



Pocket Money falls to seven year low

Halifax Pocket Money Survey 2010

New research from Halifax reveals that the amount of pocket money children receive has fallen over the past year, hitting a record seven year low.

Key Findings

- The average pocket money in 2010 is £5.89 per week, compared to £6.24 in 2009
- The last time pocket money fell below £6.00 was in 2003, where the average amount was £5.79 per week
- This is £2.48 lower than the highest level of £8.37 in 2005

Top Pocket Money Pickings

The average amount of pocket money received in 2010 is £5.89. The gender gap has closed considerably this year with boys (£6.08) receiving almost 40 pence more than girls (£5.70). This compares to a gap of over £1 per week in 2009 with boys receiving £6.88 compared to £5.58 for girls. The gap between the amount received by older and younger children continues to close with children aged 8-11 receiving £4.57 per week and children aged 12-15 receiving £7.02 per week.

Across the nation children in Wales top the most pocket money chart at £7.77. This makes a change to from London topping the poll where children have seen a fall of almost £4.00 from £10.79 to £6.89. Those in the South West and East Anglia receive £5.05 and £5.23 respectively.

Pocket Money Paupers

Although pocket money has fallen over the past year, almost half of children (49%) think they get the right amount. Slightly fewer children (42%) think they should get more. Almost two fifths of children (37%) think their friends get more pocket money than them, with around a quarter (23%) thinking they get a similar amount. Almost a third (28%) never talk about the amount of pocket money they receive with their friends.

Penny Pinching rather than Saving the Pounds

A quarter (23%) of children save at least half their pocket money, compared to almost half (49%) last year. A tenth save all of their pocket money (9%), with a sixth (13%) saving around three quarters of their weekly allowance. Almost a third (29%) do not save any of their pocket money. The average amount of pocket money saved is 37% which equates to £2.15 per week. This increases to 43% in the North East but falls to 24% in Wales.

If children do see something expensive they want, over a third (35%) will save to buy it. However, two fifths (39%) will resort to asking for the item as a Christmas or birthday present with a further sixth (18%) resorting to pester power.

Encouragingly, more than three quarters of children (77%) are interested in learning more about savings.

Flavia Palacios Umana, head of savings products at Halifax, said:

"It is encouraging to see that children are still saving, despite the amount of pocket money falling. Teaching children how to manage their own pocket money is a great first step to building good financial awareness in our youngsters. Developing the habit of saving a little and often will stand them in good stead in later life as they will be able to see their savings mount up over time"

Ends./

Note to Editors'

Research carried on by tns from 26th August to 2nd September 2010. 1204 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 **6.00% 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 1.05% AER/gross p.a.**

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