

Danske Bank

**Financial Literacy
among 5-7 years old children
-based on a market research survey
among the parents**

**in
Denmark, Sweden, Norway, Finland,
Northern Ireland and Republic of Ireland**

Purpose of the Study

- Danske Bank wants to investigate how parents educate their children in “financial literacy”. The following topics are covered:
 - To what extent the children understand aspects of money with their child
 - How often parents discuss aspects of money with their child
- Do parents think that their child would benefit from learning more about any of the previously mentioned aspects of money?
- Aspects of pocket money
- How often the child:
 - Can’t have what he or she wants because it is too expensive
 - Has to choose between products because of the price
 - Makes his or her own decision on how to spend his/her money
- Does the child have bank products – and did they get any sort of educational guidance material from the bank together with the product
- Where would you prefer to find the information and material
- To what extent is schools, parents, the government, the financial sector and private organisations responsible for children’s understanding of money?

The study covers 6 countries within Danske Bank’s geographic focus area.

Interview period:

- Data has been collected in the period from 07.05.2008 until 20.05.2008

Target group:

- Parents with children from the age of 5 to 7 years

Countries	Sample Size (Un weighted)	Sample Size (Weighted)
• Denmark	314	300
• Sweden	312	300
• Norway	312	300
• Finland	311	300
• Northern Ireland	349	300
• Republic of Ireland	312	300

Data Collection

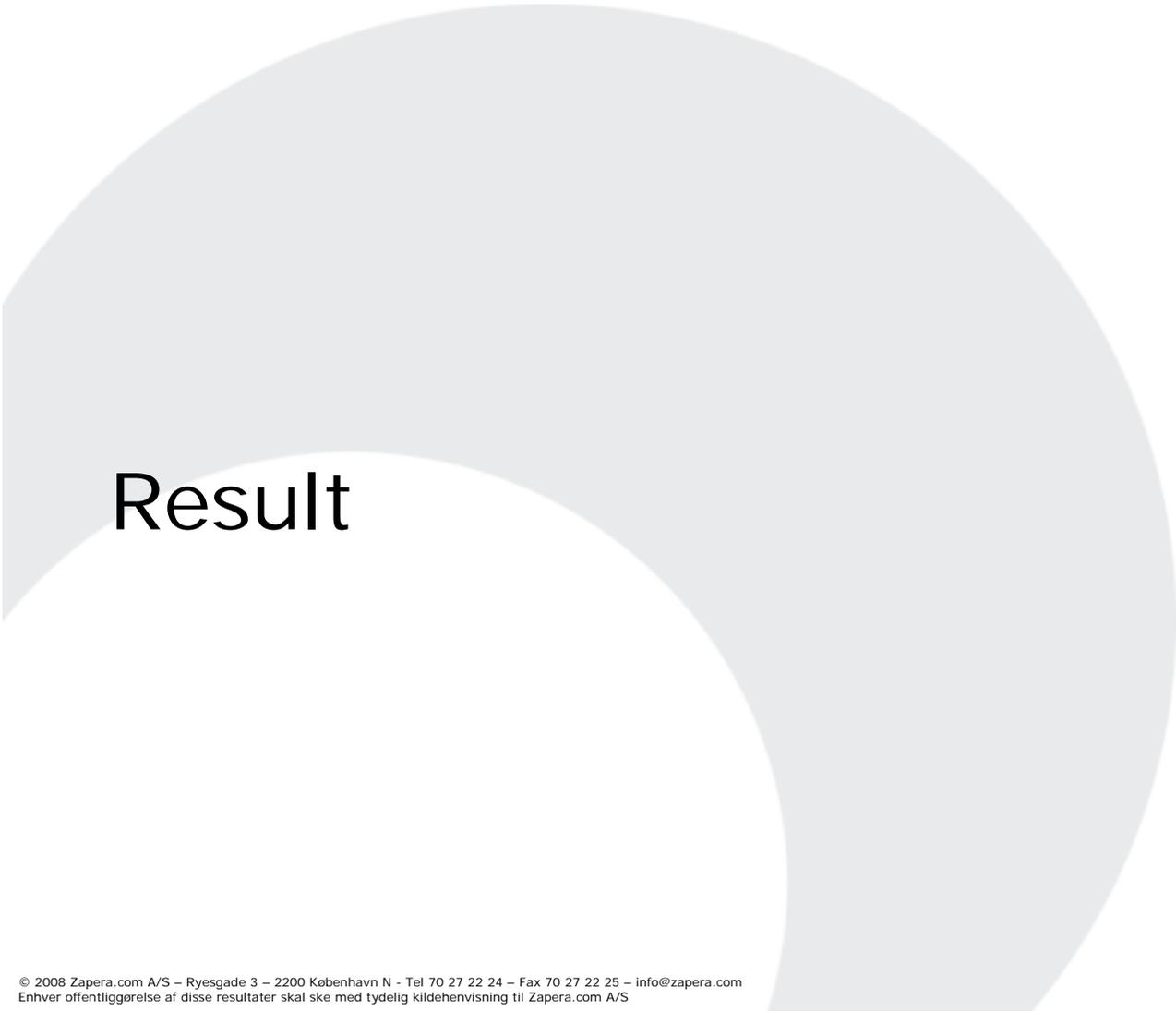
- Data has been collected via the internet in Zapera's own internet-based consumer panels in the four Nordic countries and in various internet-based consumer panels in Republic of Ireland and Northern Ireland. Zapera has hosted and coordinated the data collection in all 6 countries.

Data Weighting

- Data is weighted on the parents gender (50/50) and on the children's age (according to the official national statistics) and on quotas such that each of the six countries counts for one sixth of the aggregated data.

5-7 years old

Country	Sample: 300	Universe
Denmark	+/- 5.7%	198.217
Norway	+/- 5.7%	176.997
Sweden	+/- 5.7%	289.581
Finland	+/- 5.7%	169.563
Northern Ireland	+/- 5.7%	68.376
Republic of Ireland	+/- 5.7%	174.894

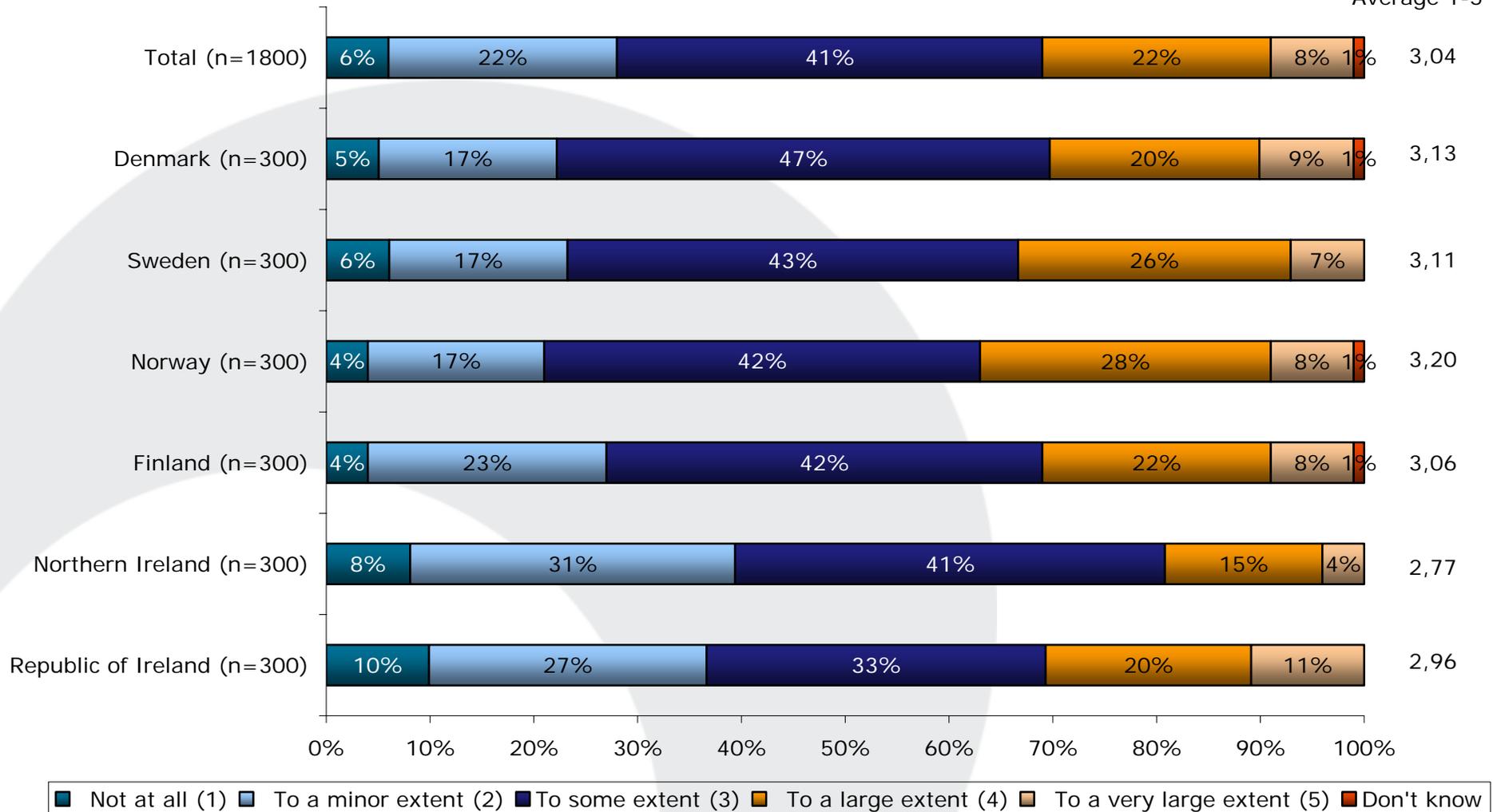


Result

28% of the parents -not at all or to a minor extent- think their child understands where money comes from

