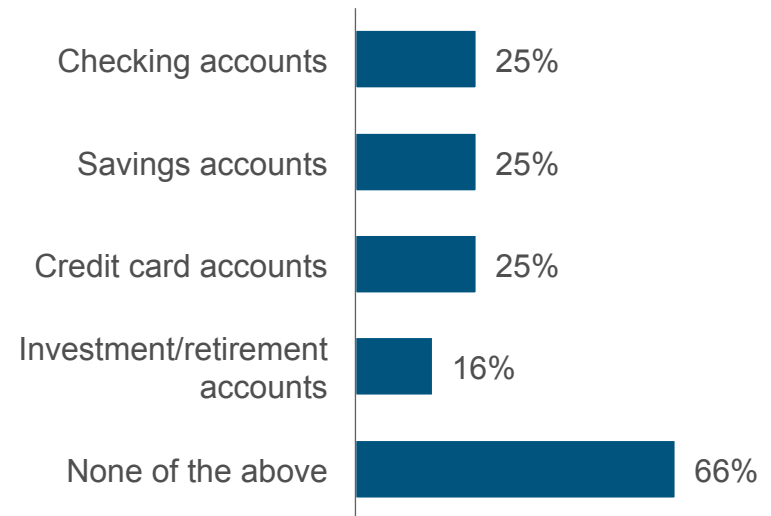
- Millennial parents are more likely than Gen Xers and Baby Boomers to talk to their friends about how much money they have (26% vs. 15% vs. 8%) and how much money they make (31% vs. 21% vs. 12%)

Arguing About Money—Spouse

Q32. How often do you and your spouse/partner argue about money?



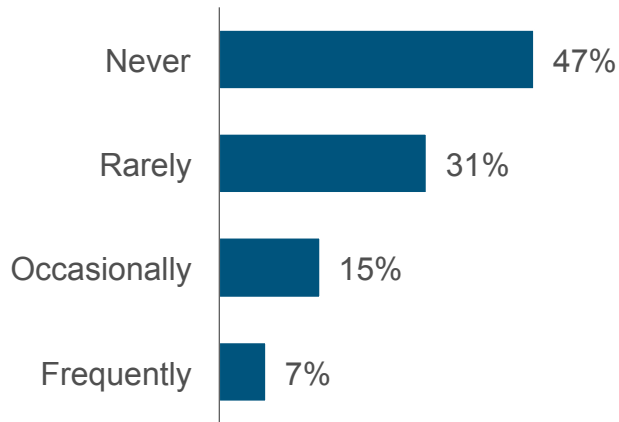
Q17. Do you have any of the following types of accounts that your spouse/partner is unaware of? (Check all that apply)



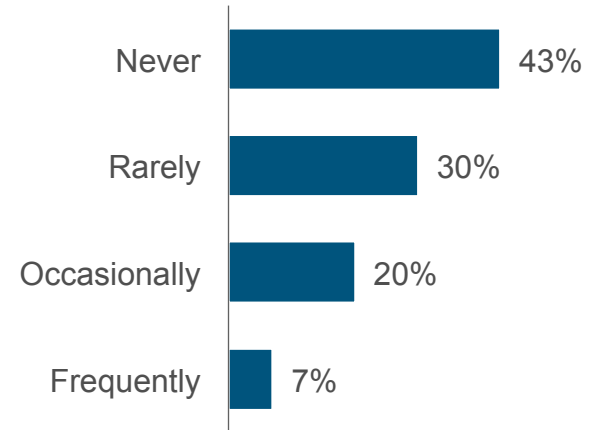
- A total of 42% of married parents argue about money, at least occasionally
- Thirty-four percent of married parents have an account their spouse is unaware of
- Parents who argue with their spouse occasionally/frequently are more likely to have secret accounts (47% vs. 24%)

Arguing About Money–Kids

Q33. How often do you and your **kids** argue about money?



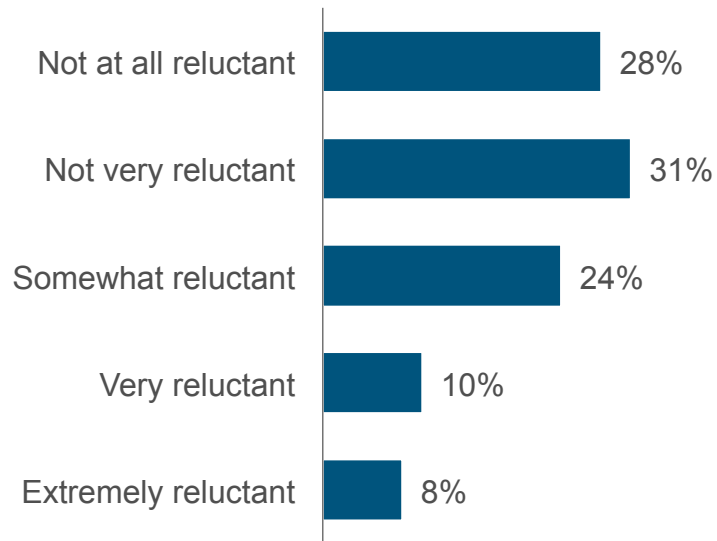
Q70. How often do you fight with your **parents** about money?



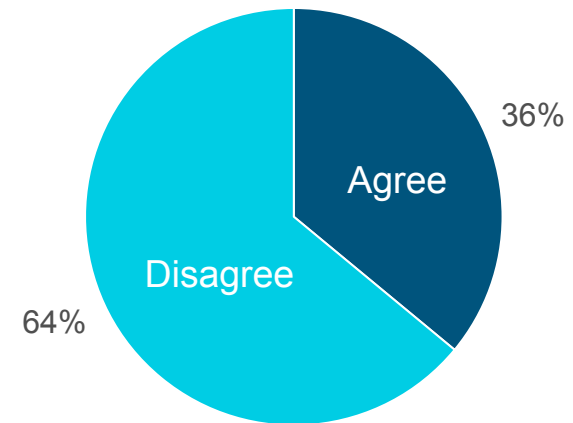
- Response is similar from parents and kids about how often they argue about money, with about three-quarters saying they do so rarely or never

Reluctance

Q25. How reluctant are you to discuss financial matters with your kids?



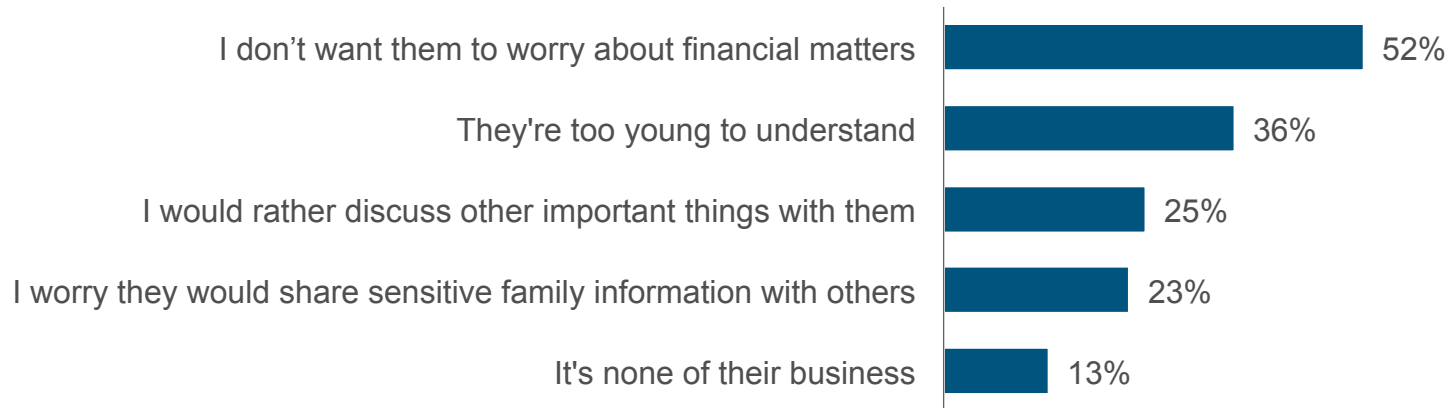
Q65. How much do you agree or disagree: My parents are reluctant to talk to me about money



- Eighteen percent of parents are very/extremely reluctant to discuss financial matters with their kids
- Seventy-two percent of parents experience at least some reluctance to talk to their kids about financial matters

Reasons for Reluctance

Q26. Why are you reluctant to discuss financial matters with your kids?
(Check all that apply)

