8TH ANNUAL PARENTS, KIDS & MONEY SURVEY

March 2016
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Finances</td>
<td>3</td>
</tr>
<tr>
<td>Household Debt</td>
<td>13</td>
</tr>
<tr>
<td>Savings</td>
<td>24</td>
</tr>
<tr>
<td>Emergency Fund</td>
<td>27</td>
</tr>
<tr>
<td>Retirement Savings</td>
<td>34</td>
</tr>
<tr>
<td>Parental Knowledge, Attitudes, and Behaviors</td>
<td>39</td>
</tr>
<tr>
<td>Financial Discussions</td>
<td>47</td>
</tr>
<tr>
<td>Teaching Kids About Finances</td>
<td>59</td>
</tr>
<tr>
<td>Allowance</td>
<td>67</td>
</tr>
<tr>
<td>Kids’ Responses</td>
<td>72</td>
</tr>
<tr>
<td>Respondent Profile</td>
<td>89</td>
</tr>
<tr>
<td>Objective and Methodology</td>
<td>94</td>
</tr>
</tbody>
</table>
Managing Household Finances

Q13. HOW INVOLVED ARE YOU IN MANAGING THE HOUSEHOLD FINANCES?

- Men are more likely to have sole responsibility, while women are more likely to share equally in managing the household finances.

T. Rowe Price 2016 Parents, Kids & Money Survey
N=865 (Married)

= Statistically significant -- .05 level
Q17. DO YOU HAVE A HOUSEHOLD BUDGET?

Yes: 83%
No: 17%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q18. IS THERE TYPICALLY MONEY LEFT OVER AFTER PAYING ALL THE MONTHLY EXPENSES?

- Yes: 79%
- No: 18%
- Not sure: 3%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=905 (Have Household Budget)
Q19. IF FACED WITH FINANCIAL HARDSHIP THAT YOU COULDN’T OTHERWISE COVER, WHICH OF THE FOLLOWING TWO OPTIONS WOULD YOU CHOOSE FIRST?

- 32% of those who say they would choose to pull money from a retirement account do not currently have any retirement savings.
- Of the 589 parents who do currently have retirement savings, 42% would opt to pull money from retirement as opposed to going into debt.

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q59. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS: I KEEP FINANCIAL SECRETS FROM MY SPOUSE/PARTNER?

- **Men** are more likely than **women** to say they keep financial secrets from their spouse/partner (50% vs. 31%)
- Keeping financial secrets decreases by generation (60% for millennials, 39% for Gen Xers, and 16% for baby boomers)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Kids’ Finances

Q55. WHICH OF THE FOLLOWING DO YOUR KIDS HAVE? (CHECK ALL THAT APPLY)

- Savings account: 57%
- Piggy bank: 50%
- Online/gaming account: 31%
- Checking account: 24%
- Credit card: 18%
- Investment account: 14%
- None of the above: 8%

- A total of 79% of kids have either a savings account or a piggy bank

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q68. THINKING ONLY ABOUT YOUR KID WHO WILL BE TAKING THE SURVEY, APPROXIMATELY HOW MUCH DID YOU SPEND IN THE PAST 12 MONTHS ON BIRTHDAY PRESENTS?

- Less than $100: 31%
- $100 to $199: 28%
- $200 to $299: 17%
- $300 or more: 24%
Q68. THINKING ONLY ABOUT YOUR KID WHO WILL BE TAKING THE SURVEY, APPROXIMATELY HOW MUCH DID YOU SPEND IN THE PAST 12 MONTHS ON A BIRTHDAY PARTY?

- Less than $100: 33%
- $100 to $199: 26%
- $200 to $299: 18%
- $300 or more: 23%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Amount Spent on Kid – Extracurricular Activities

Q68. THINKING ONLY ABOUT YOUR KID WHO WILL BE TAKING THE SURVEY, APPROXIMATELY HOW MUCH DID YOU SPEND IN THE PAST 12 MONTHS ON EXTRACURRICULAR ACTIVITIES?

- Less than $200: 36%
- $200 to $499: 29%
- $500 or more: 35%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
HOUSEHOLD DEBT
Q14. WHICH OF THE FOLLOWING TYPES OF DEBT DO YOU HAVE? (CHECK ALL THAT APPLY)

- Credit card debt: 56%
- Mortgage: 48%
- Car loan: 40%
- Medical debt: 23%
- Student loan (from parent’s education): 20%
- Friend/relative debt: 14%
- Student loan (from kid’s education): 12%
- Payday loan: 9%
- Other: 2%
- I don't have any debt: 16%

- Mean Types of Debt: 2.25

- 61% of parents have more than one type of debt, with a mean number of debt types at 2.25
- 5% of parents have student loan debt for both parents’ and kids’ education
- Married parents are more likely than single parents to have debt (86% vs. 76%)
Q59. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT: EVERYBODY HAS CREDIT CARD DEBT?