To what extent does your child understand the following aspects of money?
Where your household money comes from

Average 1-5

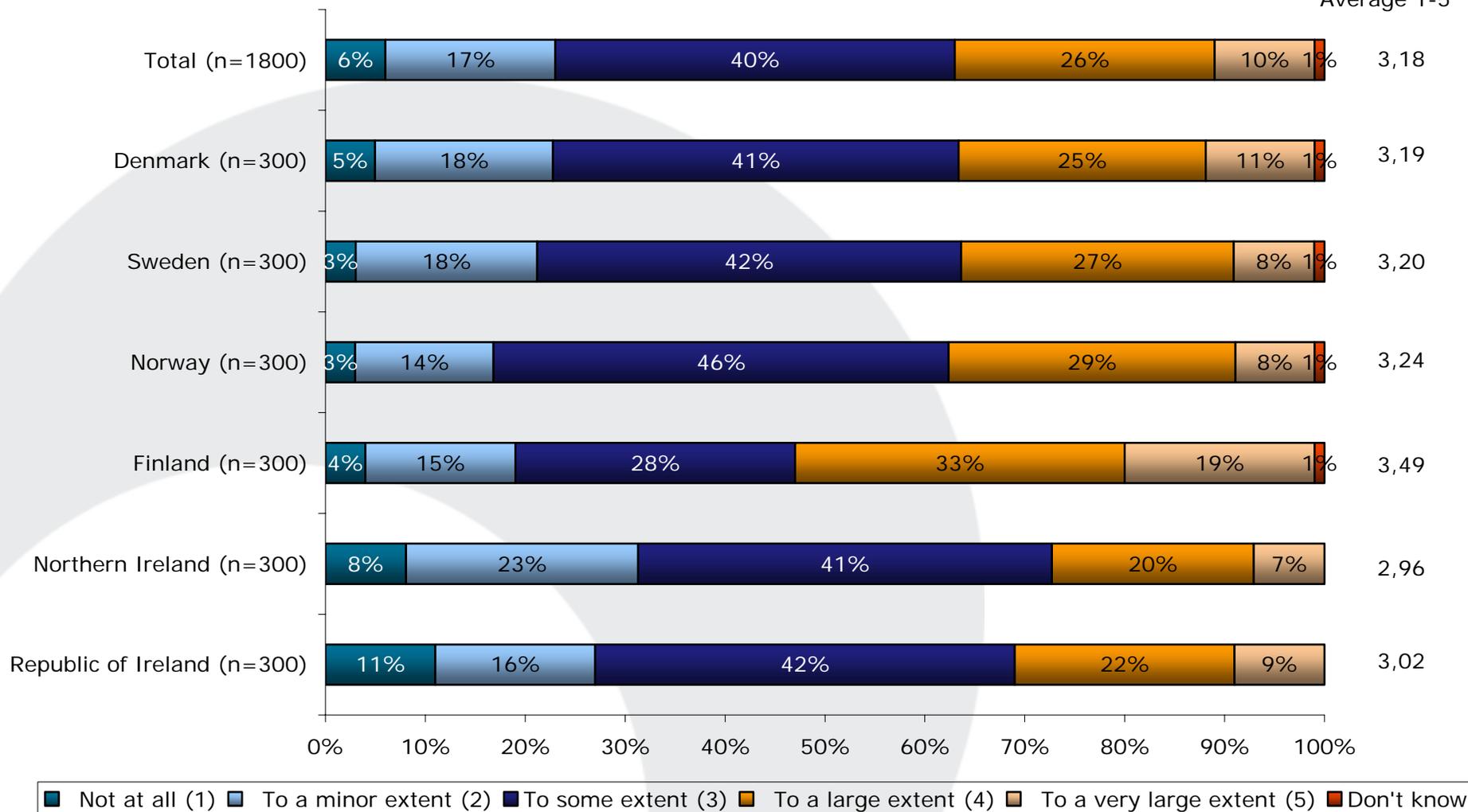


Note: NI and ROI are different from the other countries – 39% and 37% answer Not at all or To a minor extent

23% of the parents -not at all or to a minor extent- think their child understands that different products have different value

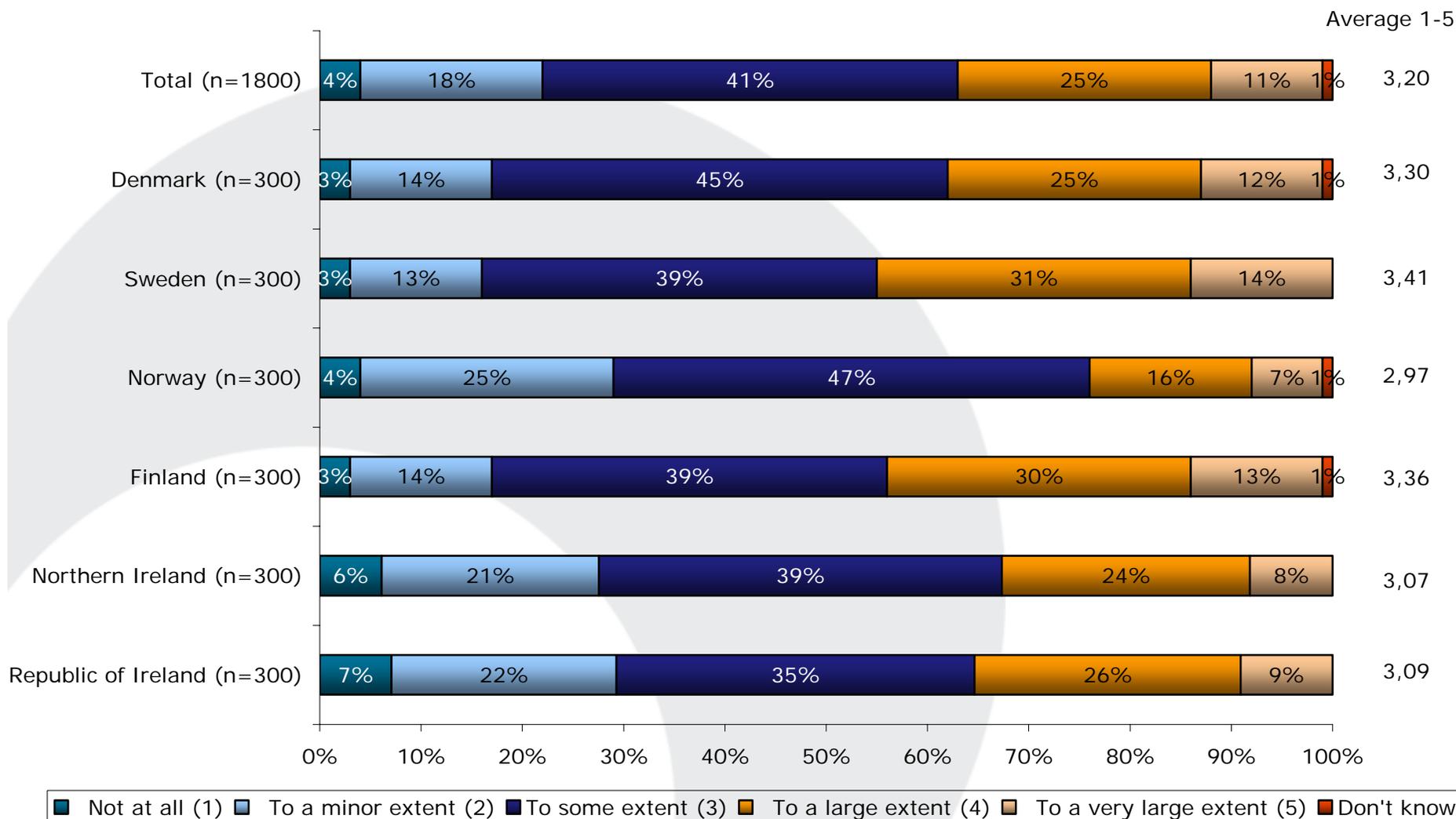
**To what extent does your child understand the following aspects of money?
That different products have different value**

Average 1-5



Note: NI is different from the other countries – 31% answer Not at all or To a minor extent
Finland: Has the largest average – NI and ROI the smallest