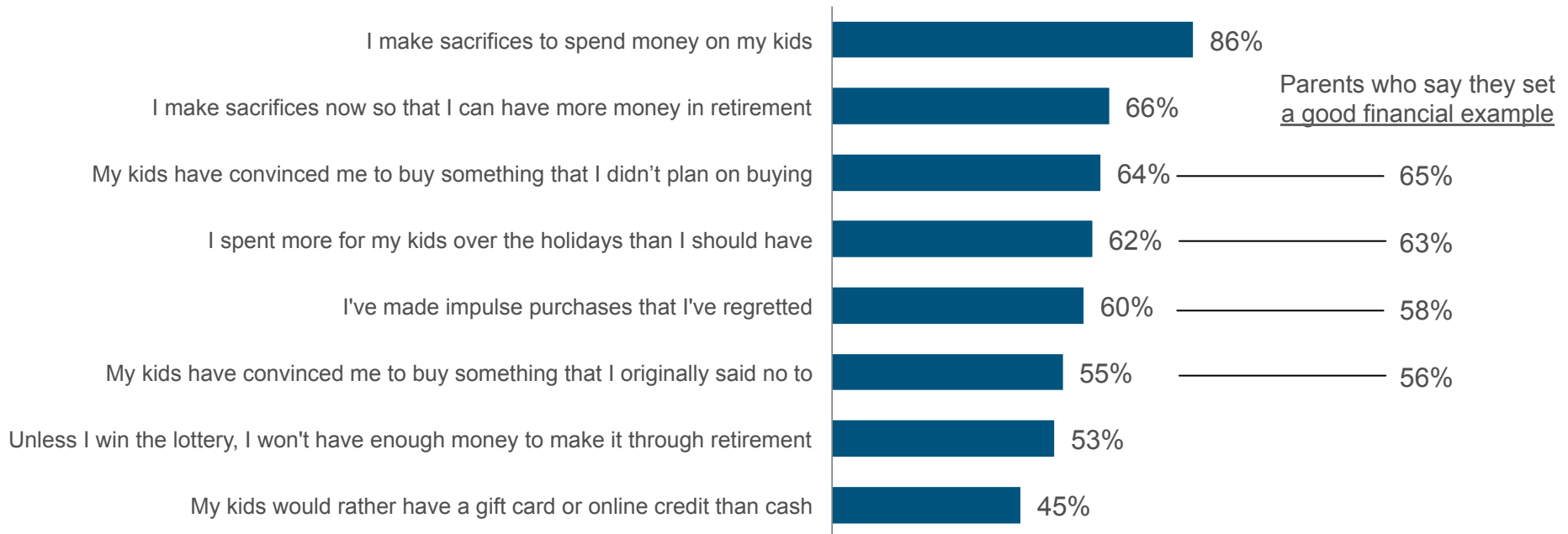




HABITS & PRIORITIES

Priorities

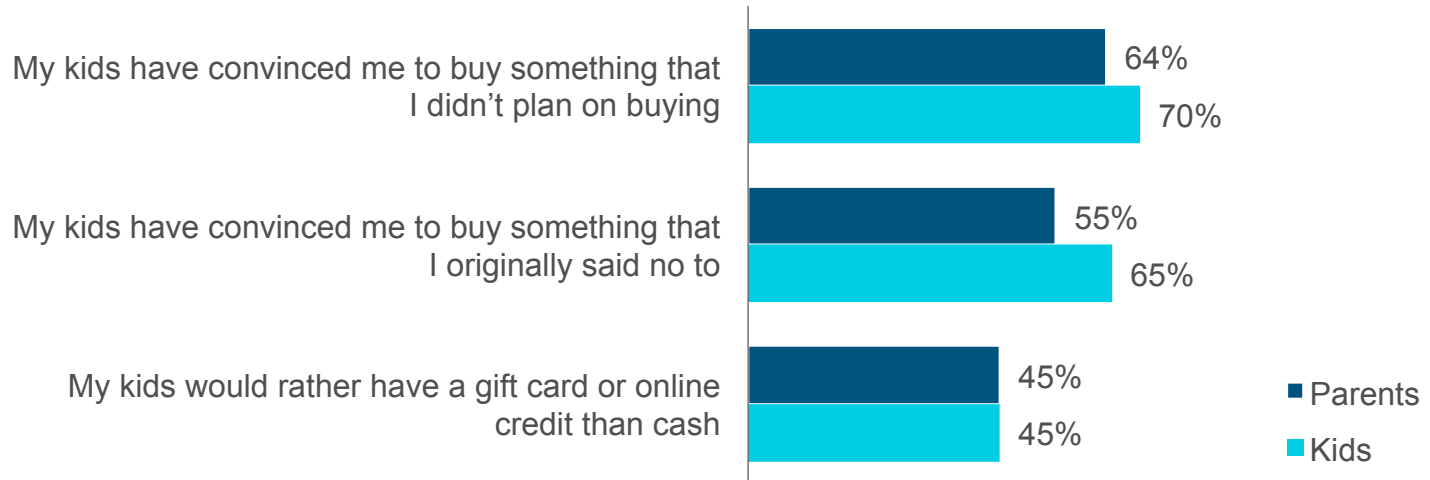
Q44. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



- The majority of parents are making sacrifices in order to spend money on their kids and to save for retirement
- One-half to two-thirds of parents who say they set a good financial example also say they have done things that may not be setting the best example for their kids

Priorities

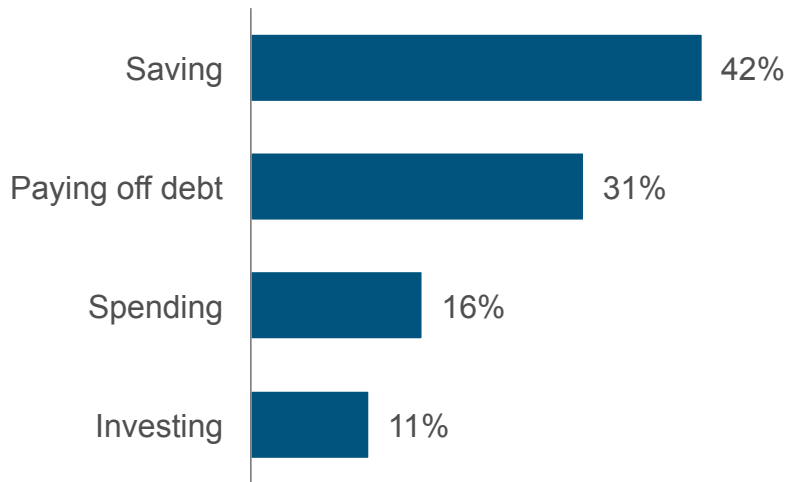
Q44. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



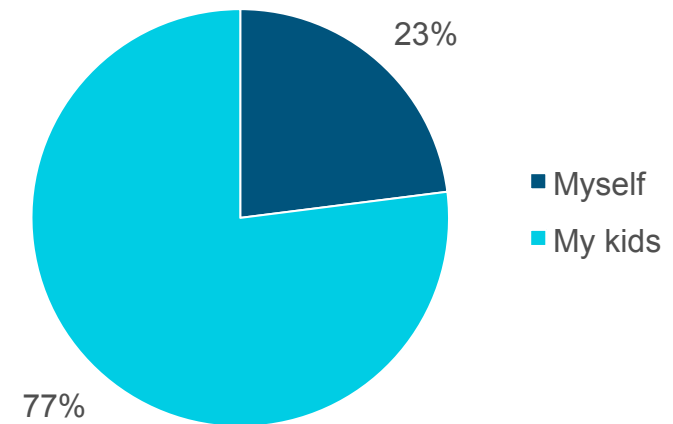
- Kids appear to be more confident in their ability to convince parents to buy things they didn't plan on, or originally said they wouldn't

Discretionary Spending

Q23. Please rank the following in terms of what you are most likely to do with any money that's available each month after paying your monthly expenses
(Displaying % ranking #1)



Q40. If you had discretionary money to spend on either yourself or your kids, on whom would you spend it?

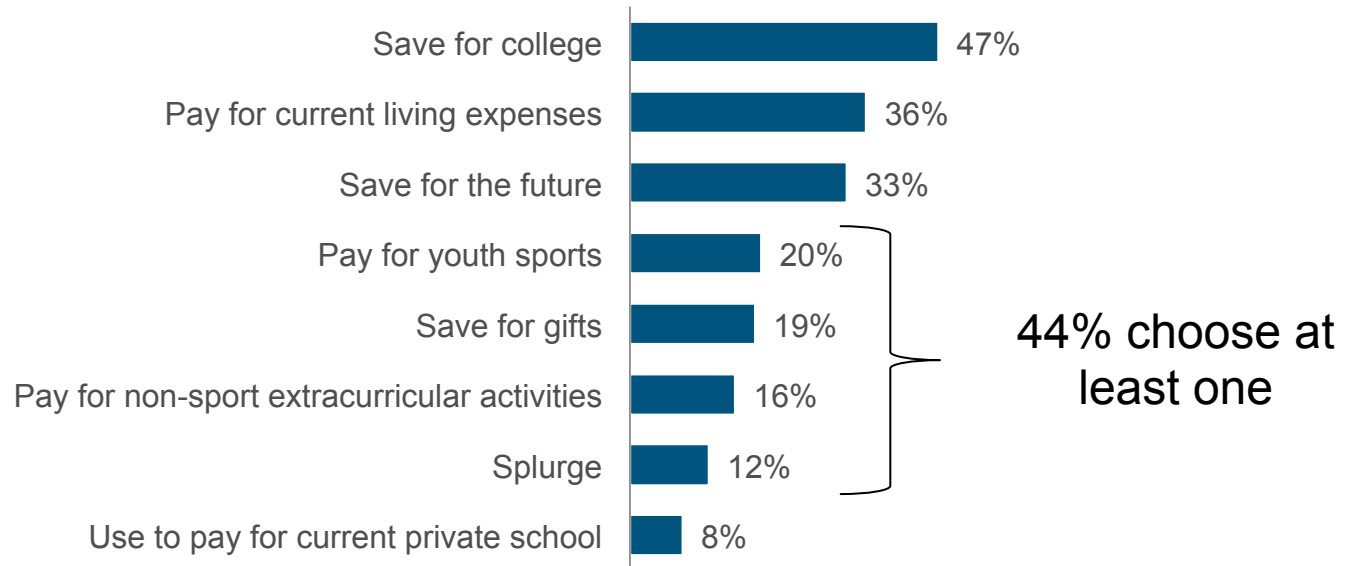


- Parents who have excess money each month are primarily saving and paying off debt
- Three-quarters of parents say they would spend discretionary money on their kids over themselves

T. Rowe Price Parents, Kids & Money Survey
N=697(Parents: Money leftover after monthly expenses); N=1,000 (Parents: Total respondents)

How to Use a Windfall

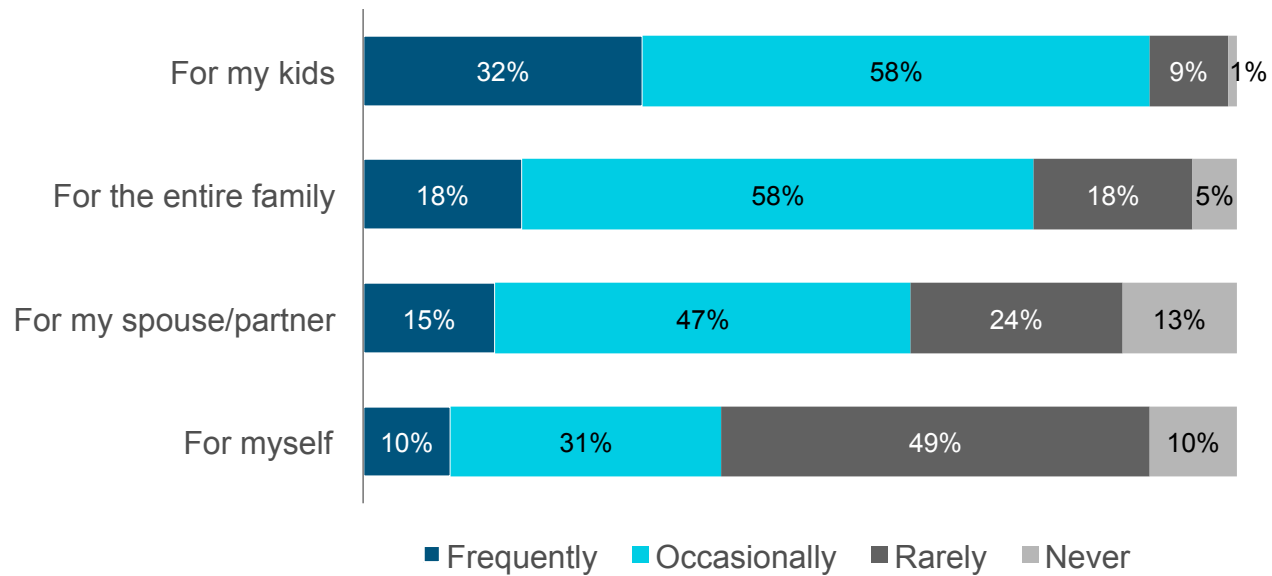
Q30. Imagine that you unexpectedly receive \$1,000, but that you have to use/spend the entire amount on your kids, which of the following would you do with the money?
(Check all that apply)



- Nearly half of parents would put a small windfall toward college savings, while 44% would spend/splurge
- Of the 44% who would spend/splurge, nearly half (45%) are **only** going to spend/splurge

Splurging

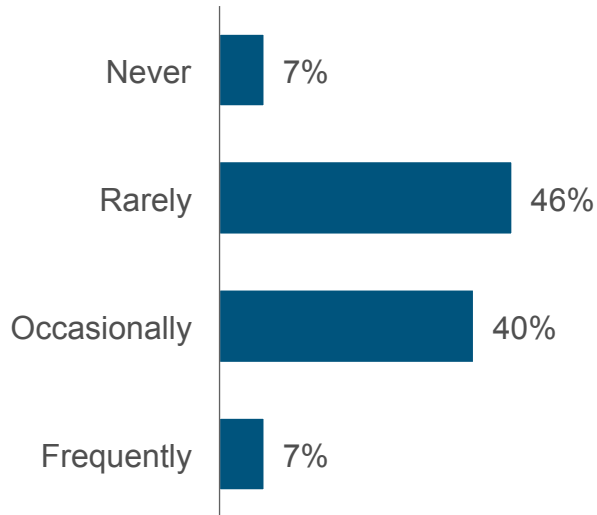
Q41. How often do you splurge for each of the following?



