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DOWN WITH THE QUIDS: children expect to earn over a million

- **Loaf of bread costs £15, according to youngsters**
- **Teachers earn six figure pay packets**
- **Average home costs half a million**

Children want to earn £4 million a year, but think they'll only earn £1.5 million a year – still a whopping 50 times the current average salary – according to a Halifax study on children's money expectations involving almost 4000 people.

It also revealed a gap in gender pay expectations – boys said they expect to earn £2 million whereas girls said they expect to earn £1.1 million.

£17 for a pint of milk

Children are also vastly overestimating the costs of everyday life. Bakers and supermarkets will raise eyebrows at the thought of a loaf of bread costing £15 or a pint of milk costing £17 – more than 10 times and more than 30 times their actual costs respectively. Whilst children tend to exaggerate costs, they fall short on the actual cost of school uniform, which sets parents back by an average of £213.

Table 1: Costs of everyday life

Everyday items	Cost – according to children	Actual cost
Loaf of bread	£15	£1.06
Pint of milk	£17	44p
Weekly food shop	£240	£58
School uniform	£180	£213
Holidays	£6,400	£3,100
Car	£67,000	£18,000
House	£485,000	£220,000

Source: see footnotes

Emma Bradley, parenting expert and award winning blogger, said: “Even if children help with the weekly shop, they don't always appreciate the cost of what you're buying. It's

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really important children understand the value of money, and the sooner the better. My 18 year old is heading to university soon and I hope we've given her the skills needed to budget and not live off baked beans!"

Six figure salaries for teachers

Children are also overestimating average salaries. Those wanting to follow in the footsteps of their teacher may be disappointed to find that they don't earn a bumper six figure pay packet. However, those wanting to earn £4 million as a premier league footballer aren't too far off.

Table 2: Annual salary of different jobs

Job	Salary – according to children	Actual salary
School teacher	£110,000	Starting from £23,000
Doctor	£271,000	Starting from £27,000
Prime Minister	£3 million	£150,000
Premier league footballer	£4 million	£2.6 million

Source: see footnotes

Giles Martin, Head of Savings at Halifax, said: "Children who want to be a footballer or a doctor when they grow up may be in for a shock, but at least a loaf of bread is much cheaper than they thought. We know that children look to their parents to learn about money and its value, and fortunately there are many simple things that parents can do to help build this knowledge."

Retiring at 56

Children may also be sorely disappointed by how long they'll be working. They said they want to retire at 56, but little do they know they may have to work a further 12 years to get to the current state pension age of 68. The pension age could increase further by the time today's children reach that milestone.

Nevertheless, four fifths of parents insist their children understand the value of money, and 84% said they were confident teaching their children about money. Girls are already more confident than boys at explaining the meaning of different terms like 'bank account' and parents can play an important role in providing a broad financial education.

Five tips from Halifax for talking to your children about money

1. **Encourage the savings habit from a young age:** use a piggy bank or savings jar to make savings fun.

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2. **Give them pocket money:** teach them to manage their money by giving them a regular income from pocket money in return for doing chores.
3. **Open a regular savings account:** this will help children understand about saving, interest and how to manage an account.
4. **Talk to your children about bills:** when you receive bills, this can be an opportunity to explain all the different things that cost money and how you use your earnings to pay for it.
5. **Get them involved in managing the family purse strings:** take them to the supermarket and get them involved to help them build an appreciation of the cost of everyday items.

- ENDS -

Editors' Notes:

Spokespeople and case studies available.

Emma Bradley is a blogger, teacher and public speaker who writes about parenting and personal finance on www.emmaand3.com and www.mumssavvysavings.com.

1735 interviews were conducted online by Kantar TNS amongst parents and their children aged 8-15 in Great Britain between 27th March and 13th April 2018.

The Halifax Kids' Monthly Saver account pays a market leading 4.5% interest rate:

- Available in branch, over the phone and online
- Customers can save between £10 to £100
- Pays 4.50% gross/AER. Interest rates are fixed and paid annually
- After 12 months any balance plus interest transfers into a Halifax Kids' Saver account

For further details, and to apply, visit a branch or go to www.halifax.co.uk/savings/. Details are correct as at 25 May 2018 and are subject to change.

Table 1 – Sources of actual costs for everyday items:

- **Loaf of bread:** ONS <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/vkyu>
- **Pint of milk:** ONS <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/cznt>
- **Weekly food shop:** ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/bulletins/familyspendingintheuk/financialyearending2017>
- **School uniform:** Department for Education https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/436576/RR474_Cost_of_school_uniform.pdf
- **Holidays:** holiday abroad for a family of four, according to the CAA <https://www.caa.co.uk/News/UK-families-need-a-holiday--buffer-budget--of-%C2%A3536-80-to-cover-unexpected-costs/>
- **Car:** entry level Ford Focus, Ford <https://www.ford.co.uk/cars/focus>
- **House:** Halifax House Price Index <https://static.halifax.co.uk/assets/pdf/mortgages/pdf/April-2018-House-Price-Index.pdf>

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Table 2 – Sources of actual salaries:

- **Teacher:** starting salary of a Newly Qualified Teacher (NQT), Department for Education <https://getintoteaching.education.gov.uk/funding-and-salary/teacher-salaries>
- **Doctor:** starting salary of a junior doctor, NHS <https://www.healthcareers.nhs.uk/explore-roles/doctors/pay-doctors>
- **Prime Minister:** includes basic MP salary, House of Commons <http://researchbriefings.files.parliament.uk/documents/CBP-7762/CBP-7762.pdf>
- **Premier league footballer:** Global Sports Salaries <https://www.globalsportssalaries.com/GSSS%202017.pdf>

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