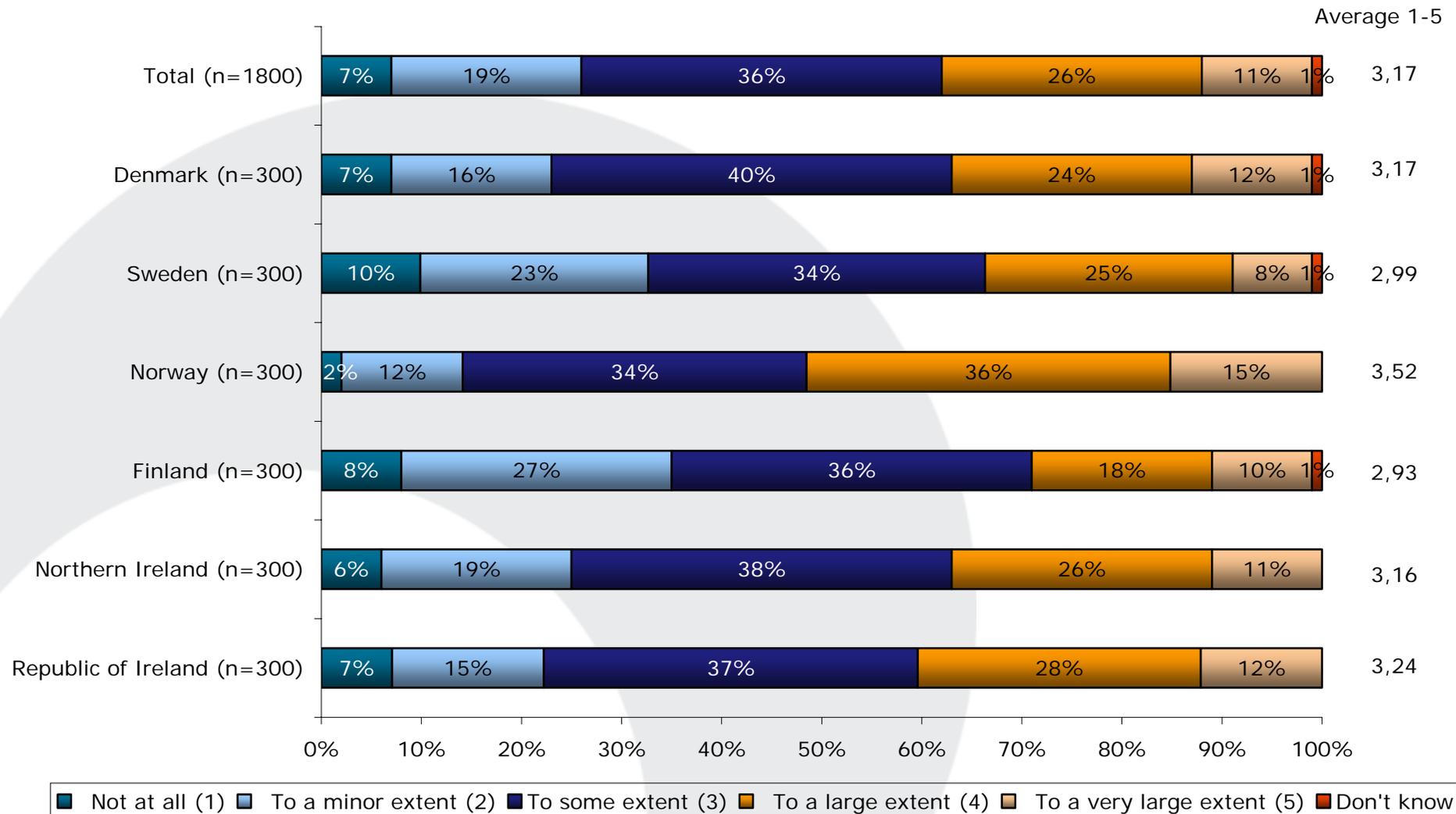
To what extent does your child understand the following aspects of money?
How buying one thing may mean you can't buy another



Note: Children in DK, SE and FI to some extent understand how buying one thing may mean you can't buy another. Children in NO, NI and ROI have less understanding of this aspect (have the smallest average)

26% of the parents -not at all or to a minor extent- think their child understands how saving up allows you to buy something you want in the future

To what extent does your child understand the following aspects of money?
How saving up allows you to buy something you want in the future

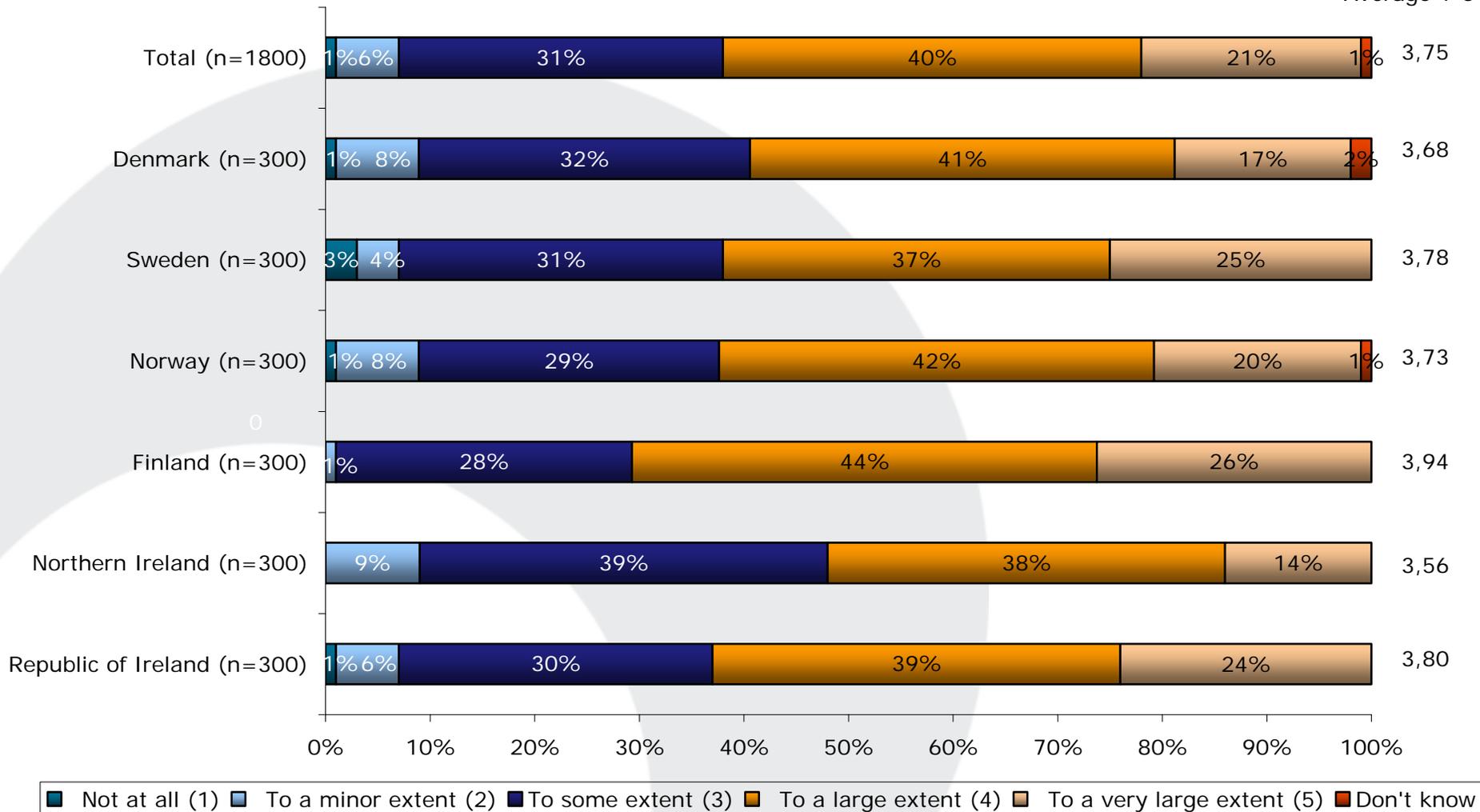


Note: In NO they understand saving up is important – more than in SE and FI (33% and 35% answer Not at all or To a minor extent.

92% (to some extent to a very large extent) of the parents think their child would benefit from learning more

To what extent do you think that your child would benefit from learning more about any of the previously mentioned aspects of money?