- 26% Strongly disagree
- 22% Somewhat disagree
- 34% Somewhat agree
- 18% Strongly agree

52% Agree

- Men are more likely than women to say that everybody has credit card debt (57% vs. 46%)
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR MORTGAGE?

- Less than $50,000: 27%
- $50,000 to $99,999: 24%
- $100,000 to $174,999: 24%
- $175,000 or more: 25%

Mean: $119,222
Median: $92,250
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR CAR LOAN?

- Less than $5,000: 23%
- $5,000 to $9,999: 20%
- $10,000 to $19,999: 36%
- $20,000 or more: 21%

Mean: $12,254
Median: $10,000
Amount of Debt – Credit Cards

Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR CREDIT CARDS?

- Less than $1,000: 23%
- $1,000 to $2,999: 26%
- $3,000 to $5,999: 22%
- $6,000 or more: 29%

Mean: $6,105
Median: $3,000

T. Rowe Price 2016 Parents, Kids & Money Survey
N=611 (Have a Credit Card Debt)
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR STUDENT LOANS (FOR YOU OR SPOUSE’S EDUCATION)?

- Less than $5,000: 23%
- $5,000 to $14,999: 29%
- $15,000 to $29,999: 21%
- $30,000 or more: 27%

Mean: $27,078
Median: $12,500

T. Rowe Price 2016 Parents, Kids & Money Survey
N=611 (Have Student Loans for Parents’ Education)
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR STUDENT LOANS (FOR YOUR KIDS)?

- Less than $1,000: 27%
- $1,000 to $4,999: 18%
- $5,000 to $9,999: 22%
- $10,000 or more: 32%

Mean: $10,768
Median: $5,000
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR FRIEND/FAMILY LOANS?

- Less than $500: 31%
- $500 to $1,999: 29%
- $2,000 or more: 40%

Mean: $3,855
Median: $1,000

T. Rowe Price 2016 Parents, Kids & Money Survey
N=150 (Have Friend/Family Loans)
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR MEDICAL DEBT?

- Less than $1,000: 28% of respondents
- $1,000 to $4,999: 39% of respondents
- $5,000 or more: 33% of respondents

Mean: $7,517
Median: $2,000

T. Rowe Price 2016 Parents, Kids & Money Survey
N=254 (Have Medical Debt)
Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR PAYDAY LOAN?

Mean: $2,291
Median: $1,000

Less than $500: 20%
$500 to $1,999: 42%
$2,000 or more: 37%
Savings Accounts

Q20. WHICH OF FOLLOWING DO YOU HAVE? (CHECK ALL THAT APPLY)

- Money saved for kids’ college education: 58%
- Money saved for retirement: 54%
- An emergency fund to cover unexpected expenses: 51%
- Money saved for other goals: 40%
- None of the above: 17%

Married parents are more likely than single parents to have retirement savings (56% vs. 46%) and college savings (60% vs. 50%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
## Savings Accounts – By Parent Gender and Age

Q20. WHICH OF THE FOLLOWING DO YOU HAVE? (CHECK ALL THAT APPLY)

<table>
<thead>
<tr>
<th>Money saved for kids’ college education</th>
<th>Men</th>
<th>Women</th>
<th>Millennial (A)</th>
<th>Gen X (B)</th>
<th>Baby Boomer (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money saved for retirement</td>
<td>60%</td>
<td>49%</td>
<td>47%</td>
<td>56% (A)</td>
<td>56%</td>
</tr>
<tr>
<td>Emergency fund</td>
<td>56%</td>
<td>47%</td>
<td>52%</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td>Money saved for other goals</td>
<td>50%</td>
<td>32%</td>
<td>48%</td>
<td>39%</td>
<td>35%</td>
</tr>
<tr>
<td>None of the above</td>
<td>9%</td>
<td>25%</td>
<td>9%</td>
<td>19% (A)</td>
<td>22% (A)</td>
</tr>
</tbody>
</table>

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
EMERGENCY FUND
Q23. FOR HOW MANY MONTHS WOULD YOUR EMERGENCY FUND COVER YOUR FAMILY’S EXPENSES?