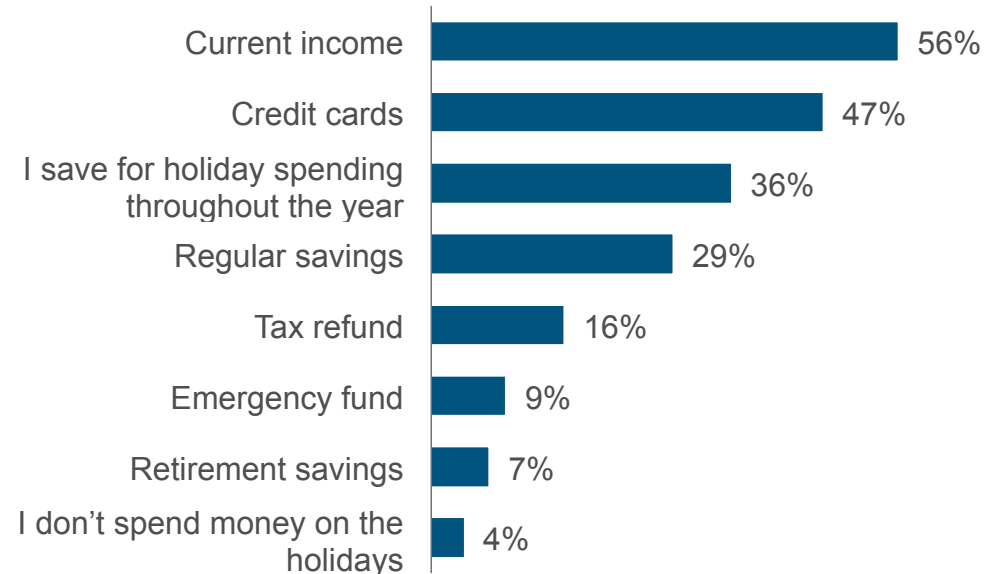
- Parents are most likely to splurge for their kids and the family

Impulse Purchases & Holiday Spending

Q43. How often do you make impulse purchases?



Q39. Which of the following have you used to pay for holiday spending?
(Check all that apply)



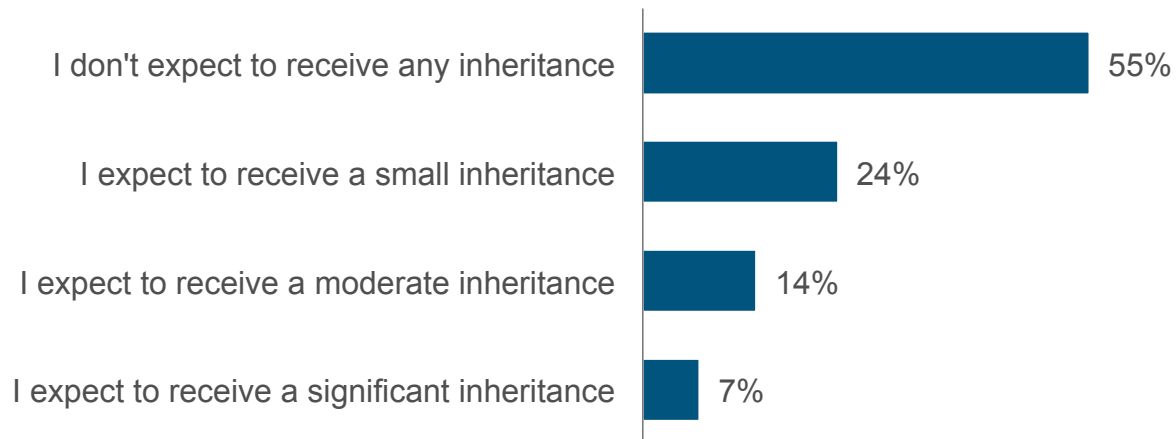
- Thirty-seven percent of parents using savings (regular savings, retirement savings, emergency fund) to pay for holiday spending
- Of the 47% of parents who make impulse purchases at least occasionally, 76% say they've made impulse purchases that they've regretted



PERCEPTIONS & EXPECTATIONS

Expectations About Inheritance

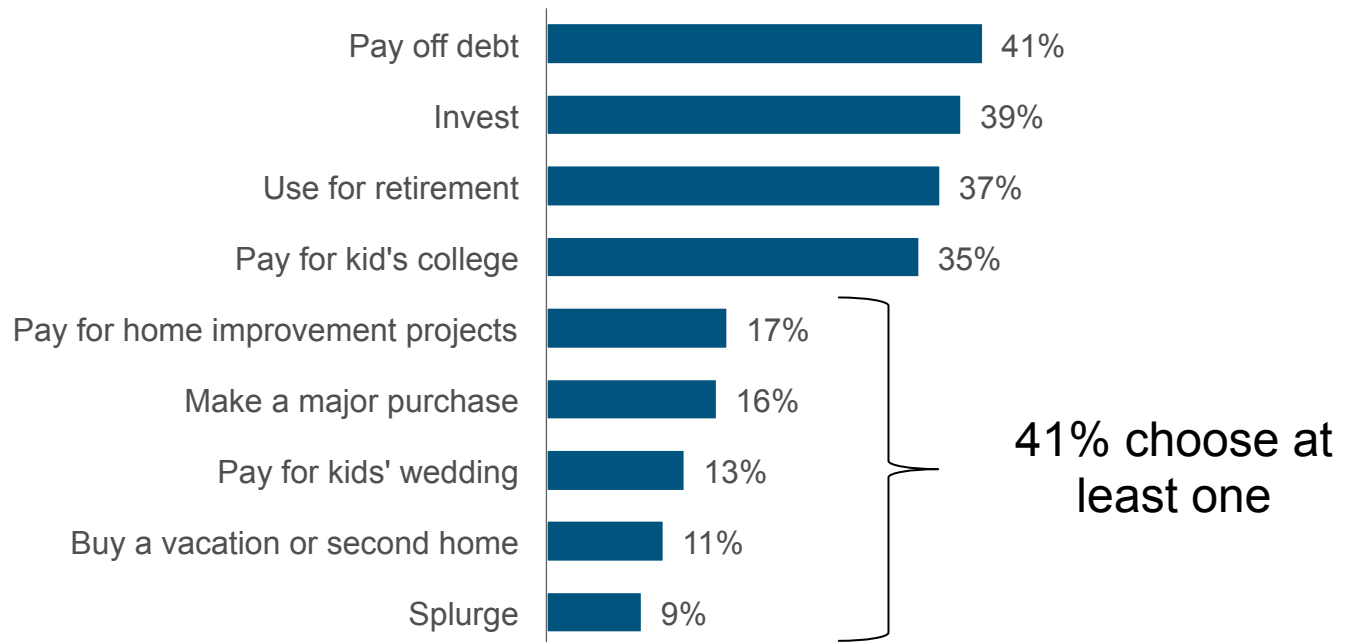
Q27. Which of the following best describes your expectations about any inheritance you may be receiving from your parents, in-laws, or others?



- Forty-five percent of parents expect to receive an inheritance

Plans for Inheritance

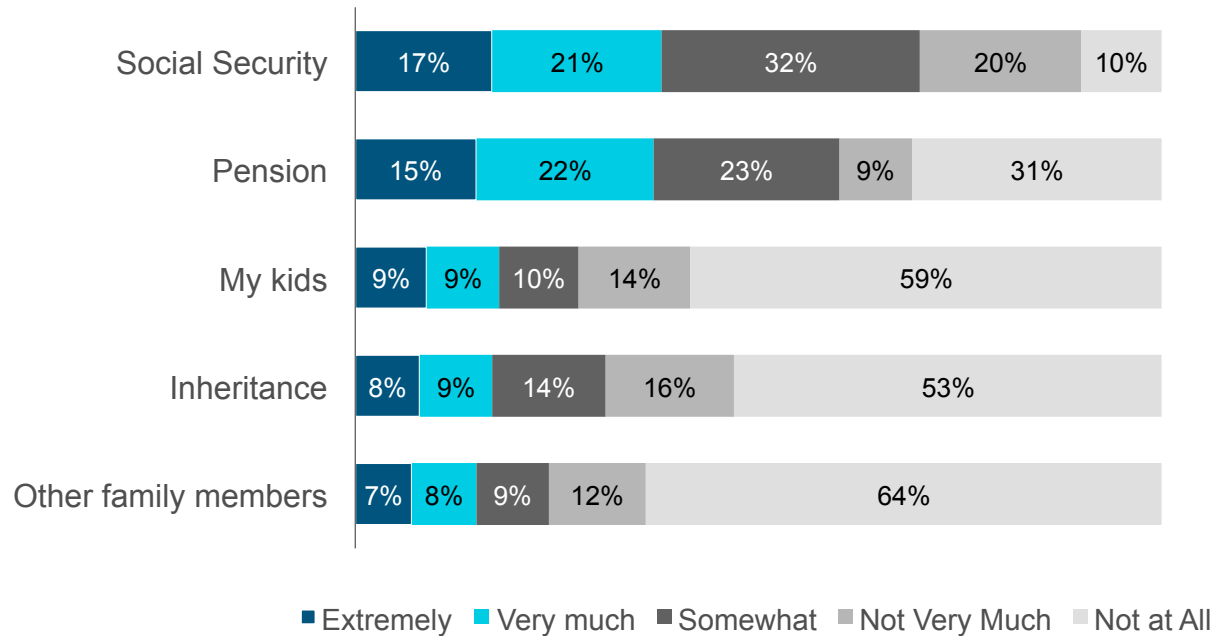
Q28. What are you planning to do with the money you inherit?
(Check all that apply)



- Plans for inheritance money are primarily around paying off debt and investing/saving, although 41% say they plan on spending some of their inheritance to make a discretionary purchase

Paying for Retirement

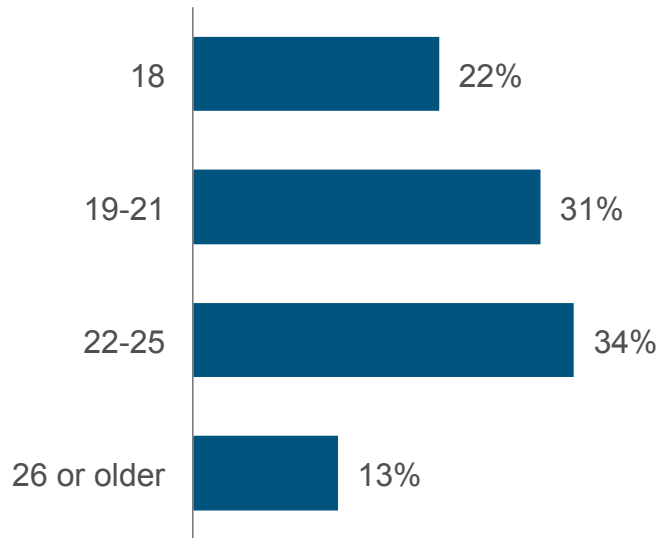
Q29. In addition to any savings you have, how much are you counting on each of the following to help pay for your retirement?



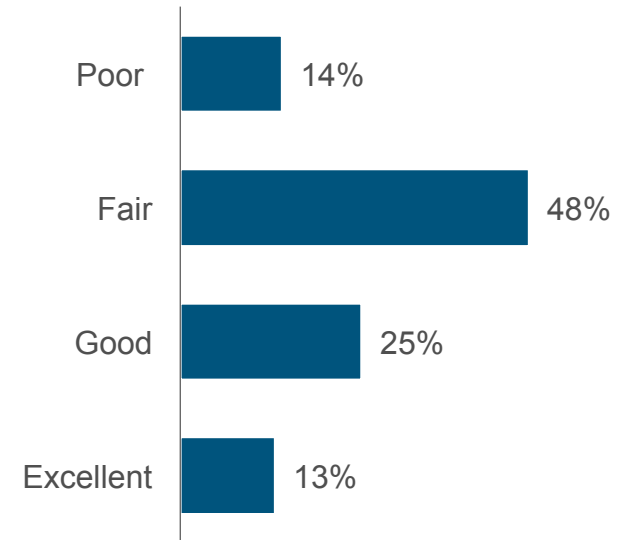
- Thirty-eight percent of parents are relying heavily on Social Security to help pay for retirement

Financial Independence

Q18. At what age do you want your kids to be financially independent?