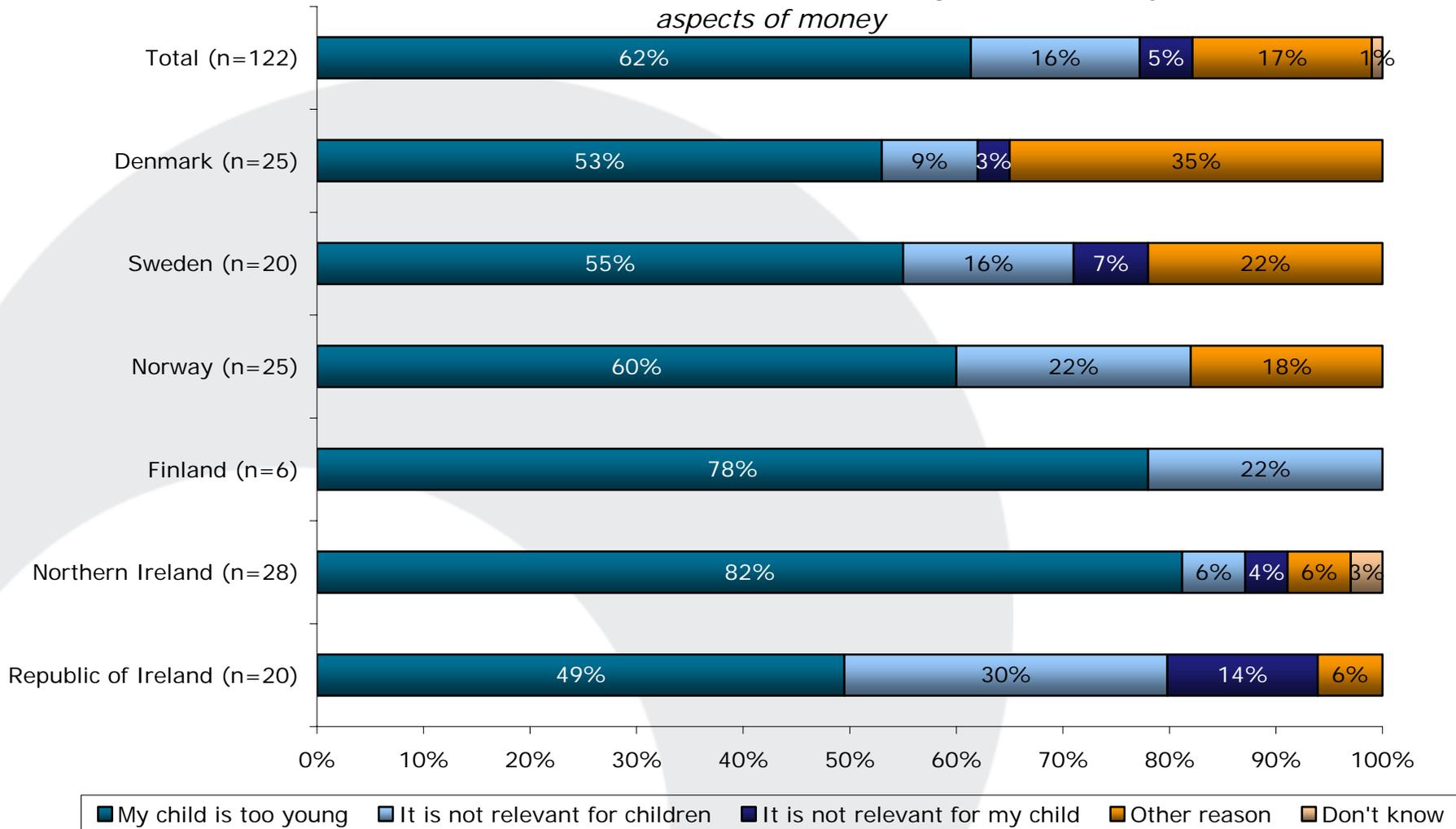
Average 1-5



Note: In total 92 % answer that their child would benefit from learning more about money
 Children in FI would benefit most from learning more (different average from DK, SE, NO and NI)

Why don't you think that your child would benefit much from learning more about the different aspects of money?

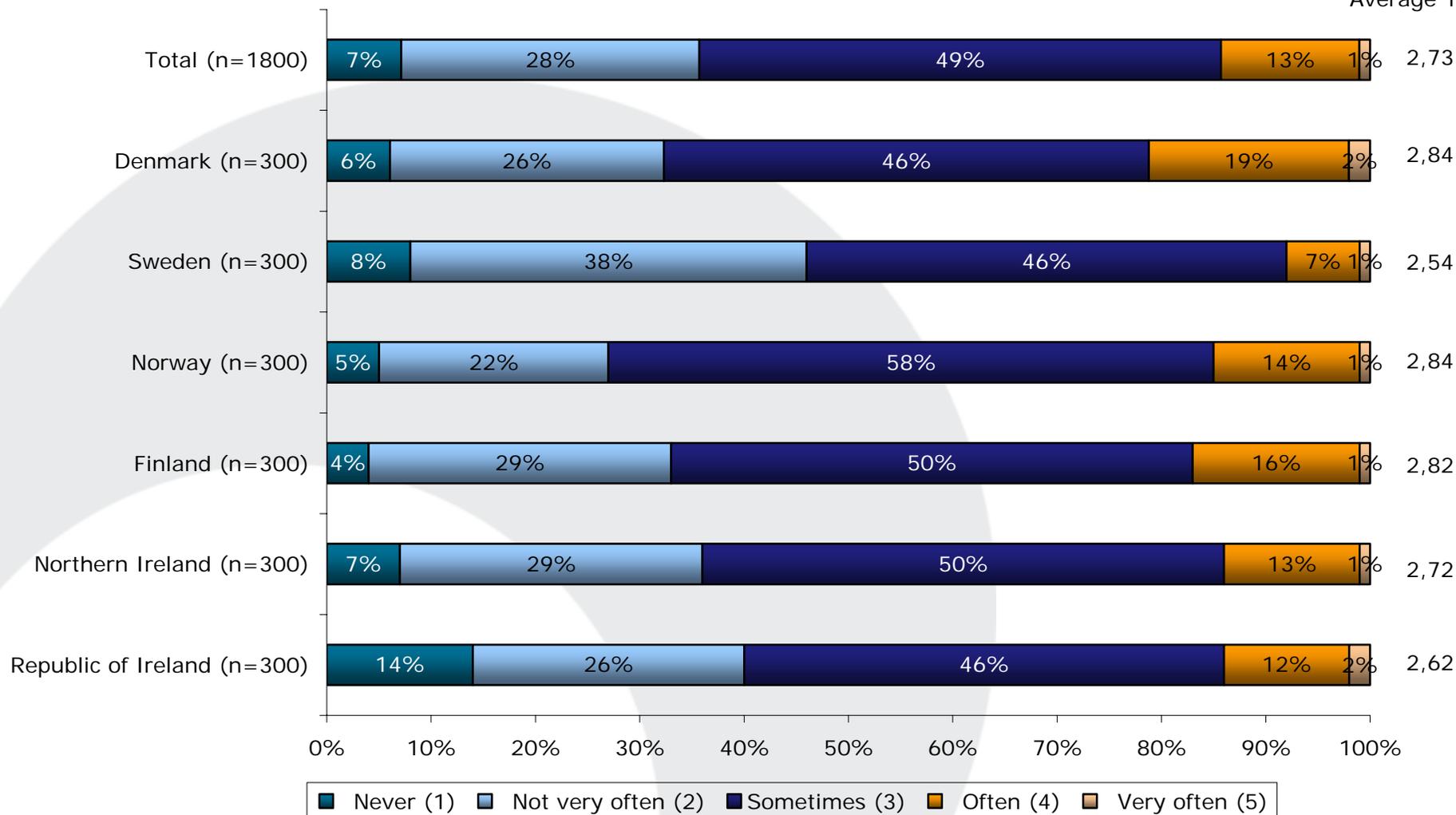
Base: Don't think that the child would benefit from learning more about any of the different aspects of money



Note: Very small bases

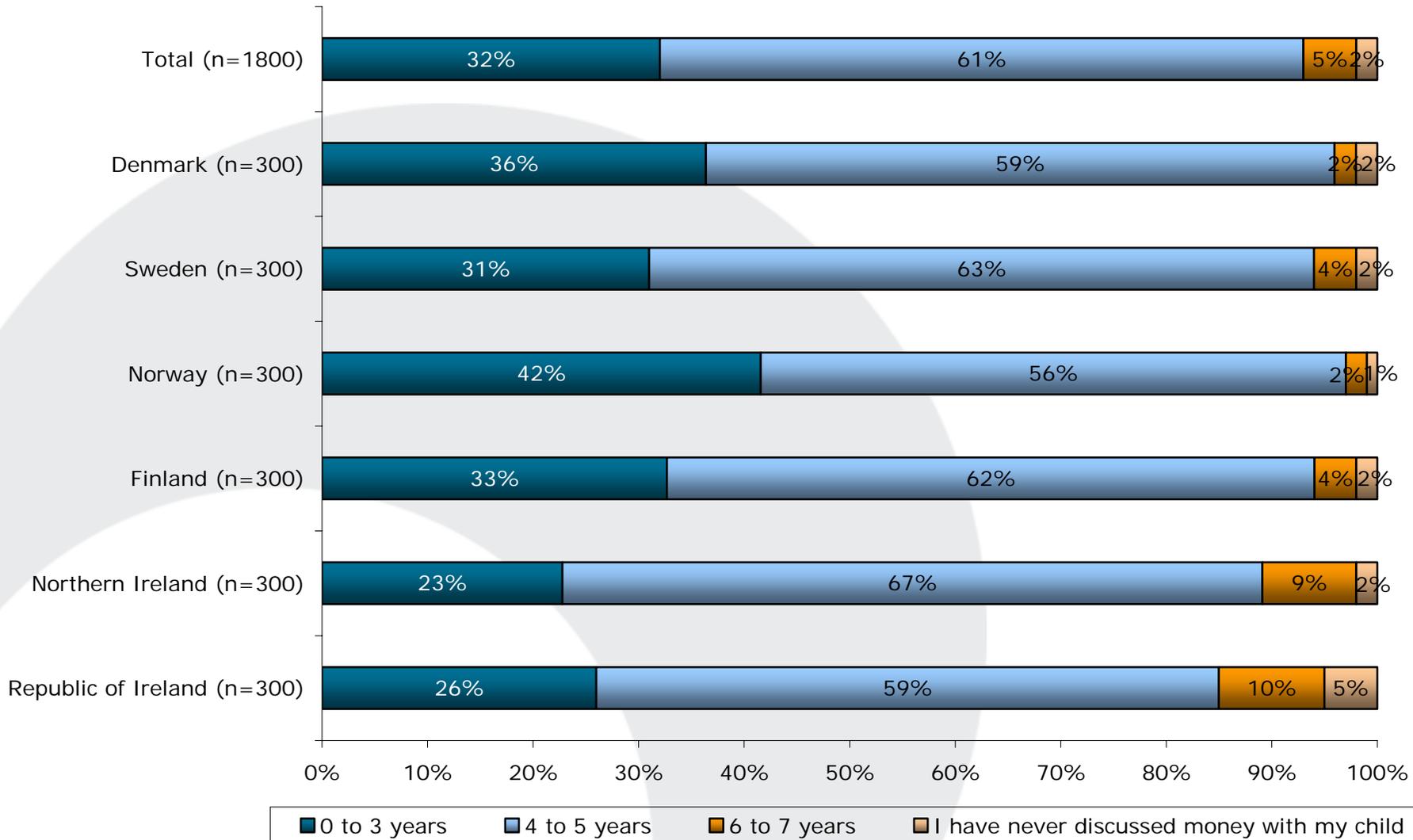
How often does your child ask you questions about the basics of money [e.g. the value of money, where does money come from etc.]?