- One month or less: 10%
- Two months: 13%
- Three months: 20%
- Four months: 9%
- Five months: 6%
- Six months: 19%
- Seven to twelve months: 8%
- More than twelve months: 15%
Q24. DO YOU MAINTAIN A SEPARATE ACCOUNT FOR YOUR EMERGENCY FUND, OR IS IT KEPT IN AN ACCOUNT WITH OTHER FUNDS?

- Yes, I maintain a separate account for my emergency fund: 80%
- No, I do not maintain a separate account for my emergency fund: 20%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=558 (Have Emergency Fund)
Q25. IN WHAT TYPE OF ACCOUNT DO YOU KEEP YOUR EMERGENCY FUND? (CHECK ALL THAT APPLY)

- Savings account: 81% Yes, 67% No
- Checking account: 38% Yes, 34% No
- Retirement account: 23% Yes, 5% No
- College saving account: 20% Yes, 5% No
- Other investment account: 11% Yes, 9% No
- Not sure: 1% Yes, 2% No

Maintain a separate account for emergency fund
Q26. WHAT TYPES OF THINGS HAVE YOU USED EMERGENCY FUND MONEY FOR IN THE PAST TWO YEARS?
(CHECK ALL THAT APPLY)

Non-Emergencies

- Holiday spending: 24%
- Day-to-day expenses: 24%
- Pay off debt: 22%
- Vacation: 20%
- Kids' education: 20%
- Childcare/day care: 13%
- Down payment on a home: 12%
- Wedding: 7%

Emergencies

- Home repair/renovation: 28%
- Health care costs: 24%
- Car purchase or repair: 23%
- To pay taxes: 17%
- Cover expen. while unemployed: 16%
- Other: 3%
- Nothing: 25%

55% have used emergency funds for non-emergencies, and 37% have used emergency funds for more than one non-emergency.

Across categories, millennials are more likely than older generations to tap into their emergency fund.
Why No Emergency Fund

Q27. WHY DON’T YOU HAVE AN EMERGENCY FUND? (CHECK ALL THAT APPLY)

- I can’t afford to: 60%
- I have enough in other accounts to cover emergencies: 32%
- I don’t think it’s necessary: 8%
- Other: 5%

- 48% of those who say they can’t afford to have an emergency fund have a household budget, and money left over each month after paying expenses.

T. Rowe Price 2016 Parents, Kids & Money Survey
N=528 (Don't Have Emergency Fund)
**Resources Used for Emergencies**

**Q28. IN CASE OF EMERGENCY OR HARDSHIP, WHICH OF THE FOLLOWING WOULD YOU RELY ON FOR FUNDS? (CHECK ALL THAT APPLY)**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit cards</td>
<td>42%</td>
</tr>
<tr>
<td>Family/friends</td>
<td>38%</td>
</tr>
<tr>
<td>Savings account</td>
<td>32%</td>
</tr>
<tr>
<td>Checking account</td>
<td>32%</td>
</tr>
<tr>
<td>Personal loan</td>
<td>24%</td>
</tr>
<tr>
<td>Retirement savings</td>
<td>22%</td>
</tr>
<tr>
<td>Home equity loan or line of credit</td>
<td>14%</td>
</tr>
<tr>
<td>Payday loan</td>
<td>12%</td>
</tr>
<tr>
<td>College saving account</td>
<td>8%</td>
</tr>
<tr>
<td>Other investment account</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

- Women are more likely than men to say family/friends (42% vs. 34%), and less likely to say checking account (28% vs. 38%), savings account (24% vs. 41%) and college savings account (5% vs. 12%)
RETIREMENT SAVINGS
Retirement Accounts

Q29. WHAT TYPES OF ACCOUNTS DO YOU HAVE FOR YOUR RETIREMENT SAVINGS? (CHECK ALL THAT APPLY)

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>401(k) plan</td>
<td>64%</td>
</tr>
<tr>
<td>Regular savings account</td>
<td>41%</td>
</tr>
<tr>
<td>Traditional IRA</td>
<td>32%</td>
</tr>
<tr>
<td>Regular investment account</td>
<td>29%</td>
</tr>
<tr>
<td>Roth 401(k) plan</td>
<td>26%</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>26%</td>
</tr>
<tr>
<td>Certificate of deposit (CD)</td>
<td>25%</td>
</tr>
<tr>
<td>Annuity or life insurance policy</td>
<td>22%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

Of those parents who have retirement savings, 88% use an IRA or 401(k) (traditional or Roth), but 33% use only those types of accounts for retirement savings.