Q55. How would you rate financial education for kids in the U.S. compared with other countries?



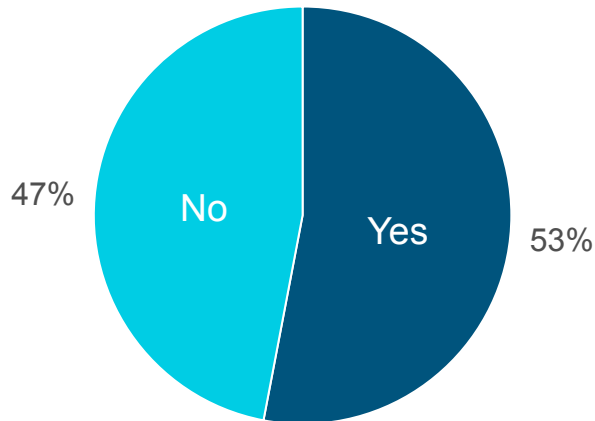
- Over half of parents expect their kids to be financially independent by age 21
- Nearly two-thirds of parents (62%) say the financial education for kids in the U.S. is poor/fair compared with other countries



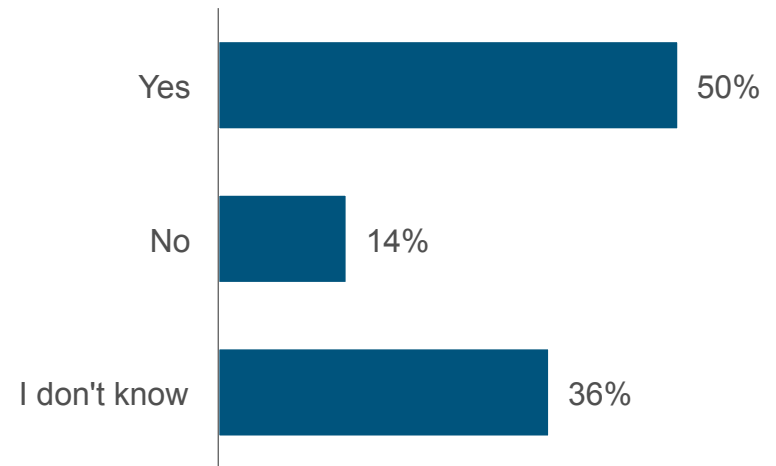
COLLEGE

Saving for College

Q46. Do you regularly set aside money for your kids' college education?



Q72. Do your parents regularly save money so you can go to college?

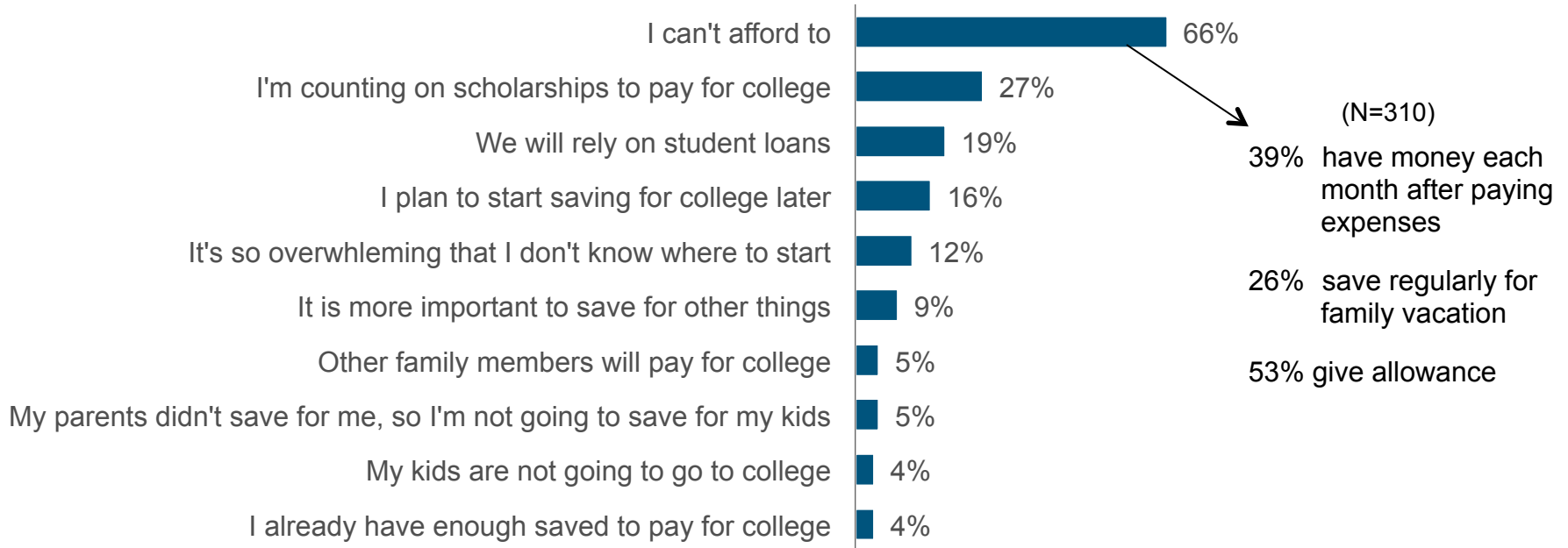


- Of the 53% of parents who are saving, nearly one out of five (19%) have kids who are unaware they are doing so
- The majority of parents who are not saving have kids who say “I don't know” (65%)

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

Why Not Saving for College

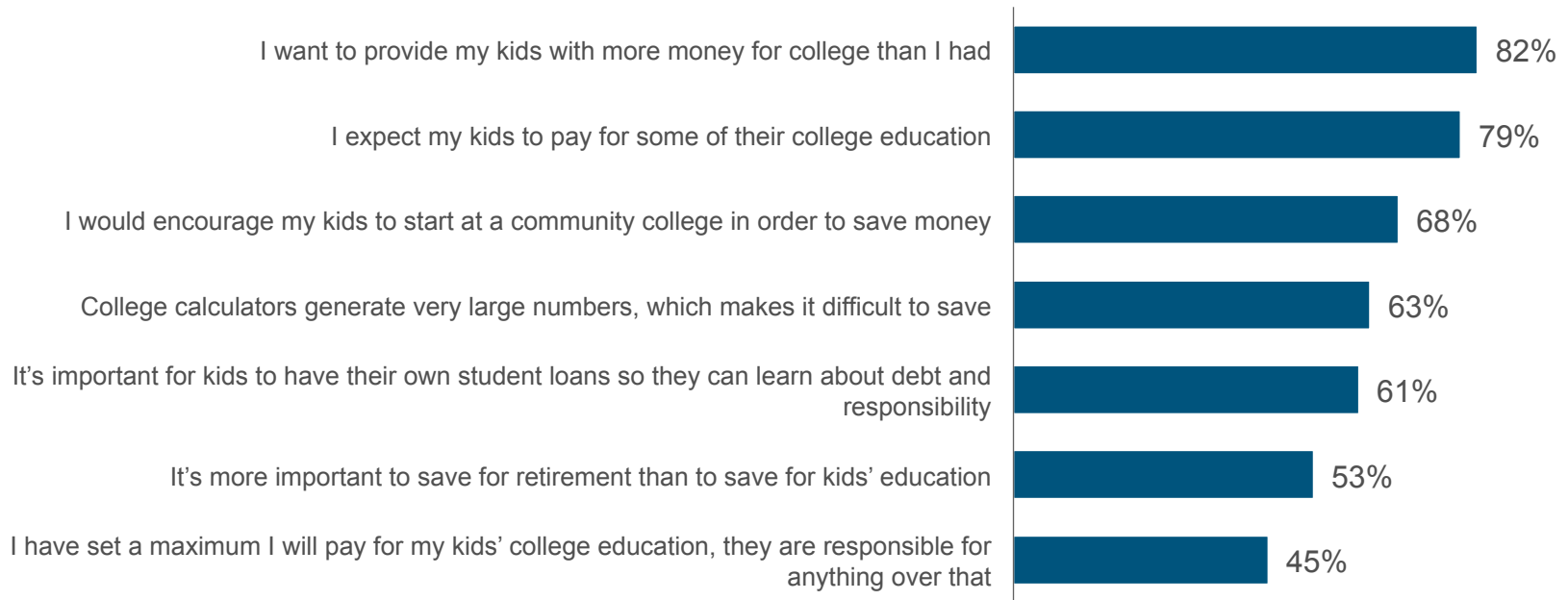
Q47. Why don't you regularly set aside money for your kids' college education?
(Check all that apply)



- Two-thirds of those who are not saving for their kids' college education say they can't afford to
- Of those parents who say they can't afford to save for their kids' college education, over one-quarter save for vacation, and over half give allowance

Paying for College

Q48. How much do you agree or disagree with each of the following statements?
(Four-point scale—Displaying % that agree)



- One out of five parents (21%) don't expect their kids to help pay for their college education
- 47% of parents say that saving for their kids' college education is more important than saving for retirement

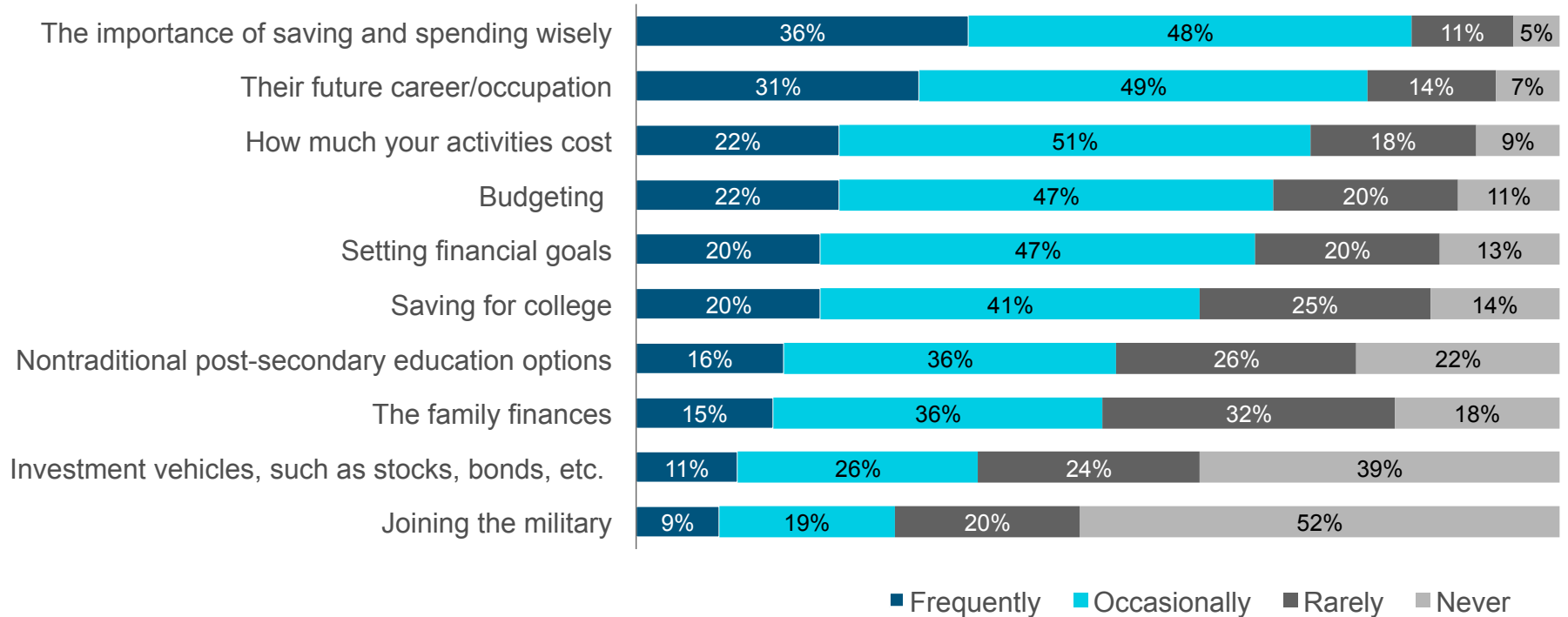


SPECIFICALLY ABOUT THE KID RESPONDENT

Parents were asked both general questions about their kids and specific questions about the kid who took the survey—this section provides parent responses for the latter