Average 1-5



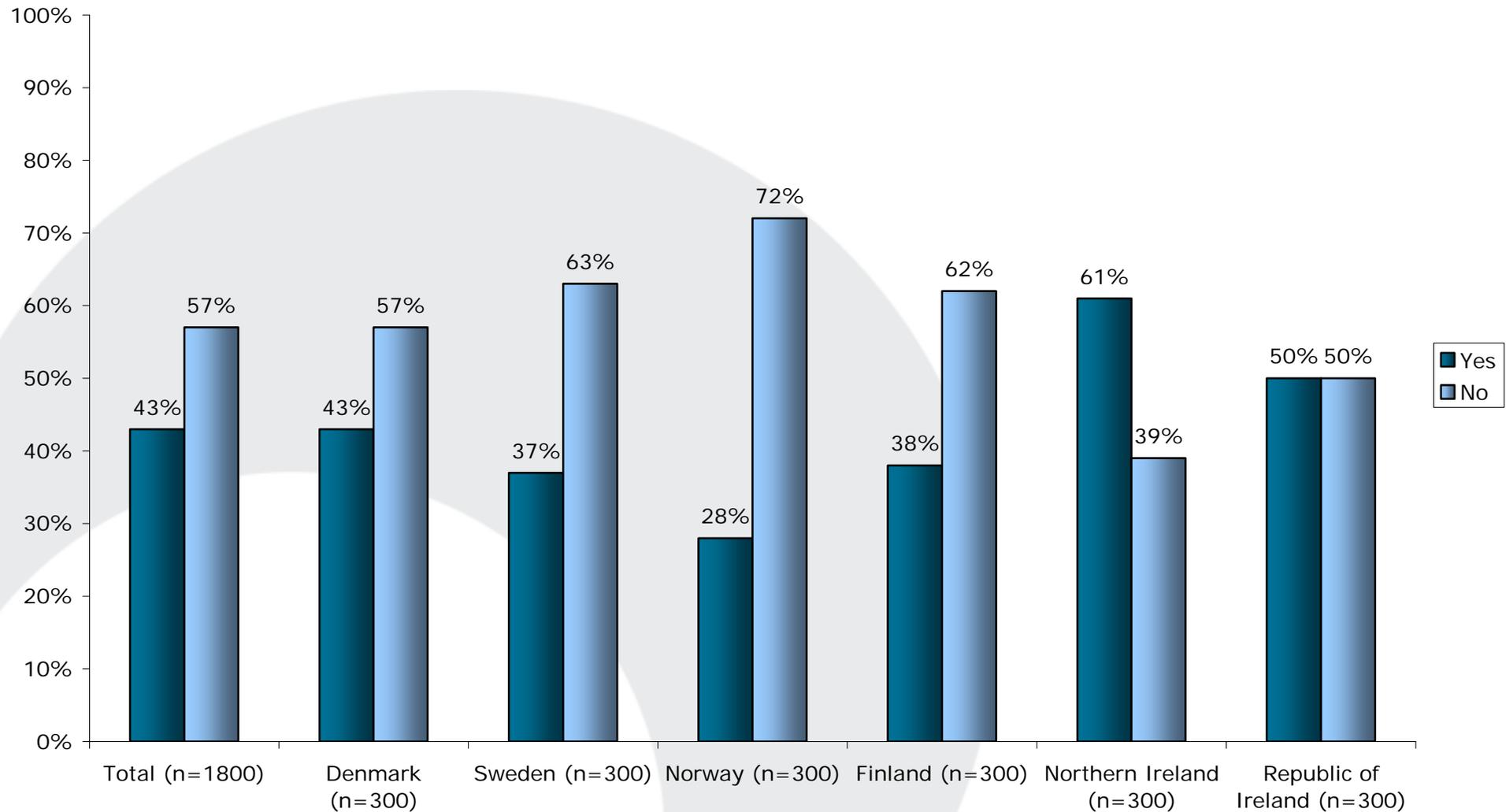
Note: 63% of the children sometimes to very often ask questions about the basics of money
 In general the children ask many questions about money – but not in SE and ROI

Approximately how old was your child the first time you discussed money?



Note: The children start to ask questions about money when the child is 4-5 years old
 In NO they start early to talk about money – opposite to NI and ROI

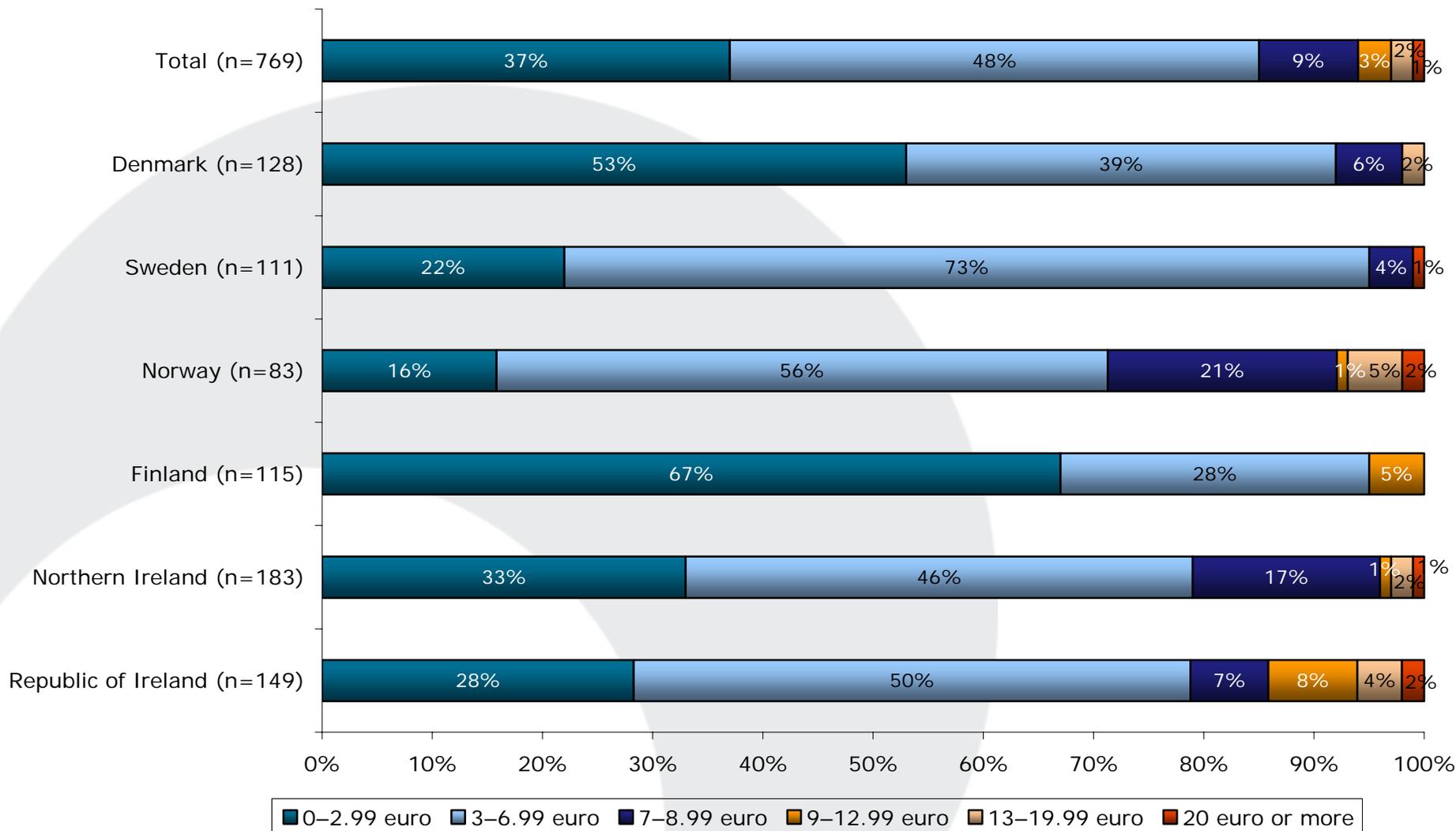
Does your child receive pocket money?



Note: In SE and NO a lot of the children don't receive pocket money yet– they do in NI and ROI.

Approximately how much pocket money does your child receive per week?