Total # of Accounts
- One: 32%
- Two: 23%
- Three: 20%
- Four +: 25%
- Mean: 2.67
Mixed Retirement Accounts

Q30. DO THE REGULAR SAVINGS OR INVESTMENT ACCOUNTS YOU USE FOR RETIREMENT SAVINGS ALSO HAVE MONEY THAT IS NOT GOING TO BE USED FOR RETIREMENT?

Yes: 70%
No: 30%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=320 (Have Regular Savings or Investment Accounts for Retirement Savings)
Q31. WHAT TYPES OF THINGS HAVE YOU PAID FOR WITH MONEY TAKEN FROM RETIREMENT SAVINGS IN THE PAST TWO YEARS? (CHECK ALL THAT APPLY)

- **Non-Emergencies**
  - Pay off debt: 17%
  - Vacation: 17%
  - Kids’ education: 16%
  - Holiday spending: 15%
  - Day-to-day expenses: 13%
  - Replenish emergency fund: 9%
  - Down payment on a home: 9%
  - Childcare/day care: 8%
  - Wedding: 8%

- **Emergencies**
  - Health care costs: 16%
  - Home repair/renovation: 15%
  - Car purchase or repair: 13%
  - To pay taxes: 12%
  - Cover expen. while unemployed: 10%
  - Other: 1%
  - Nothing: 48%

44% have used retirement funds for non-emergencies, and 28% for more than one non-emergency.

Across categories, millennials are more likely than older generations to tap into their emergency fund.
Anxiety About Saving for Retirement

Q59. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT: CONVERSATIONS ABOUT SAVING FOR RETIREMENT USUALLY FILL ME WITH A LOT OF ANXIETY?

- Strongly disagree: 17%
- Somewhat disagree: 24%
- Somewhat agree: 38%
- Strongly agree: 22%

60% Agree

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
PARENTAL KNOWLEDGE, ATTITUDES, AND BEHAVIORS
Parents’ Financial Knowledge

Q53. OVERALL, HOW KNOWLEDGEABLE ARE YOU ABOUT EACH OF THE FOLLOWING?
(FIVE-POINT SCALE – DISPLAYING TOP 2 BOX)

- Money: 73%
- Budgeting: 72%
- Managing expenses: 72%
- Investing: 48%

For each topic, men are more likely than women to say they are knowledgeable.

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
I have borrowed from my kids’ “piggy bank” without paying them back

I have gone into debt to pay for something my kids wanted

I sometimes feel ashamed that I’m not providing enough for my kids

I worry that I spoil my kids

I spend too much money on my kids for things they don’t really need

75% of parents who worry that they spoil their kids also say they spend too much on things their kids don’t really need, compared with 32% of parents who don’t worry about spoiling

Men are more likely than women to worry about spoiling their kids (61% vs. 55%), go into debt to pay for something their kids want (53% vs. 40%), and borrow from their kids’ piggy banks (38% vs. 29%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q49. WHICH OF THE FOLLOWING THINGS HAVE YOU DONE? (CHECK ALL THAT APPLY)

- Used money as incentive for good grades or good behavior: 48%
- Told my kids we can’t afford things when we really can: 24%
- Told my kids we have less money than we really do: 22%
- Used money my kids have received as gifts to buy something for myself: 15%
- Told my kids we have more money than we really do: 15%
- None of the above: 28%

- 72% of parents have done at least one of the listed behaviors
- Millennials are more likely than older generations to misrepresent the household financial status

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q54. WHEN IT COMES TO FINANCIAL MATTERS, WHICH OF THE FOLLOWING DO YOU CONSULT?  
(CHECK ALL THAT APPLY)

- Google/my own research: 42%
- Financial websites or apps: 34%
- Traditional financial advisor: 32%
- Friends: 30%
- Parents: 28%
- Financial news channels: 24%
- Social media: 19%
- Books or other materials by celebrity spokespeople: 15%
- Robo-advisor: 10%
- None of the above: 15%
Q60. WHAT IS INFLATION?