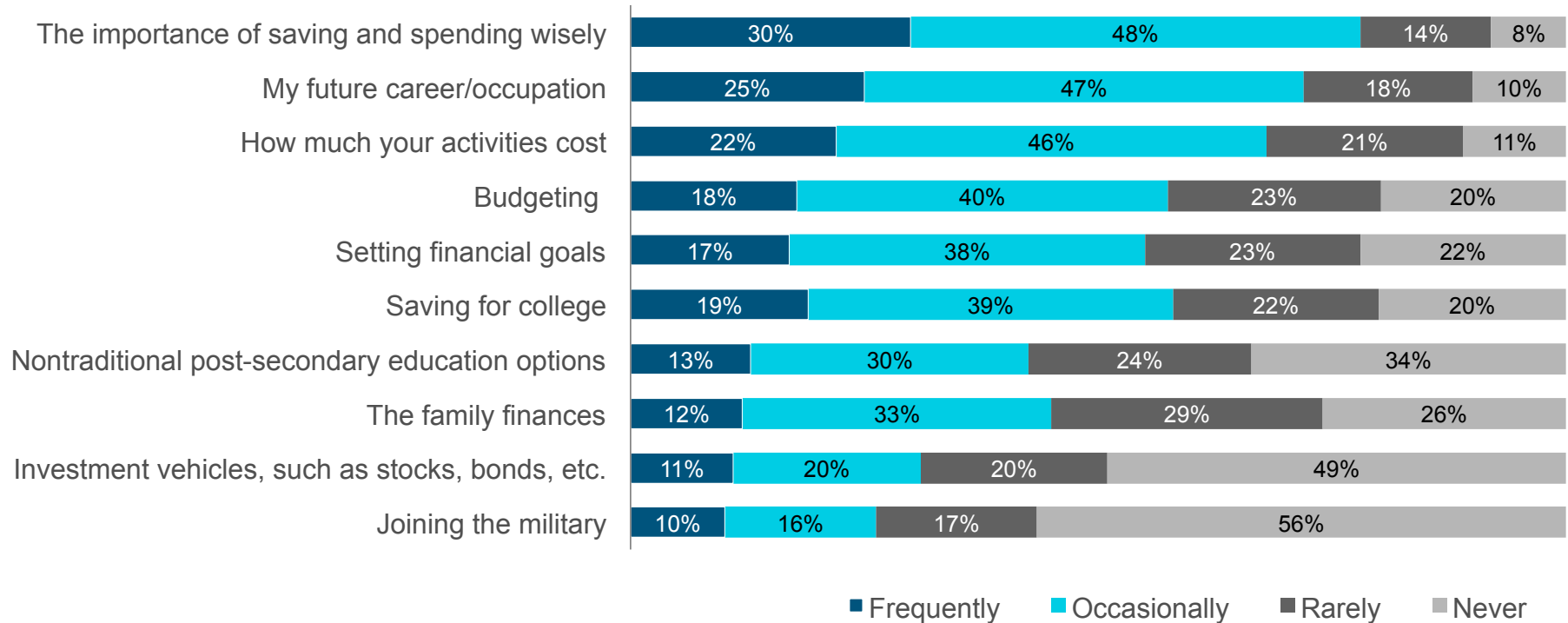
Discussing Financial Topics—Parents

Q56. How often do you discuss each of the following topics with your kid?



Discussing Financial Topics–Kids

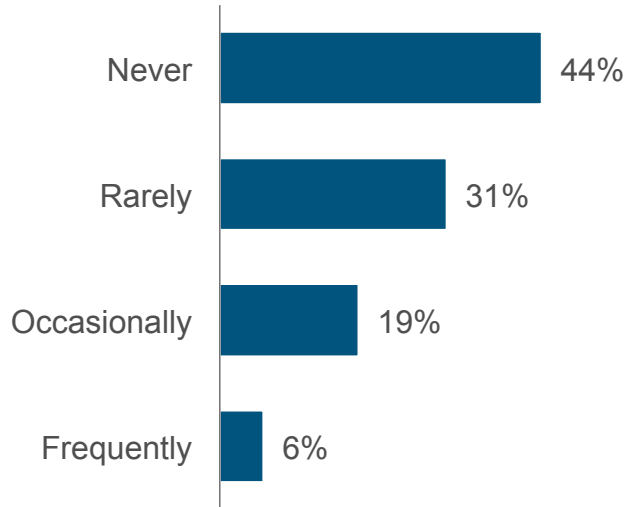
76. How often do you talk about each of the following things with your **parents**?



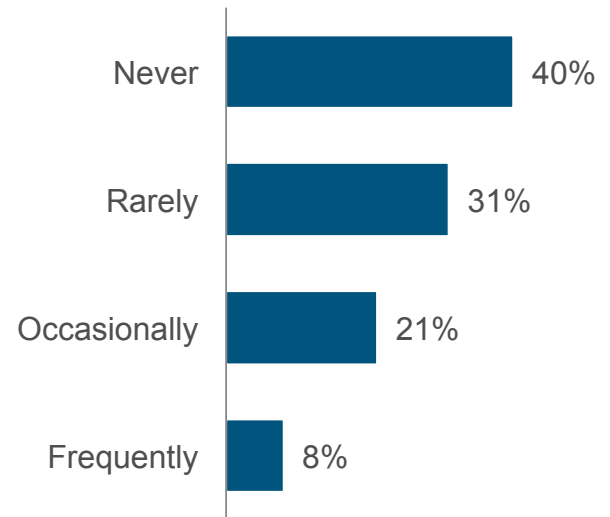
- Kids’ top responses are similar to parents, while across topics kids report having slightly fewer discussions than parents do

Fighting About Money With Kids

Q59. How often do you fight about money with your **kid**?

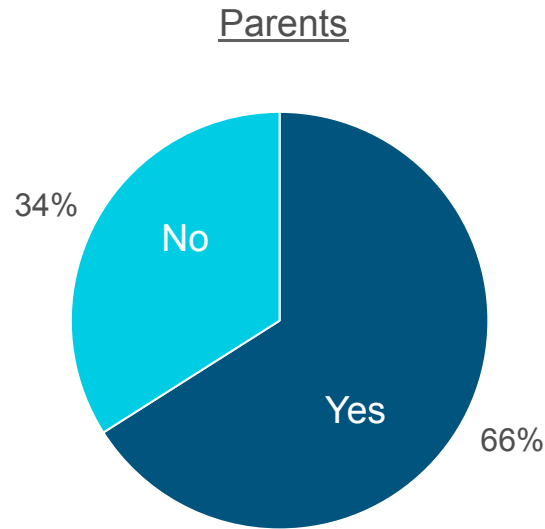


Q69. How often do your **parents** fight about money?

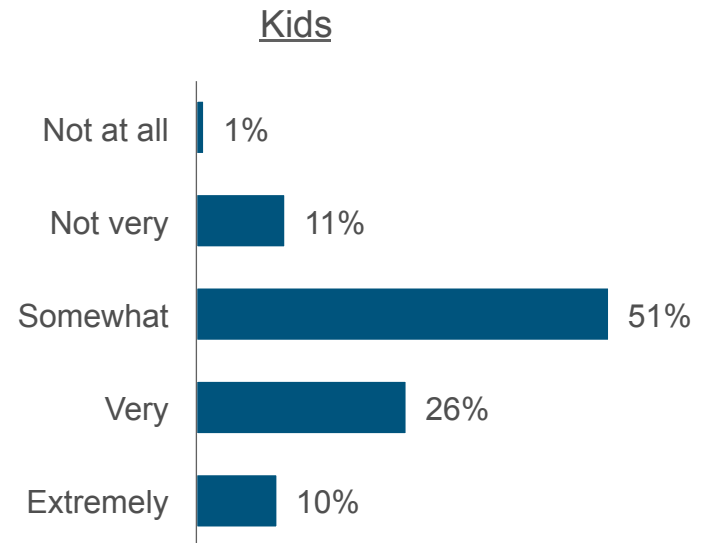


Kids' Level of Financial Knowledge

62. Do you think he/she has the appropriate amount of knowledge about financial matters for his/her age?



78. Overall, how smart are you about money?

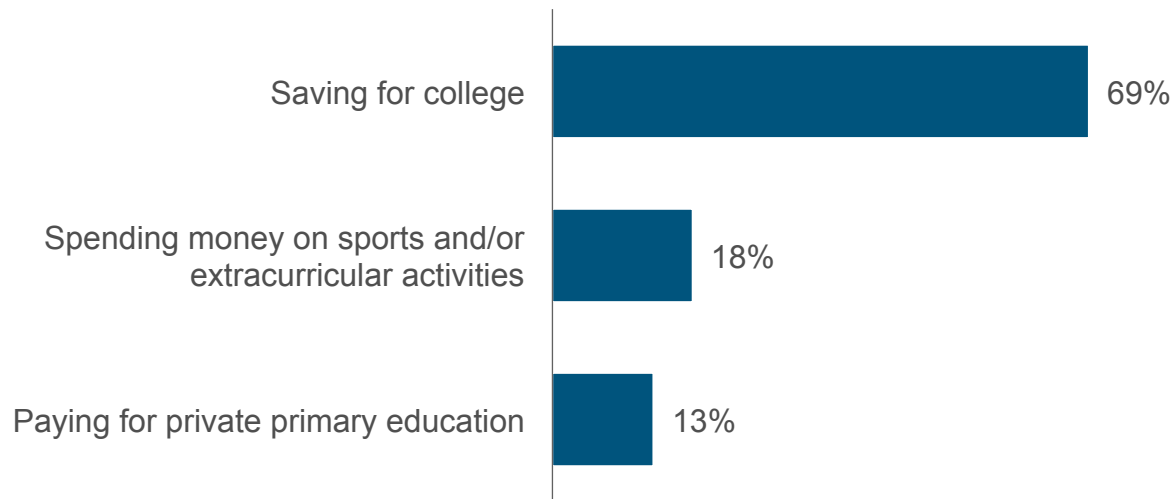


- In general, parents feel that their kid has the correct amount of knowledge for his/her age, and kids tend to agree

T. Rowe Price Parents, Kids & Money Survey
N=881 (Parents: Kids Participating in Survey): N=881(Kids: Total respondents)

Investing in Your Kid's Future

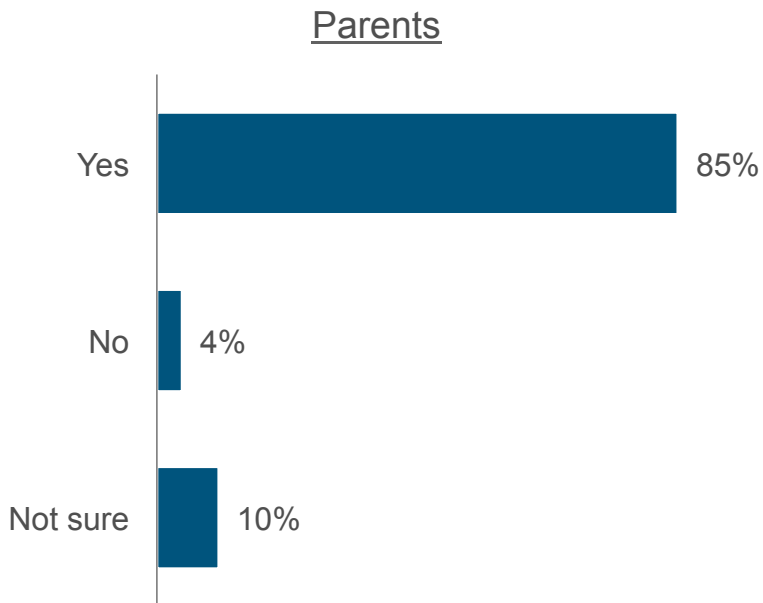
Q57. Thinking about your kid's attributes, what's the best way to invest in your kid's future?