Base: Gives the child pocket money

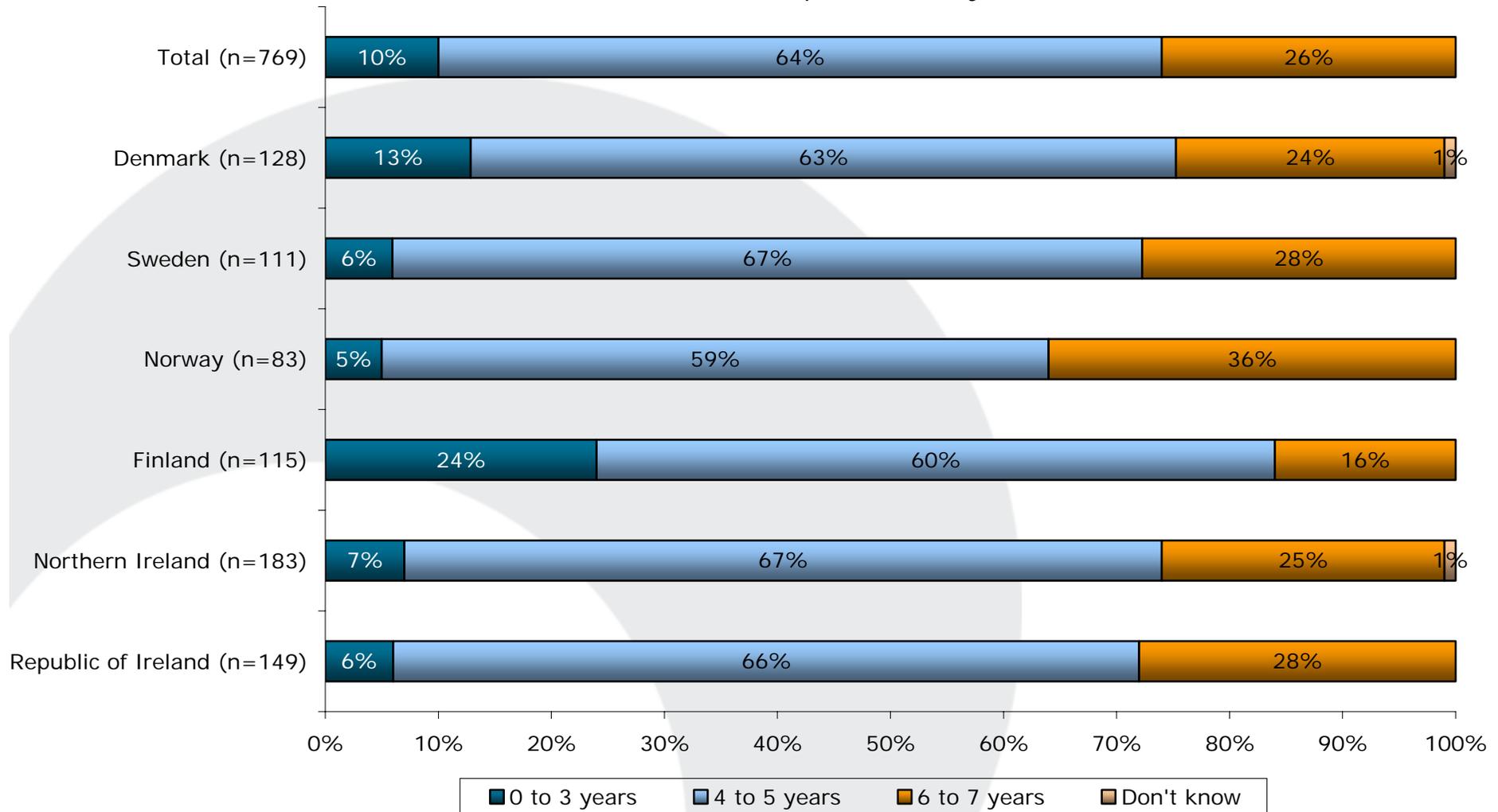


Note: In NO the children receive the largest amount of money – in FI the children receive the smallest amount

64% of those who receive pocket money started when the child was 4 to 5 years

Approximately how old was your child the first time he or she received pocket money?

Base: Gives the child pocket money

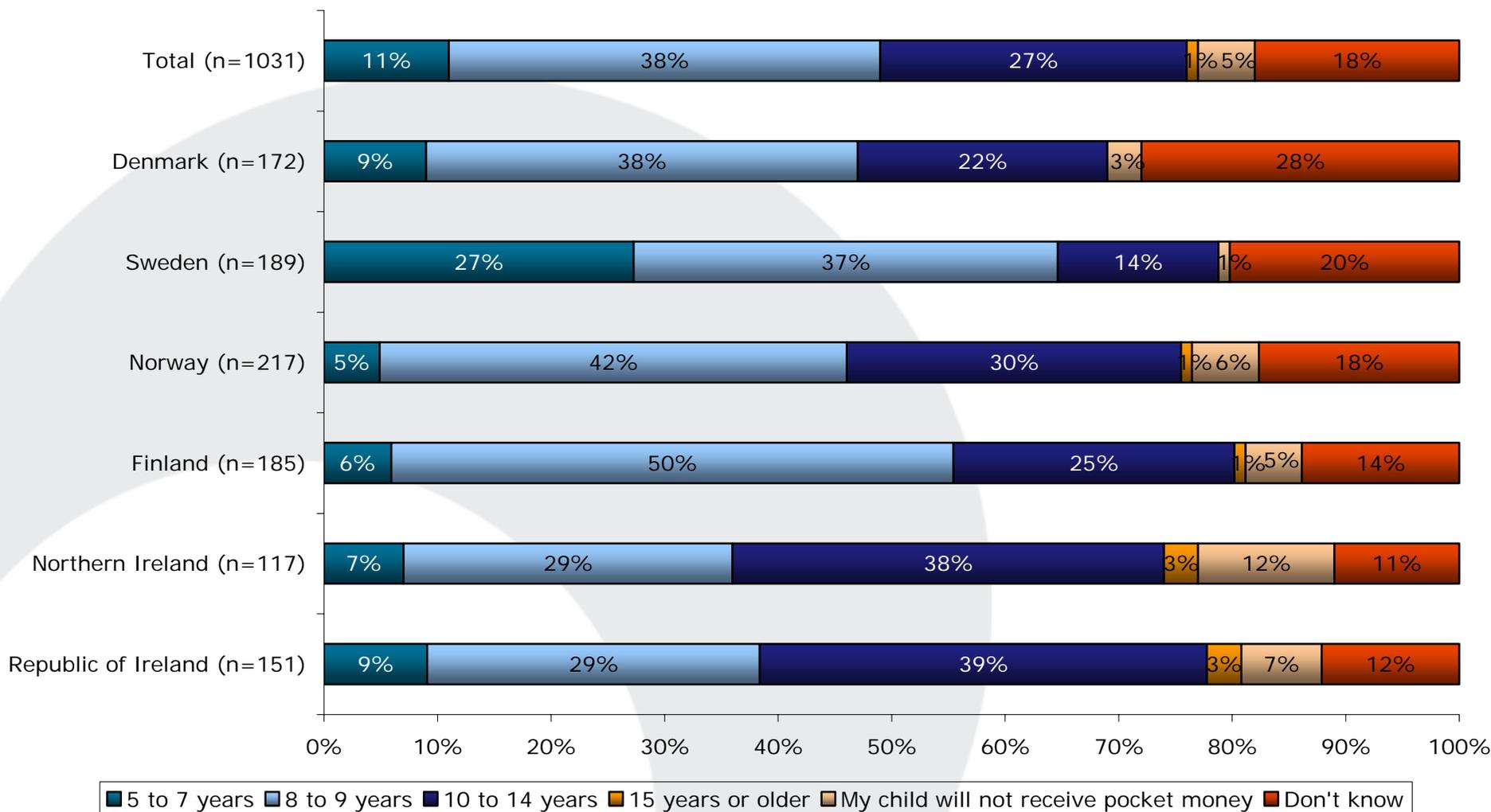


Note: In FI parents start early giving their children pocket money – opposite to NO (but they also get the largest amount)

51% of those who don't receive pocket money will do that before the age of ten

At what age will your child start receiving pocket money?

