



Halifax pocket money survey 2008

New research from Halifax reveals that the role of pocket money is reverting to its original definition as 'money for minor expenses'. Children receive their weekly allowance but still bank on Mum and Dad to pick up the tab for big ticket expenses.

Key Findings

- The average pocket money in 2008 is £6.13 per week, versus £8.01 in 2007
- Pocket money is out of step with inflation; a shortfall of £3.30 for today's weekly allowance compared with three years ago
- Whilst parents provide a weekly allowance they continue to pay for mobiles, ipods and gifts
- Three in ten children (30%) save some of their pocket money each week; however if they want something in addition to their allowance they tend to ask for it as a 'present'

Pocket money winners and losers

The average amount of pocket money received in 2008 is £6.13. Younger children aged between 8-11 years get almost half the amount of their older counterparts (12-15 years) receiving £4.34.

Across the nation children in London and Scotland receive the most pocket money, £8.47 and £8.20 respectively. Those in the East Midlands and the South West receive £4.46 and £4.58 respectively.

Pocket money not in line with inflation

Three years ago, the average amount of pocket money received per week was £8.37. Had this risen in line with inflation, today's pocket money would stand at £9.43. At £6.13 in 2008, it is £3.30 lower in real terms. It is usual for there to be variances in pocket money levels as decreases were also seen in 1994, 1996, 1997, 2006 and 2007.

Whilst one in four children (23%) receive a pocket money increase once a year, almost one in five (17%) suggested they had not seen any increase in the amount they receive over the past year. Two fifths (41%) who had an increase saw a rise on their last birthday whereas one in ten experienced an increase during the summer holidays.

Save or spend?

If children do see something expensive they want, almost a third (29%) will save to buy it. However, most will resort to asking for the item as a Christmas or birthday present (43%) with a further sixth (17%) resorting to pester power.

Three in ten children (30%) do save £1 - £5 per week. More than a quarter of children (28%) do not save any of their pocket money.

Parents pay to maintain their children's lifestyle in the entertainment age

Three quarters of children (76%) own a mobile phone with this figure increasing to a massive nine in ten children (92%) aged 12-15 years. The average phone bill costs £8.38 per month, only a fifth (20%) take responsibility for this spend themselves with the majority (70%) leaving their parents or guardians to fit the bill.

More than a third of children (68%) also own an ipod or MP3 player with two fifths (40%) downloading music from the internet. The average number of tracks downloaded is four per week equating to a weekly spend of £3.16 each week, just over half of the average pocket money received. Research does not suggest children shell out for their own songs.

This leaves parents footing a total portable entertainment maintenance bill of £381.52 a year per child after having already paid out to acquire the equipment.

Tony Wilcox, head of savings at Halifax, said:

"Our latest findings really show a mixed bag - pocket money doesn't appear to have increased this year but children don't seem to fund any major expenses from their allowance. It is encouraging to see the savings habit is ingrained from a young age. Almost a third of children save some of their pocket money each week."

Ends./

Note to Editors'

Research carried on by tns from 3rd to 10th July 2008. 1180 children across Great Britain aged 8 to 15 were interviewed.

Halifax Children's Regular Saver

Halifax Children's Regular Saver is available for adults saving on behalf of children under 16, with one account per adult on behalf of each child allowed. Earning a rate of **10.00% AER/gross p.a.** fixed for one year, you can save between £10 and £100 each month, for 12 months. Once the twelve month term is up, the money saved and the interest earned will be automatically transferred into your nominated account, or a Halifax save4it account.

Save4it

Save4it is a passbook pocket money savings account designed especially for children up to 16 year olds. Accounts can be opened with as little as £1 and the maximum balance is £5,000. Interest is payable annually on any chosen day (e.g. birthday) and the child can choose the name of the account, e.g. 'Sarah's Account' or 'First Bike Account'. **The current interest rate is 5.55% AER/gross p.a.**

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