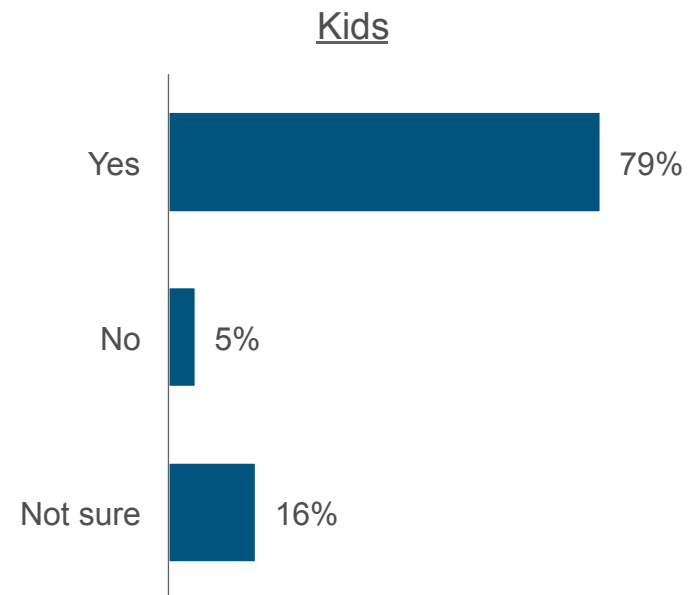
- Nearly one-third (31%) of parents say saving for college is not the best way to invest in their kid's future with 18% saying that sports/extracurricular activities are a better investment

College Expectations

Q60. Do you expect your kid to go to college?

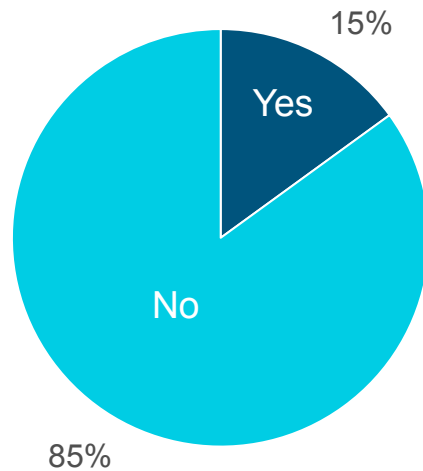


73. Do you think you will go to college?

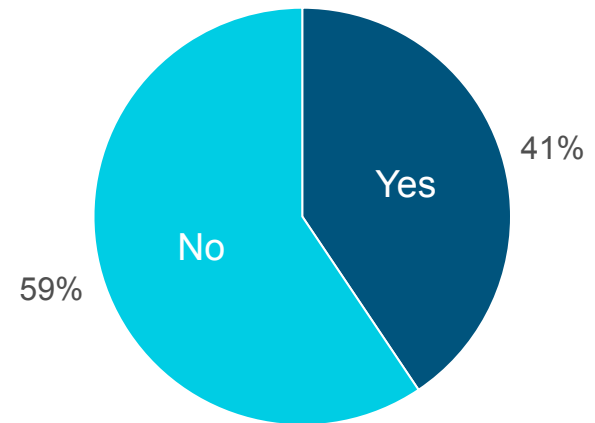


Career Expectations

61. Do you have specific expectations about what type of career your kid will pursue?



68. Do you know what type of job you want to have as an adult?

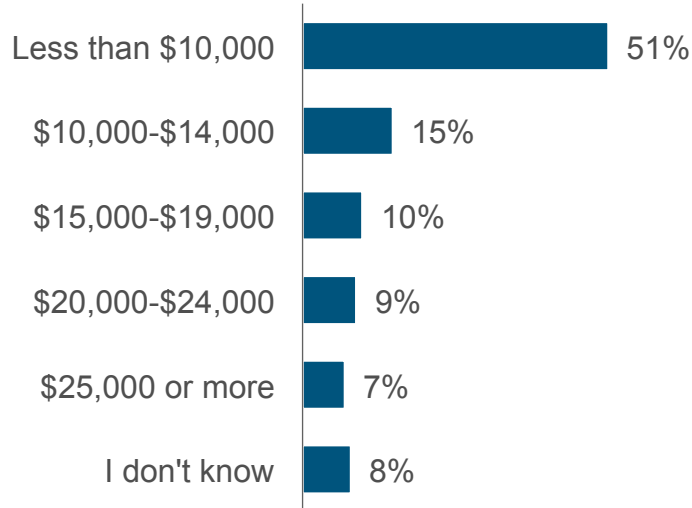


- Kids are more likely than their parents to have specific career expectations
- Over half of both parents (53%) and kids (53%) that have specific career expectations mention a STEM occupation (science, engineering, technology, and math)

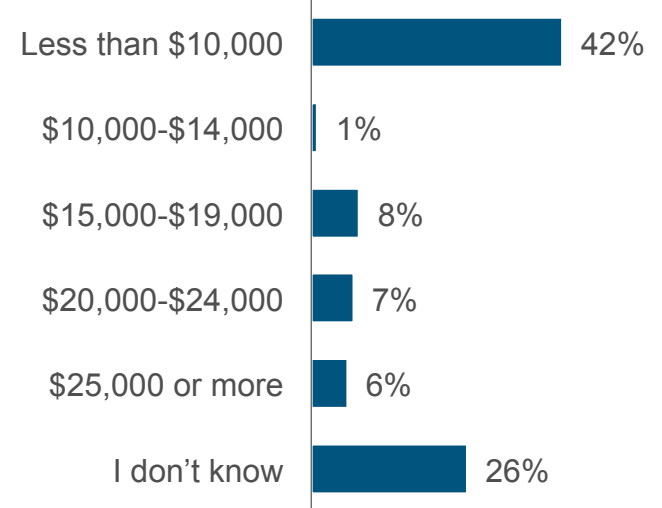
T. Rowe Price Parents, Kids & Money Survey
N=881 (Parents: Kids Participating in Survey); N=881 (Kids: Total respondents)

Annual Spending on Kids

Q58. How much money do you think you will spend in the next year on your kid who is taking the survey?



Q67. How much money do you think your parents will spend on you in the next year?

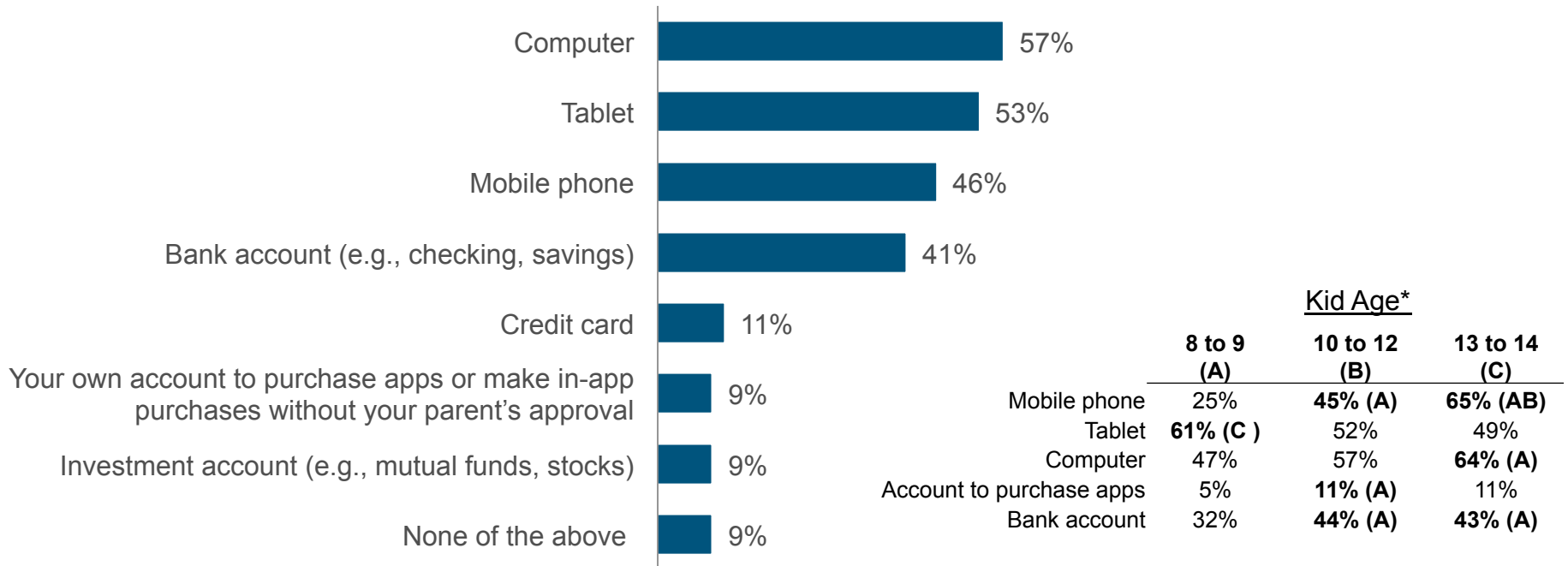




KID RESPONSES

Devices & Accounts

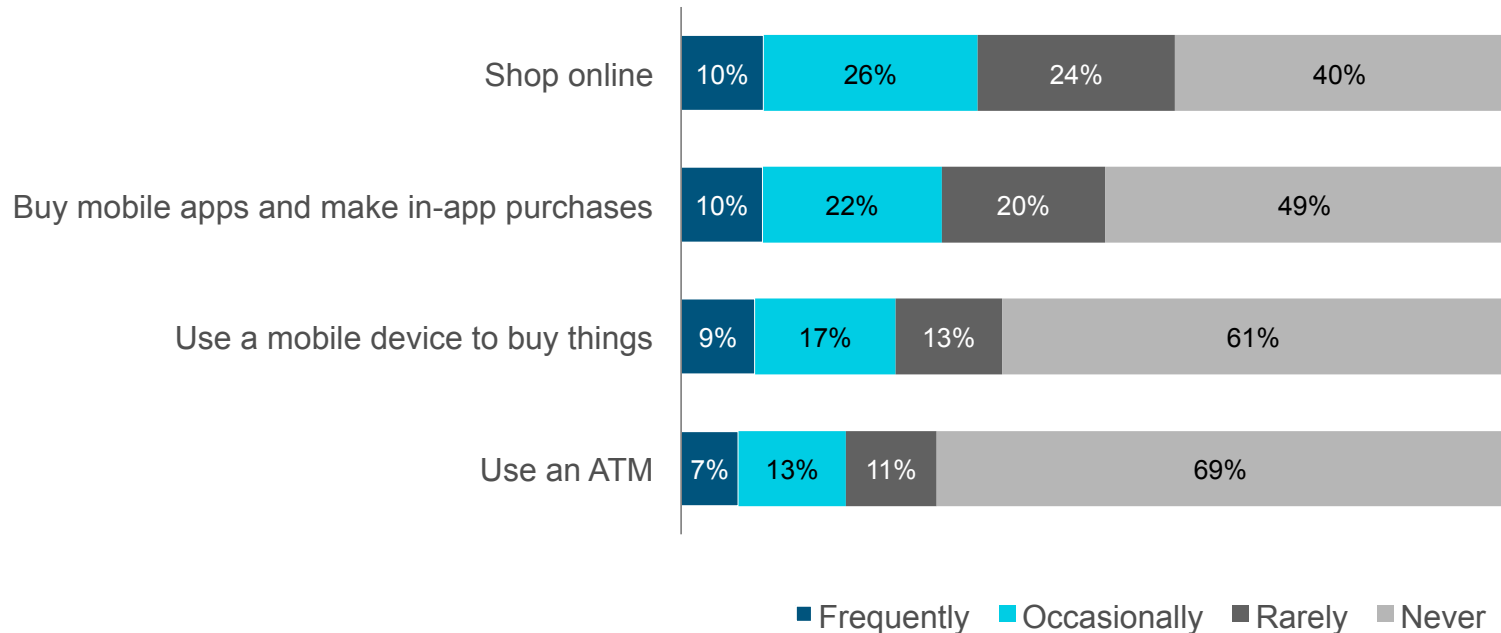
Q83. Which of the following do you have?
(Check all that apply)