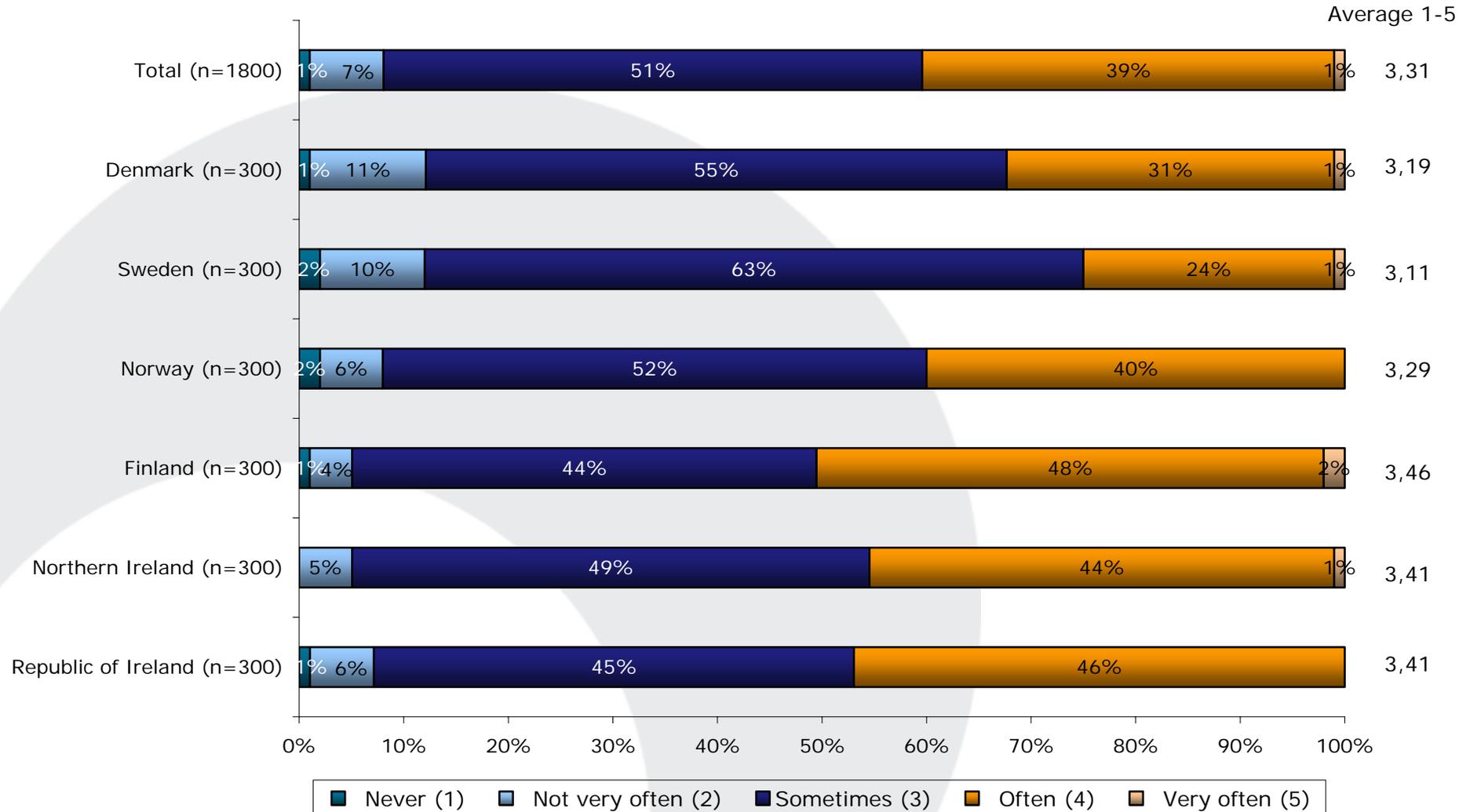
Base: Doesn't give the child pocket money



Note: In SE the parents expect to give their children pocket soon – opposite to NI (12% will never get pocket money) and ROI

91% of the parents tell their child, that he or she can't have what they want because it is too expensive at least sometimes

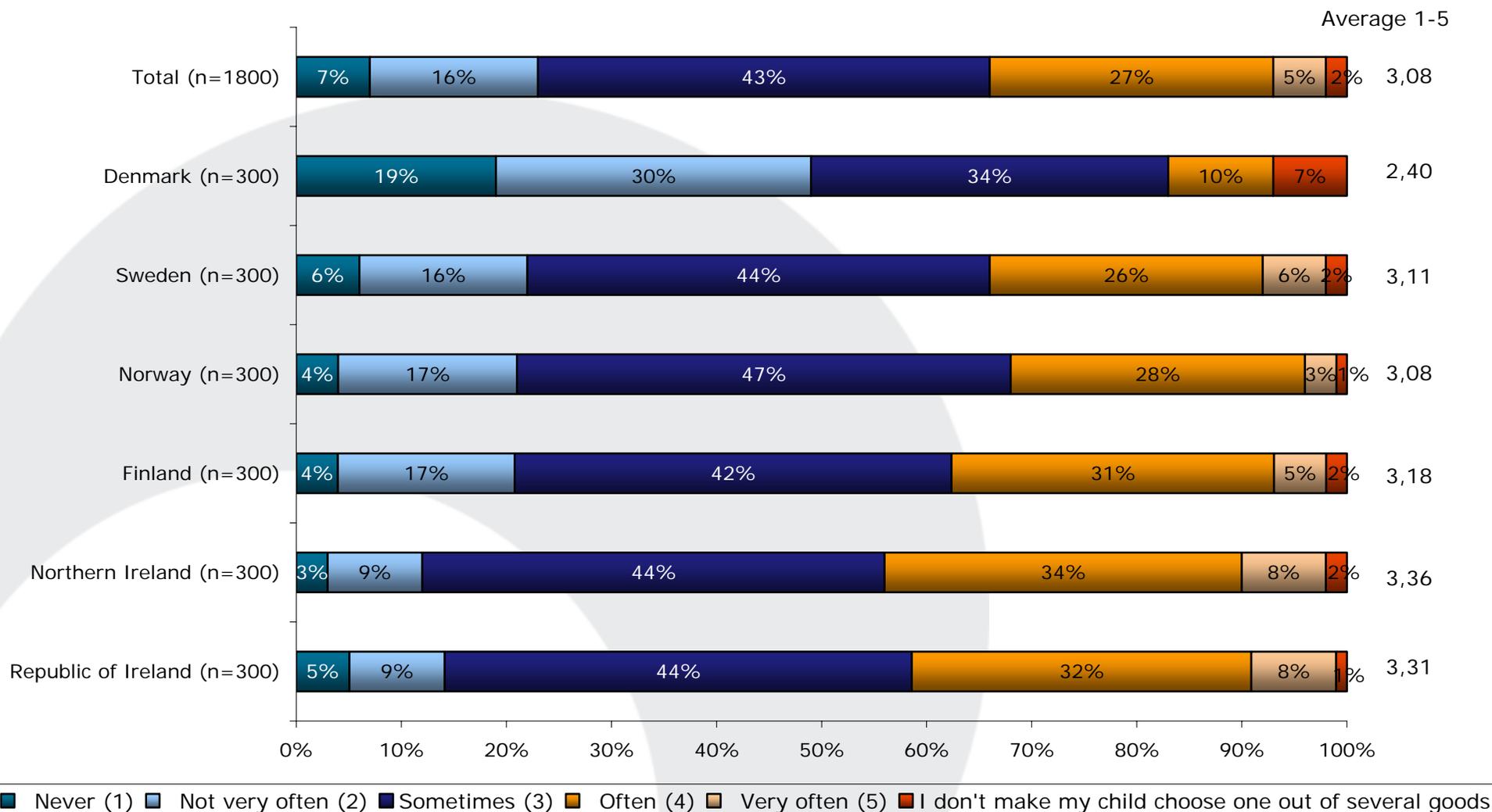
How often do you tell your child that he or she can't have what he or she wants because it is too expensive?



Note: In FI, NI and ROI it is harder for the children to get what they want.

When the child has to choose between goods, 75% of the parents at least sometimes explain it is because of the price

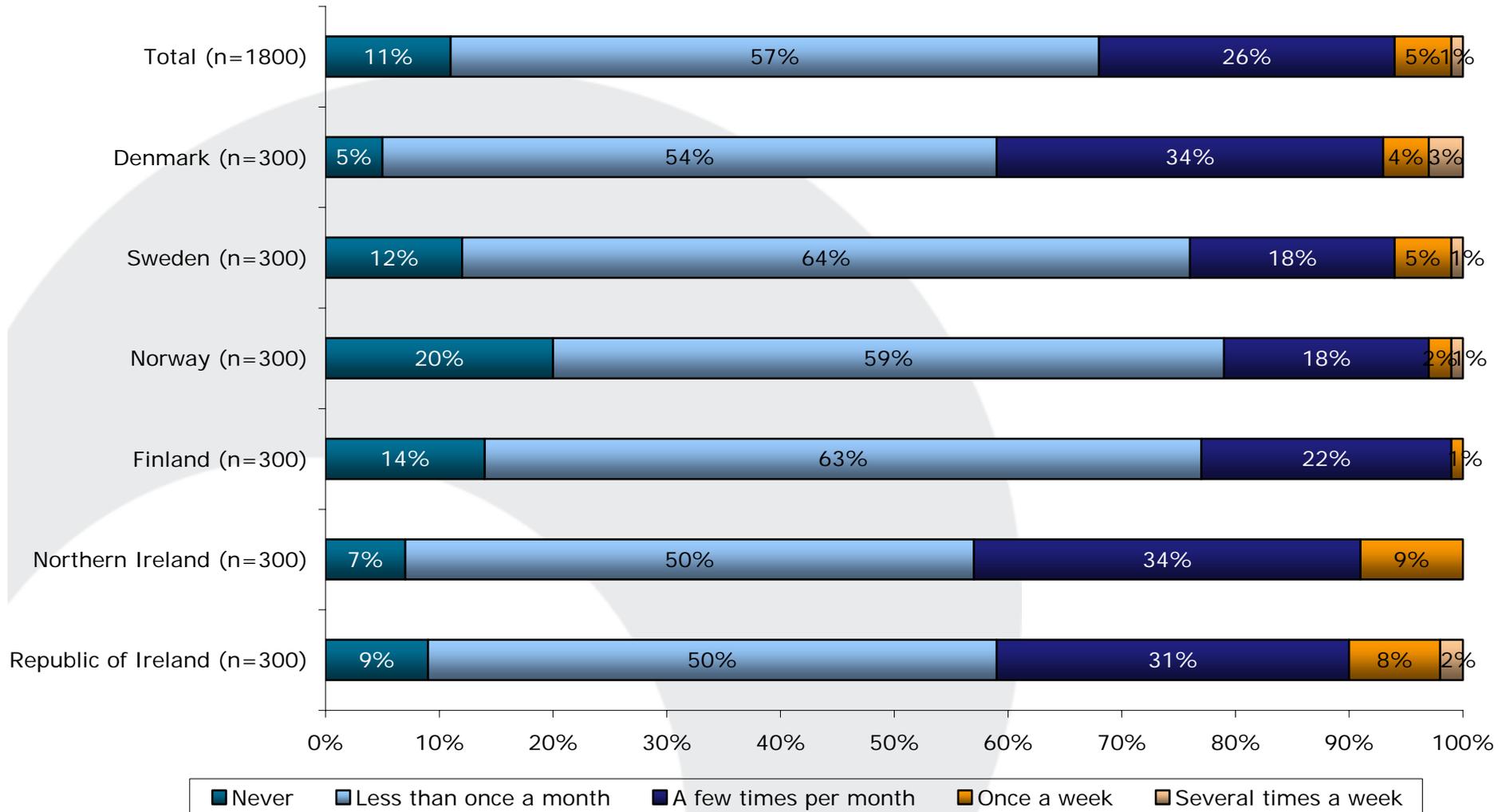
When asking your child to choose one out of several goods, how often do you explain to your child that he or she has to choose because of the price?