- A general increase in the price of goods and services over time: 75%
- The value of currency rising, and the cost of goods and services falling: 19%
- The cost of stock becoming more expensive and bonds becoming less expensive: 4%
- The cost of bonds becoming more expensive and stocks becoming less expensive: 2%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
A way to save for retirement where you contribute pre-tax money

A way to save for retirement where you contribute after-tax money

A way to save for retirement that your employer fully funds

A way to save for college

Q60. WHAT IS A ROTH IRA?
Parents’ Knowledge of Saving and Investing

Q62. PLEASE INDICATE WHETHER EACH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE (DISPLAYING PERCENT SAYING TRUE)

- What investments you choose (e.g., what stock, bond, or mutual fund) matters more than how much money you invest
  - 70%

- If I save 6% of my income toward retirement each year, I’ll have enough money to comfortably retire at age 65
  - 53%

- Having an emergency fund to cover one or two months’ living expenses is sufficient
  - 48%

- A 50-year-old shouldn’t put any of their retirement money in stocks because stocks can lose money
  - 45%

- Stocks are generally less risky investments than bonds
  - 38%

- Men are more likely than women to say saving 6% a year is enough for retirement (58% vs. 47%), an emergency fund lasting one to two months is sufficient (51% vs. 44%), and stocks are less risky than bonds (44% vs. 33%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q42. OVERALL, HOW OFTEN DO YOU DISCUSS ANY FINANCIAL TOPICS (E.G., THE IMPORTANCE OF SAVING AND SPENDING WISELY, SETTING FINANCIAL GOALS, BUDGETING, ETC.) WITH YOUR KIDS?

- Parents who discuss financial topics with their kids at least once a week are more likely than those that do not to have kids who say they are smart about money (68% vs. 36%)
- Men are more likely than women to say more than once a week (36% vs. 29%)
- Millennials are more likely than Gen Xers and baby boomers to say more than once a week (43% vs. 32% vs. 21%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Types of Financial Discussions

Q43. WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOU DISCUSS FINANCIAL TOPICS WITH YOUR KIDS?

We generally just talk for a few minutes as things come up 85%

I set aside specific time to discuss financial topics with my kids 15%
Q59. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?
(DISPLAYING PERCENT THAT AGREE)

I generally only talk to my kids about money when they ask about it

My kids are too young to talk to about money and finances

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
71% of parents have reluctance to discussing financial matters with their kids.
Q45. HOW IMPORTANT IS IT TO DISCUSS EACH OF THE FOLLOWING WITH YOUR KIDS?
(FIVE-POINT SCALE – DISPLAYING TOP 2 BOX)

- The importance of saving: 86%
- How to earn money: 83%
- Maintaining a budget: 80%
- Setting financial goals: 80%
- Giving to charity: 55%
- Not talking about money in public: 54%

For each topic, parents who say it’s important to discuss the topic with kids are more likely to have frequent financial discussions in general.
Q46. HOW UNCOMFORTABLE ARE YOU DISCUSSING EACH OF THE FOLLOWING WITH YOUR KIDS?

- **Sex**: 19% Extremely, 22% Very, 25% Somewhat, 14% Not Very, 20% Not at All
- **Drugs**: 21% Extremely, 17% Very, 13% Somewhat, 15% Not Very, 35% Not at All
- **Bullying**: 20% Extremely, 18% Very, 10% Somewhat, 13% Not Very, 39% Not at All
- **Death**: 16% Extremely, 20% Very, 23% Somewhat, 17% Not Very, 24% Not at All
- **Family Finances**: 16% Extremely, 20% Very, 22% Somewhat, 19% Not Very, 23% Not at All
- **Terrorism**: 18% Extremely, 17% Very, 18% Somewhat, 18% Not Very, 29% Not at All
Teachable Moments

Q47. ABOUT HOW MANY TIMES DURING THE COURSE OF A NORMAL DAY DO YOU HAVE THE OPPORTUNITY TO TALK TO YOUR KIDS ABOUT FINANCIAL TOPICS?

- Never: 7%
- Once: 40%
- Twice: 23%
- Three times: 15%
- Four times: 8%
- Five times: 3%
- More than five times: 5%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q48. How often do you take advantage of the opportunities that occur throughout the day to talk to your kids about financial topics?

- Never: 3%
- Some of the time: 53%
- Most of the time: 28%
- Always: 16%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,010 (Have Teachable Moments)
Q50. BASED ON YOUR EXPERIENCE, WHO ASKS ABOUT MONEY MORE?

- Boys: 34%
- Girls: 26%
- No difference: 40%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=561 (Have Boys and Girls)
Talking to Boys and Girls

Q51. Do you find that you spend more time talking about money with your boy(s) or girl(s)?
Talking to Boys and Girls

Q52. WHY DO YOU TALK MORE WITH YOUR [BOY(S) OR GIRL(S)]? (CHECK ALL THAT APPLY)

- They ask more questions
- They seem more interested
- They need more help with money
- They are older
- They are more likely to have more money to manage
- They play on financial games or apps more

Parents who talk with boys about finances more than girls are more likely to say boys need help with money.