- The majority of kids have a computer or tablet, and nearly half have a mobile phone
- While older kids are more likely to have a mobile phone, computer, and bank account, younger kids are more likely to have a tablet

Kids' Purchasing Habits

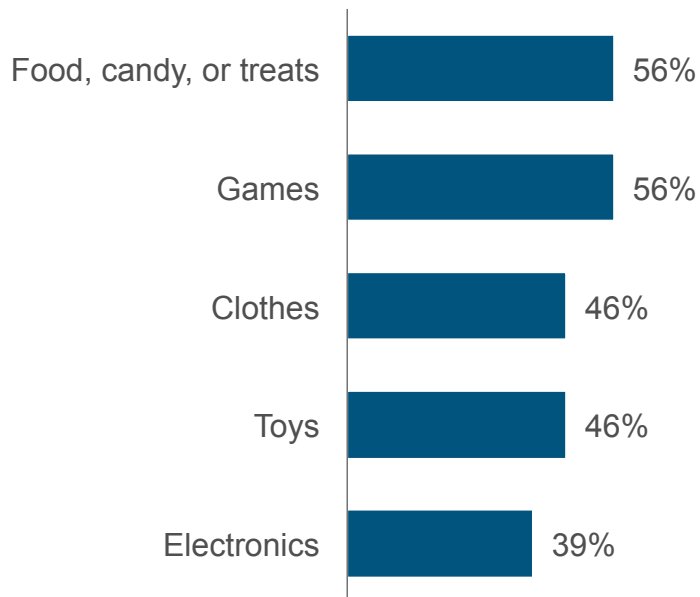
Q82. How often do you do each of the following?



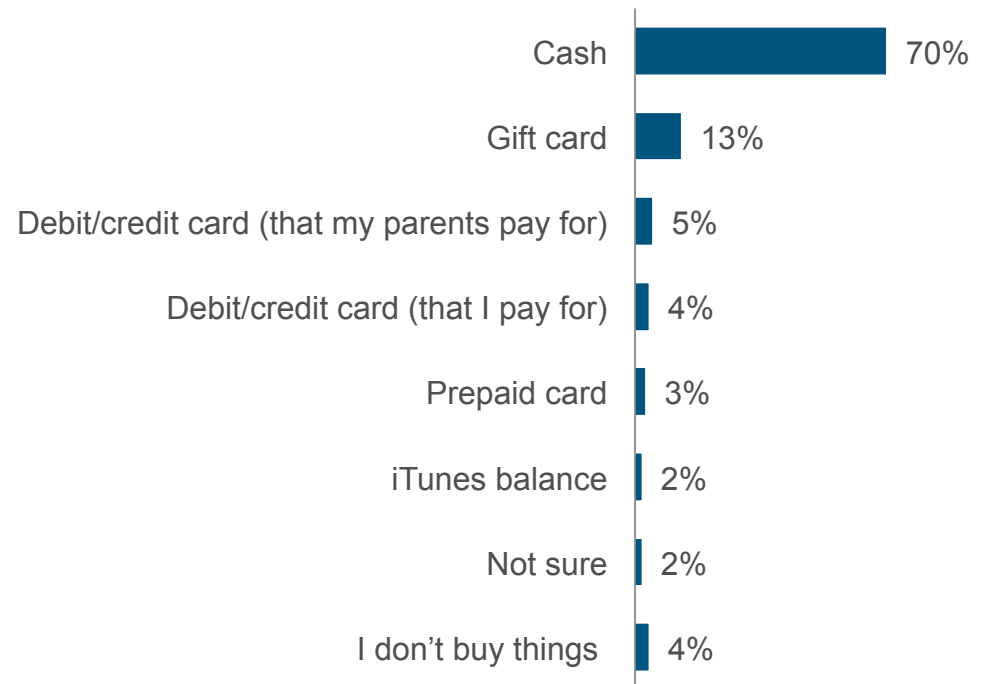
- About one-third of kids shop online and make in-app purchases at least occasionally

Kids' Spending

Q84. What do you spend your money on?
(Check all that apply)

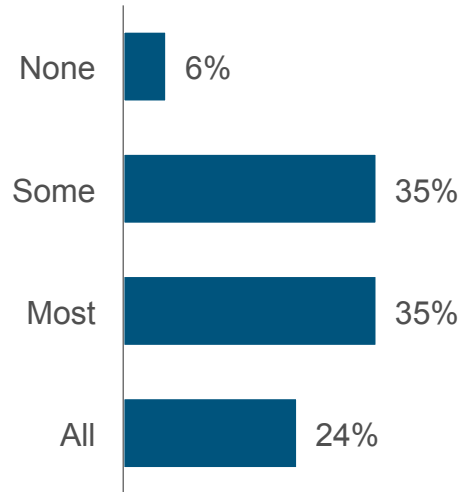


Q80. In general, how do you pay for the things you buy?

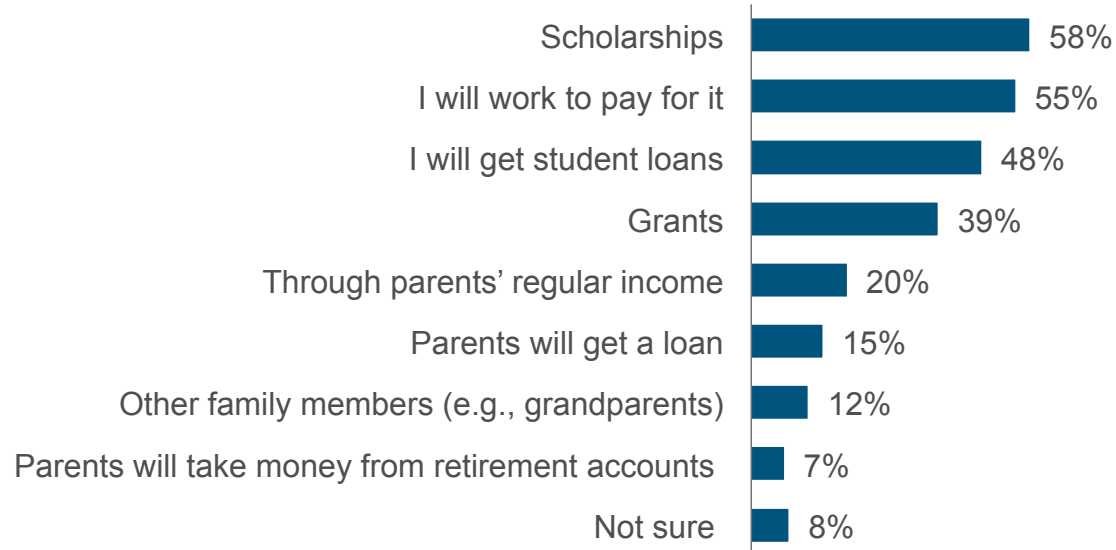


Paying for College

Q74. How much of the cost for your college education do you expect your parents to pay for?



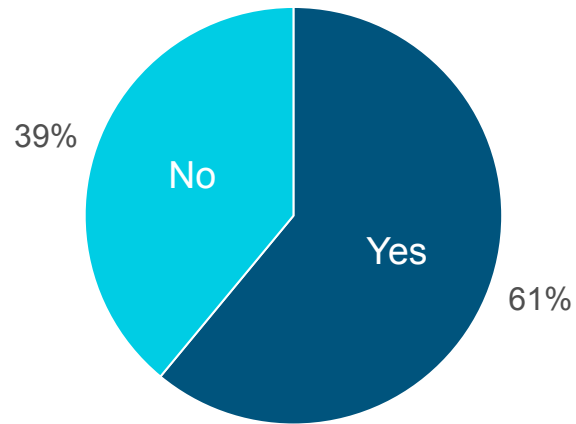
Q75. How do you think the rest of your college will be paid for?
(Check all that apply)



- The majority of kids expect their parents to pay for most or all of their college education, and most expect to use scholarships, work, and loans to cover the remaining cost
- Of the 24% of the kids who expect their parents to pay for all of their college, 21% have parents who say they expect their kids to contribute to college costs

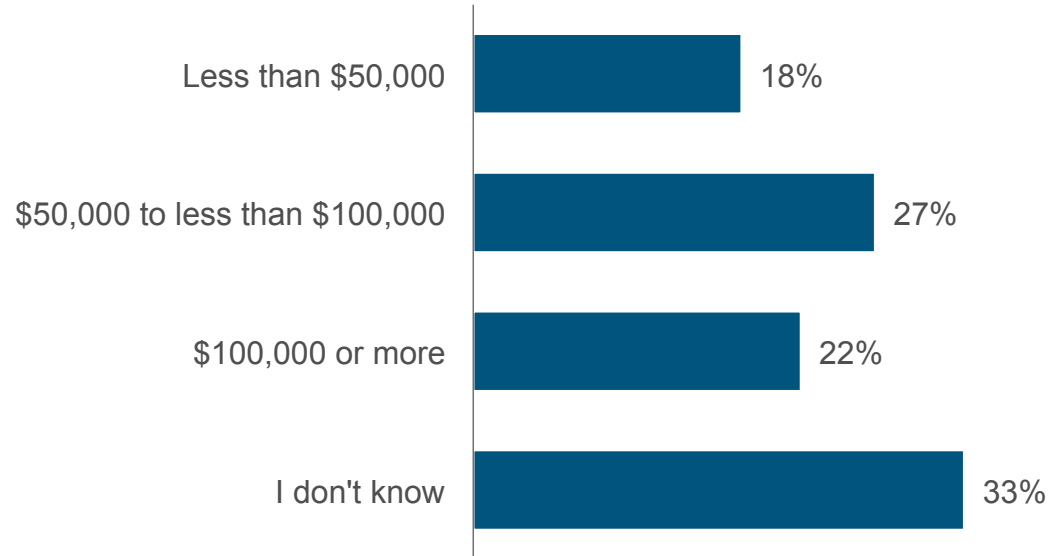
Worrying About Money?

Q71. Do your parents worry about money?



Parents' Salary

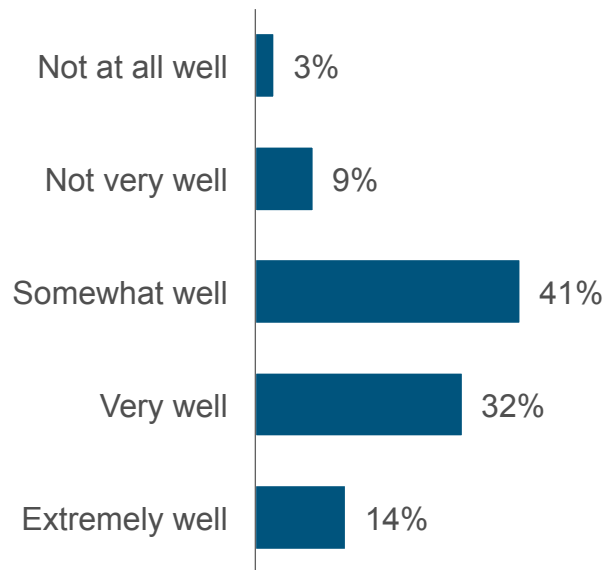
Q66. How much money do your parents earn in a year from working?



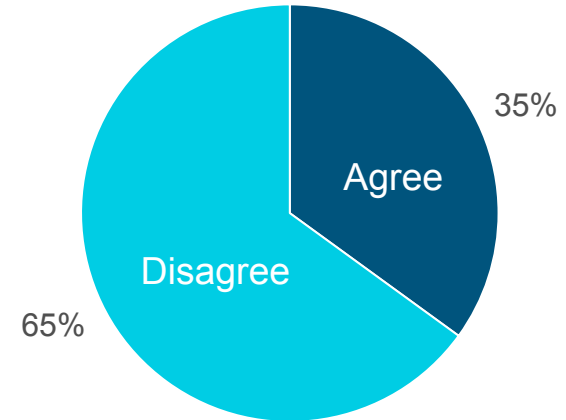
- Based on parents reported HHI, 59% of kids are aware of how much their parents earn annually

Parents Teaching About Finances

Q64. How well are your parents doing at teaching you about money and things that have to do with finances?



Q65. How much do you agree or disagree: I learn more about money at school than I do from my parents



- Kids think their parents are doing a good job teaching them about money
- Millennial parents are more likely than Gen X or Baby Boomers to have kids who say they learn more about money at school (57% vs. 34% vs. 17%)



GENDER & AGE CUTS



Findings by Parent Gender

Findings by Parent Gender

- In general, men are more likely than women to say they are knowledgeable about financial matters; aware of current balances; discuss financial matters with their spouse, kids, and friends; and argue about finances with their spouse and kids
- Women appear to be not as well-off financially as men. Women:
 - Are more likely to be concerned about paying bills month to month (56% vs. 48%)
 - Are more likely to say they don't put anything toward savings (21% vs. 9%), and less likely to save for kids' college (41% vs. 65%)
 - Are less likely to have an emergency fund (28% vs. 11%)
 - Are less likely to have money left after paying monthly expenses (60% vs. 80%)
- While men are more likely to say they set a good financial example (85% vs. 78%), they also tend to engage in behaviors that do not set the best example for their kids. Men:
 - Are more likely to have hidden accounts (42% vs. 25%)
 - Are more likely to lie to kids about money (38% vs. 26%)
 - Take from their kid's piggy bank (32% vs. 24%)
 - Employ a "Do as I say, not as I do" mentality (47% vs. 34%)
 - Splurge on themselves and their kids



Findings by Kid Age

Findings by Kid Age (8-9 vs. 10-12 vs. 13-14)

- In general, younger respondents (age 8-9) are more likely to say “I don’t know.” The 8-9 year olds are more likely to:
 - Say they don’t know how much their parents earn (42% vs. 34% vs. 26%)
 - Say they don’t know how much their parents will spend on them (33% vs. 28% vs. 19%)
 - Say they don’t know if their parents are saving for their college education (43% vs. 37% vs. 29%)
 - Say they’re not sure if they will go to college (20% vs. 16% vs. 12%)
- As kids get older, they are more likely to:
 - Have discussions with their parents about career options (64% vs. 70% vs. 82%), as well as financial topics like setting goals, budgeting, etc.
 - Discuss family finances with friends
 - Expect to pay for college with scholarships (53% vs. 54% vs. 66%) and grants (28% vs. 37% vs. 49%)
 - Shop online (26% vs. 35% vs. 47%)
- Older kids are more likely to have a mobile phone and computer, but younger kids are more likely to have a tablet (61% vs. 52% vs. 49%)



Findings by Kid Gender

Findings by Kid Gender

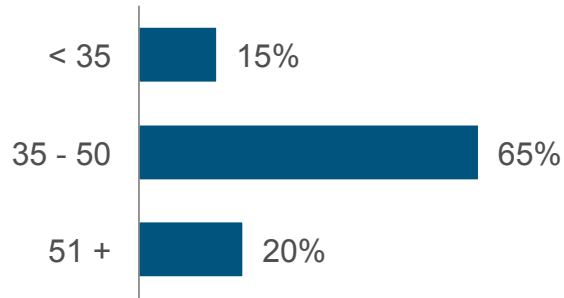
- Boys are more likely than girls to:
 - Be knowledgeable about managing personal finances (31% vs. 24%)
 - Say parents have borrowed from their piggy bank (31% vs. 23%)
 - Prefer gift cards or online credit to cash (49% vs. 41%)
 - Have discussions with their parents about family finances (50% vs. 40%) and investment vehicles (35% vs. 27%)
- Girls are more likely than boys to:
 - Think they will go to college (83% vs. 77%)
 - Not discuss finances with their friends (72% vs. 64%)



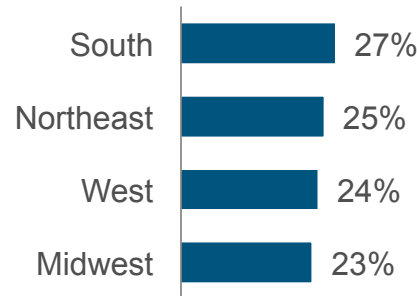
RESPONDENT PROFILE

Respondent Profile

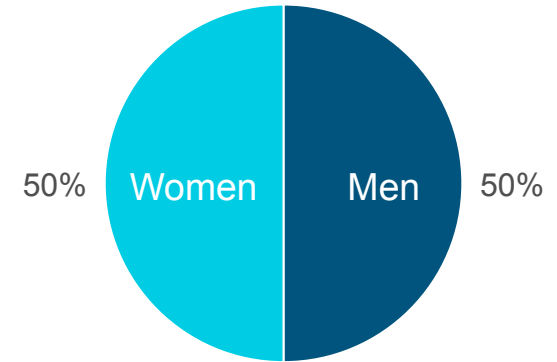
Q1. Age



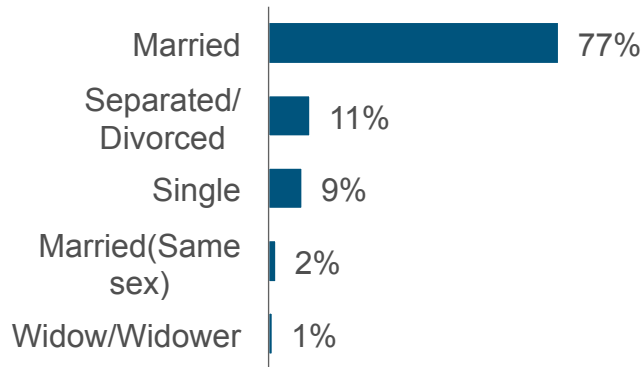
Q2. Region



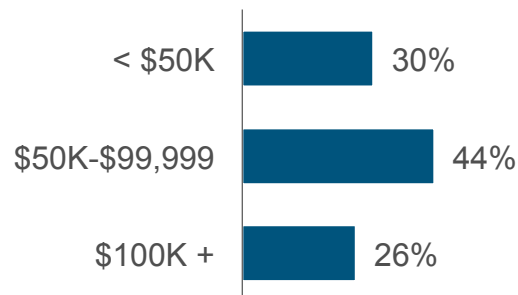
Q3. Gender



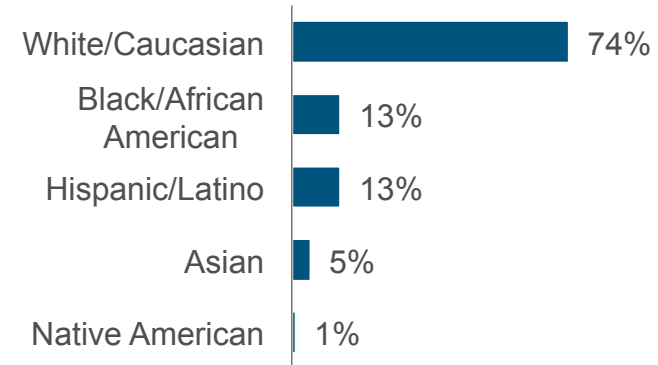
Q4. Marital Status



Q5. HHI

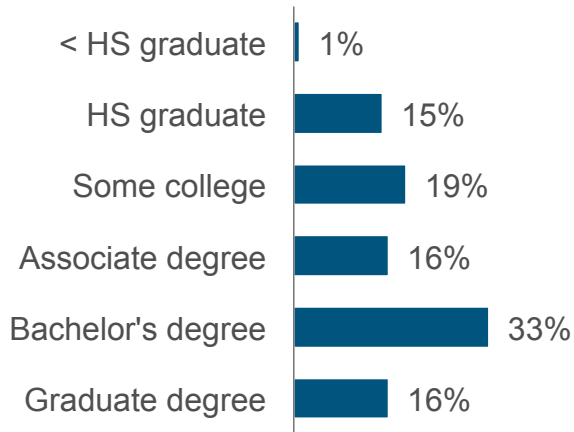


Q6. Race/Ethnicity

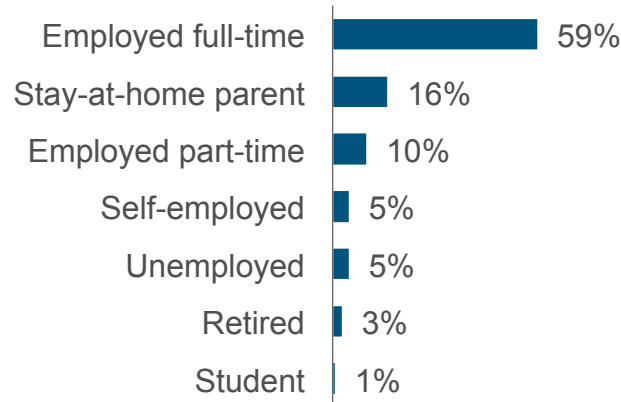


Respondent Profile

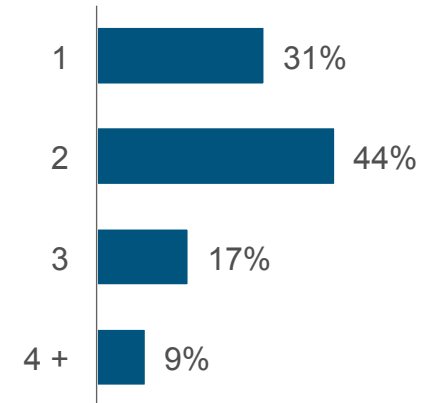
Q7. Education Level



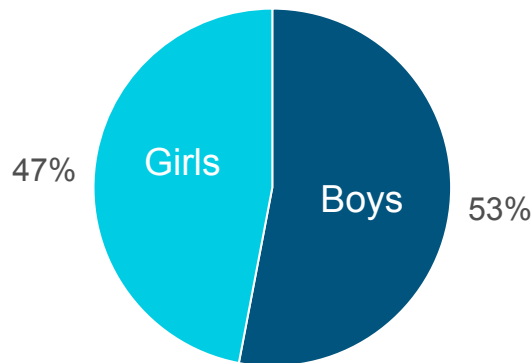
Q8. Employment Status



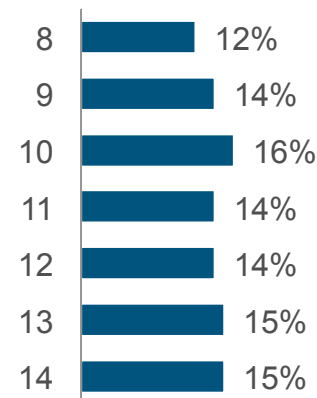
Q9. # Kids in HH



Q11. Kid Gender



Q12. Kid Age



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



OBJECTIVE & METHODOLOGY



Objective & Methodology

Objective

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

Methodology

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