= Statistically significant - .05 level
TEACHING KIDS ABOUT FINANCES
Q58. WHICH OF THE FOLLOWING DO YOU ALLOW YOUR KIDS TO DO ON THEIR OWN? (CHECK ALL THAT APPLY)

- Decide what to save their money for: 68%
- Decide what they spend their own money on: 67%
- Decide what charities to donate to: 42%
- Manage their own accounts: 30%
- None of the above: 7%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q49. WHICH OF THE FOLLOWING THINGS HAVE YOU DONE? (CHECK ALL THAT APPLY)

- Talked with my kid(s) about the value of long-term investing: 41%
- Talked with my kid(s) about market volatility: 20%
- Showed financial statements to my kids: 19%
- None of the above: 44%

- 56% of parents have done at least one of the behaviors listed
- For all options, men are more likely than women to respond positively
Letting Kids Manage Their Money

Q56 AND Q59. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? (DISPLAYING PERCENT THAT AGREE)

- I keep a pretty close eye on my kids’ money and what they’re doing with it: 83%
- I would enroll my kids in a course about money and finances for kids: 80%
- I let my kids manage their own money: 74%
- I would be interested in taking a course that teaches financial basics: 67%
- I let my kids make bad financial decisions so they can learn from their mistakes: 58%
- When my kids receive money as a gift, I decide what to do with the money: 46%

Men are more likely than women to say they’d be interested in a course about financial basics (74% vs. 60%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU OPEN A BANK ACCOUNT IN THEIR NAME?

- 1 to 4: 16%
- 5 to 9: 19%
- 10 to 14: 32%
- 15 or older: 29%
- Never: 4%

Mean: 9.90
Median: 10

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU OPEN AN ACCOUNT FOR THEM TO MAKE IN-APP PURCHASES?

- 1 to 4: 6%
- 5 to 9: 8%
- 10 to 14: 30%
- 15 or older: 33%
- Never: 22%

Mean: 9.74
Median: 12

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU GIVE THEM A CREDIT CARD?

- 1 to 4: 4%
- 5 to 9: 3%
- 10 to 14: 5%
- 15 or older: 68%
- Never: 19%

Mean: 13.39
Median: 17

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU MAKE THEM GET A JOB?

Mean: 17.28
Median: 16
ALLOWANCE
Age to Start – Giving Allowance

Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU: START GIVING THEM AN ALLOWANCE?

- 1 to 4: 8%
- 5 to 9: 46%
- 10 to 14: 30%
- 15 or older: 9%
- Never: 7%

Mean: 8.01
Median: 8

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Allowance Approach

Q69. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR APPROACH TO ALLOWANCE?

- Men are more likely than women to give allowance (84% vs. 74%)
- Millennials and baby boomers are more likely than Gen Xers to give allowance (84% vs. 76% vs. 86%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q70. REGARDLESS OF HOW OFTEN YOU GIVE ALLOWANCE, ON AVERAGE, HOW MUCH DO YOU GIVE PER WEEK?

- $10 or less: 61%
- $11 to $20: 18%
- $21 to $50: 16%
- $51 or more: 4%
Q72. HOW OLD WERE YOUR KIDS WHEN YOU STARTED GIVING ALLOWANCE?

- 5 or younger: 15%
- 6: 14%
- 7: 18%
- 8: 21%
- 9: 8%
- 10: 16%
- 11 or older: 8%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=855 (Give an Allowance)
KIDS’ RESPONSES
**Kids’ Knowledge of Money**

**Q73. OVERALL, HOW SMART ARE YOU ABOUT MONEY?**

- Eight to nine year olds are more likely than 10 to 12 year olds and 13 to 14 year olds to say they are smart about money (54% vs. 44% vs. 44%).

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Frequency of Financial Conversations

Q74. HOW OFTEN DO YOU TALK WITH YOUR PARENTS ABOUT MONEY AND FINANCES?

- Never: 6%
- Rarely: 18%
- Occasionally: 55%
- Frequently: 22%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Learning About Money From Others

Q75. WHO ELSE BESIDES YOUR PARENTS TALKS TO YOU OR TEACHES YOU ABOUT MONEY AND FINANCES?
(CHECK ALL THAT APPLY)

- Grandparents: 44%
- Teachers: 40%
- Brothers and sisters: 26%
- Aunts/uncles/cousins: 22%
- Friends/other kids: 21%
- None of the above: 18%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q76. WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOU DISCUSS FINANCIAL TOPICS WITH YOUR PARENTS?

- We generally just talk for a few minutes as things come up: 84%
- My parents set aside specific time to discuss financial topics with me: 16%
Kid Agree Statements

Q77. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?
(DISPLAYING PERCENT THAT AGREE)

- My parents set a good example when it comes to how to save and spend money: 89%
- I play a lot of games that have money involved: 51%
- My friends and I talk about money a lot: 44%
- My parents fight about money: 38%
- My parents are uncomfortable talking to me about money: 35%

Eight to nine year olds are more likely than 10 to 12 year olds and 13 to 14 year olds to say they talk to friends about money (52% vs. 39% vs. 45%), their parents fight about money (47% vs. 34% vs. 35%), and their parents are uncomfortable talking with them about money (45% vs. 29% vs. 34%)

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Q78. DO YOU GET AN ALLOWANCE?

- Yes, but I have to earn it: 69%
- Yes, and I don't have to earn it: 11%
- No: 19%
- Not sure: 1%
Q79. HOW OFTEN DO YOU GET AN ALLOWANCE?

- Daily: 16%
- Weekly: 62%
- Monthly: 19%
- Other: 4%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=871 (Receive an Allowance)
Q80. ON AVERAGE, HOW MUCH ALLOWANCE DO YOU GET PER WEEK?

- $10 or less: 60%
- $11 to $20: 17%
- $21 to $50: 17%
- $51 or more: 7%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=871 (Receive an Allowance)
Q81. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? (DISPLAYING PERCENT THAT AGREE)

- It’s important to save money for emergencies: 91%
- My parents encourage me to donate clothes or toys to charitable causes (e.g., Goodwill, Salvation Army, Toys for Tots, etc.): 87%
- My parents let me manage my own money: 86%
- My parents encourage me to give money to charity: 69%
- I spend my allowance as soon as I get it: 51%
- My parents have borrowed from my “piggy bank” without paying me back: 33%
Knowledge of Parental Saving

Q82. DO YOUR PARENTS PUT MONEY ASIDE FOR SAVINGS EACH MONTH?

Yes: 59%
No: 8%
I don’t know: 33%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Lending Money to Friends

Q85. HAVE YOU EVER LENT MONEY TO YOUR FRIENDS?

- Yes: 47%
- No: 53%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Getting Paid Back

Q86. DO THEY USUALLY PAY YOU BACK?

- Yes: 85%
- No: 15%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=515 (Lent Money to a Friend)
Q87. IN GENERAL, HOW MUCH OF THE MONEY YOU GET DO YOU SAVE?

- None of it: 9%
- Less than half of it: 25%
- Half of it: 29%
- More than half of it: 22%
- All of it: 15%
Q88. WHAT IS THE LONGEST YOU’VE EVER SAVED FOR SOMETHING YOU WANTED TO BUY?

- One week or less: 8%
- Two to three weeks: 19%
- One to two months: 27%
- Three to five months: 23%
- Six months or more: 23%

T. Rowe Price 2016 Parents, Kids & Money Survey
N=1,086 (Total Respondents)
Kid Agree Statements

Q89. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? (DISPLAYING PERCENT THAT AGREE)

- Eight to nine year olds are more likely than 10 to 12 year olds and 13 to 14 year olds to say they expect parents to buy them what they want (70% vs. 53% vs. 51%) and pay for whatever college they want (74% vs. 60% vs. 56%).
Q95. PLEASE INDICATE WHETHER EACH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE. 
(DISPLAYING PERCENT SAYING TRUE)

- **It costs more to go to college than it does to buy a car**
  - 85%

- **My parents should save for college in a savings account**
  - 80%

- **When parents talk about 'investing' their money it includes things like buying stocks and bonds**
  - 78%

- **What investments you choose (e.g., what stock, bond, or mutual fund) matters more than how much money you invest**
  - 68%

- **A savings account is the only type of account in which your money can grow**
  - 50%

- **It costs the same amount of money for my parents to buy me holiday presents as it does for them to buy a car**
  - 29%
RESPONDENT PROFILE
Respondent Profile

Q1. Age
- < 35: 29%
- 35-50: 58%
- 51+: 13%

Q2. Region
- South: 26%
- Northeast: 25%
- West: 25%
- Midwest: 24%

Q3. Gender
- Women: 51%
- Men: 49%

Q4. Marital Status
- Married: 76%
- Separated/divorced: 11%
- Single: 9%
- Married (same sex): 4%
- Widow/widower: 1%

Q5. Household Income
- < $50K: 30%
- $50K-$99,999: 38%
- $100K+: 32%

Q6. Race/Ethnicity
- White/Caucasian: 74%
- Hispanic/Latino: 16%
- Black/African American: 9%
- Asian: 5%
- Native American: 2%

T. Rowe Price Parents, Kids & Money Survey
N=1,086 (Parents: Total respondents)

Invest with Confidence®

T. Rowe Price 90
Respondent Profile

Q7. EDUCATION LEVEL

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; HS graduate</td>
<td>2%</td>
</tr>
<tr>
<td>HS graduate</td>
<td>11%</td>
</tr>
<tr>
<td>Some college</td>
<td>21%</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>12%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>33%</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>21%</td>
</tr>
</tbody>
</table>

Q8. EMPLOYMENT STATUS

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed full time</td>
<td>64%</td>
</tr>
<tr>
<td>Stay-at-home parent</td>
<td>14%</td>
</tr>
<tr>
<td>Employed part time</td>
<td>9%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>4%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4%</td>
</tr>
<tr>
<td>Retired</td>
<td>3%</td>
</tr>
<tr>
<td>Student</td>
<td>2%</td>
</tr>
</tbody>
</table>

Q9. # KIDS IN HOUSEHOLD

<table>
<thead>
<tr>
<th>Number of Kids</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>28%</td>
</tr>
<tr>
<td>2</td>
<td>42%</td>
</tr>
<tr>
<td>3</td>
<td>19%</td>
</tr>
<tr>
<td>4+</td>
<td>11%</td>
</tr>
</tbody>
</table>

Q11. KID GENDER

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Girls</td>
<td>49%</td>
</tr>
<tr>
<td>Boys</td>
<td>51%</td>
</tr>
</tbody>
</table>

Q12. KID AGE

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>10%</td>
</tr>
<tr>
<td>9</td>
<td>14%</td>
</tr>
<tr>
<td>10</td>
<td>16%</td>
</tr>
<tr>
<td>11</td>
<td>13%</td>
</tr>
<tr>
<td>12</td>
<td>14%</td>
</tr>
<tr>
<td>13</td>
<td>19%</td>
</tr>
<tr>
<td>14</td>
<td>14%</td>
</tr>
</tbody>
</table>

T. Rowe Price Parents, Kids & Money Survey
N=1,086 (Parents: Total respondents)
Respondent Profile

# KIDS IN HOUSEHOLD

- One: 28%
- Two: 42%
- Three: 19%
- Four +: 11%

# BOYS IN HOUSEHOLD

- None: 22%
- One: 51%
- Two: 21%
- Three: 5%
- Four +: 2%

# GIRLS IN HOUSEHOLD

- None: 25%
- One: 53%
- Two: 17%
- Three: 4%
- Four +: 1%

KID GENDER MIX

- Girls only: 21%
- Boys only: 25%
- Boys and girls: 54%

T. Rowe Price Parents, Kids & Money Survey
N=1,086 (Parents: Total respondents)
## Respondent Profile

### # KIDS < 8 IN HH

<table>
<thead>
<tr>
<th>None</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>53%</td>
</tr>
<tr>
<td>Two</td>
<td>42%</td>
</tr>
<tr>
<td>Three</td>
<td>19%</td>
</tr>
<tr>
<td>Four +</td>
<td>11%</td>
</tr>
</tbody>
</table>

### # KIDS 8-14 IN HH

<table>
<thead>
<tr>
<th>One</th>
<th>63%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two</td>
<td>30%</td>
</tr>
<tr>
<td>Three</td>
<td>6%</td>
</tr>
<tr>
<td>Four +</td>
<td>1%</td>
</tr>
</tbody>
</table>

### # KIDS > 14 IN HH

<table>
<thead>
<tr>
<th>None</th>
<th>75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>22%</td>
</tr>
<tr>
<td>Two +</td>
<td>3%</td>
</tr>
</tbody>
</table>

### KID AGE MIX

<table>
<thead>
<tr>
<th>8-14 only</th>
<th>29%</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-14 and younger</td>
<td>52%</td>
</tr>
<tr>
<td>8-14 and older</td>
<td>3%</td>
</tr>
<tr>
<td>8-14 and both</td>
<td>16%</td>
</tr>
</tbody>
</table>

---

T. Rowe Price Parents, Kids & Money Survey  
N=1,086 (Parents: Total respondents)
OBJECTIVE AND METHODOLOGY
Objective and 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 2/4/16 to 2/11/16, with parent quotas of approximately 50% men and 50% women.

- A total of 1,086 parents and 1,086 children ages 8-14 in the U.S. participated; the sampling error for a sample of 1,086 is +/-3% at the 95% confidence interval.

- The survey was fielded through MetrixLab, Inc.
THANK YOU.