Note: In DK the children not very often or never (49%) explain to the child it has to choose between goods because of the price – opposite to NI and ROI

89 % of the children decide on how to spend his/her own money from less than once a month to several times a week

Approximately how often does your child make his/her own decision on how to spend his/her money [e.g. birthday money]?

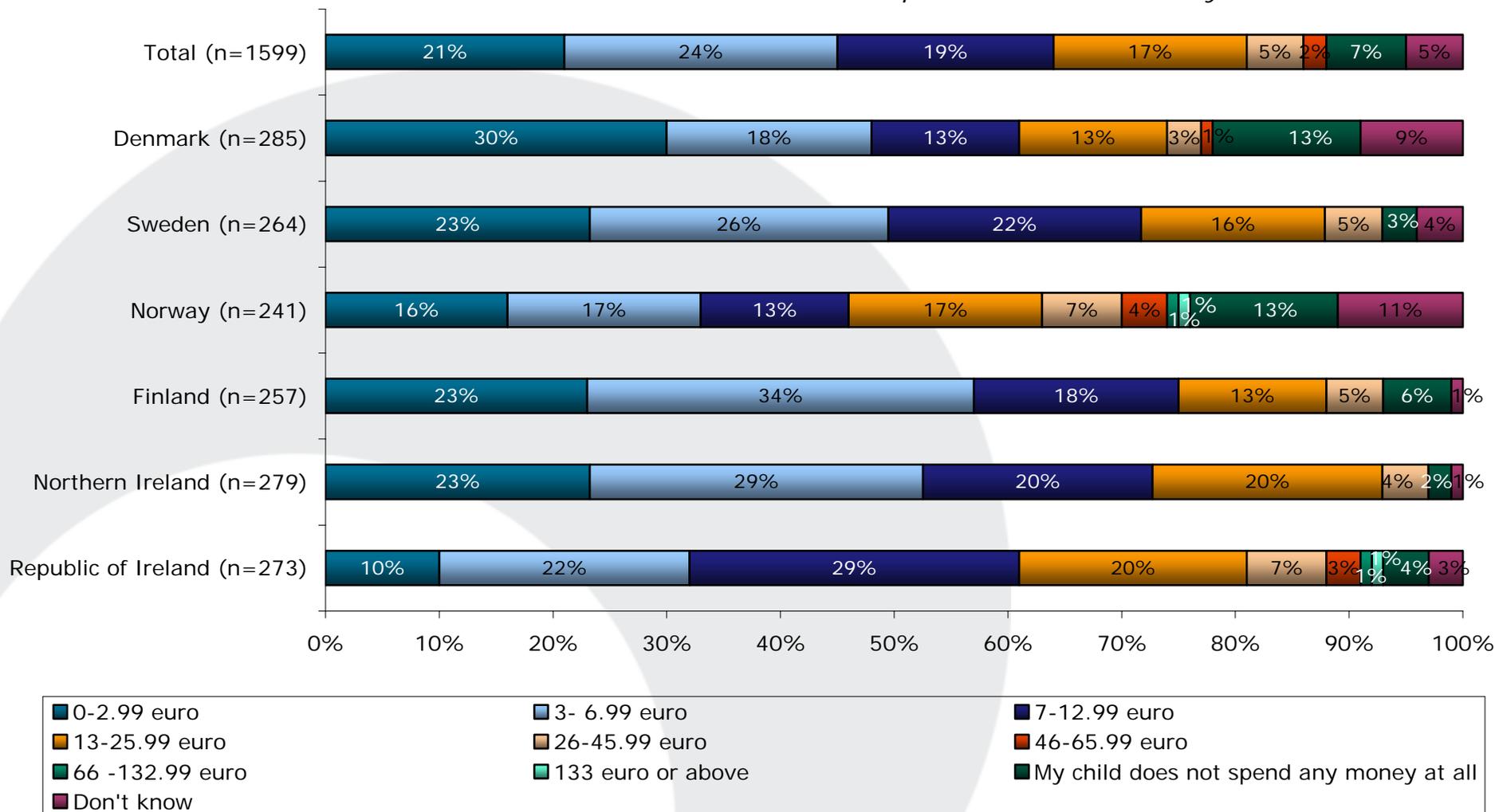


Note: In NI and ROI the children often make their own decision on how to spend their money. They also receive the largest share who receive pocket money

Each month 31% of the children spend more than €13 on his/her own

In a month, approximately how much money does your child spend on his/her own based on his/her own choice?

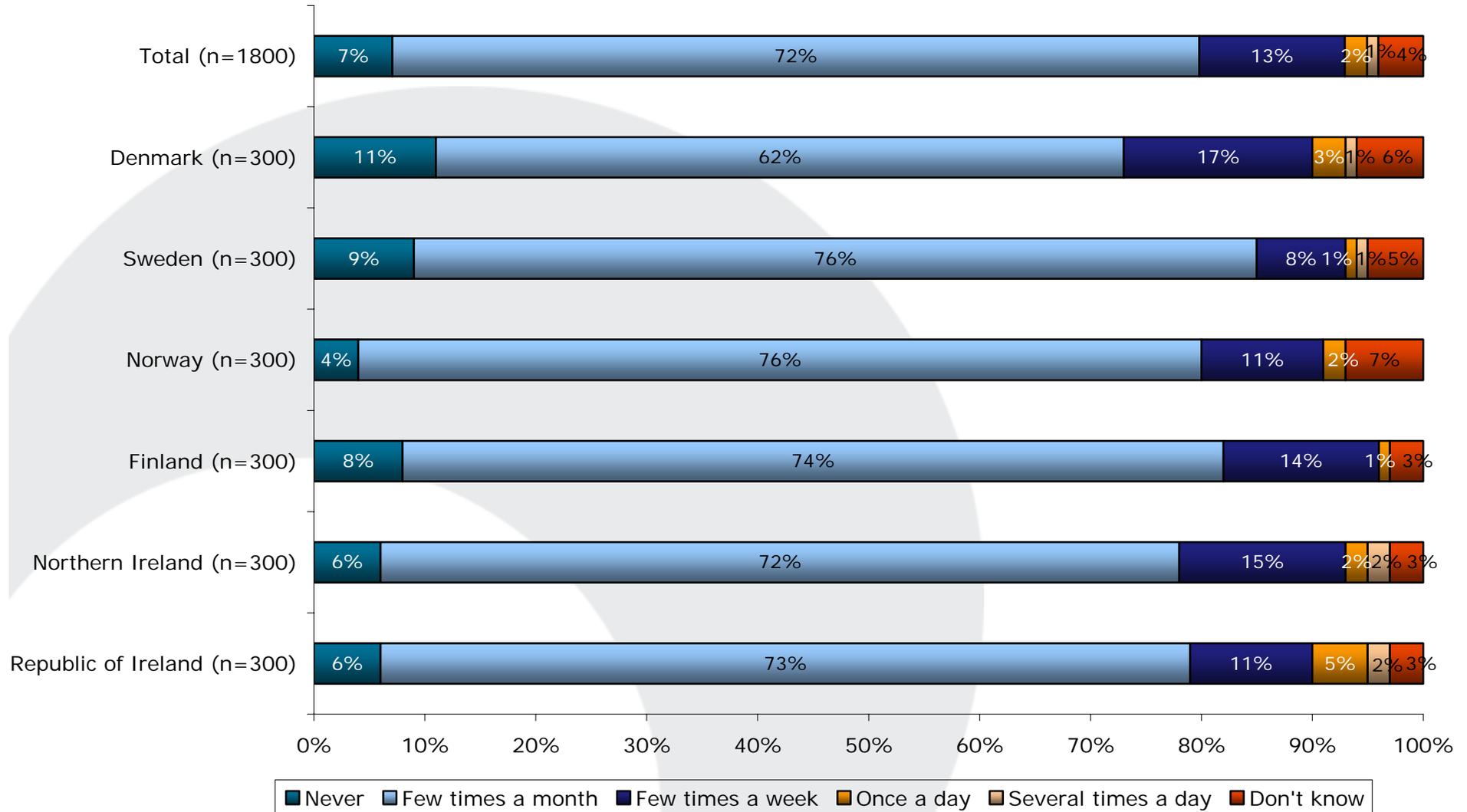
Base: The child makes own decisions on how to spend his/her own money



Note: In DK and NO 13% of the children do not spend any money at all. In NO the children spend the largest amount of money. In DK 30% receive between €0-2.99 - that is a larger part than in the other countries

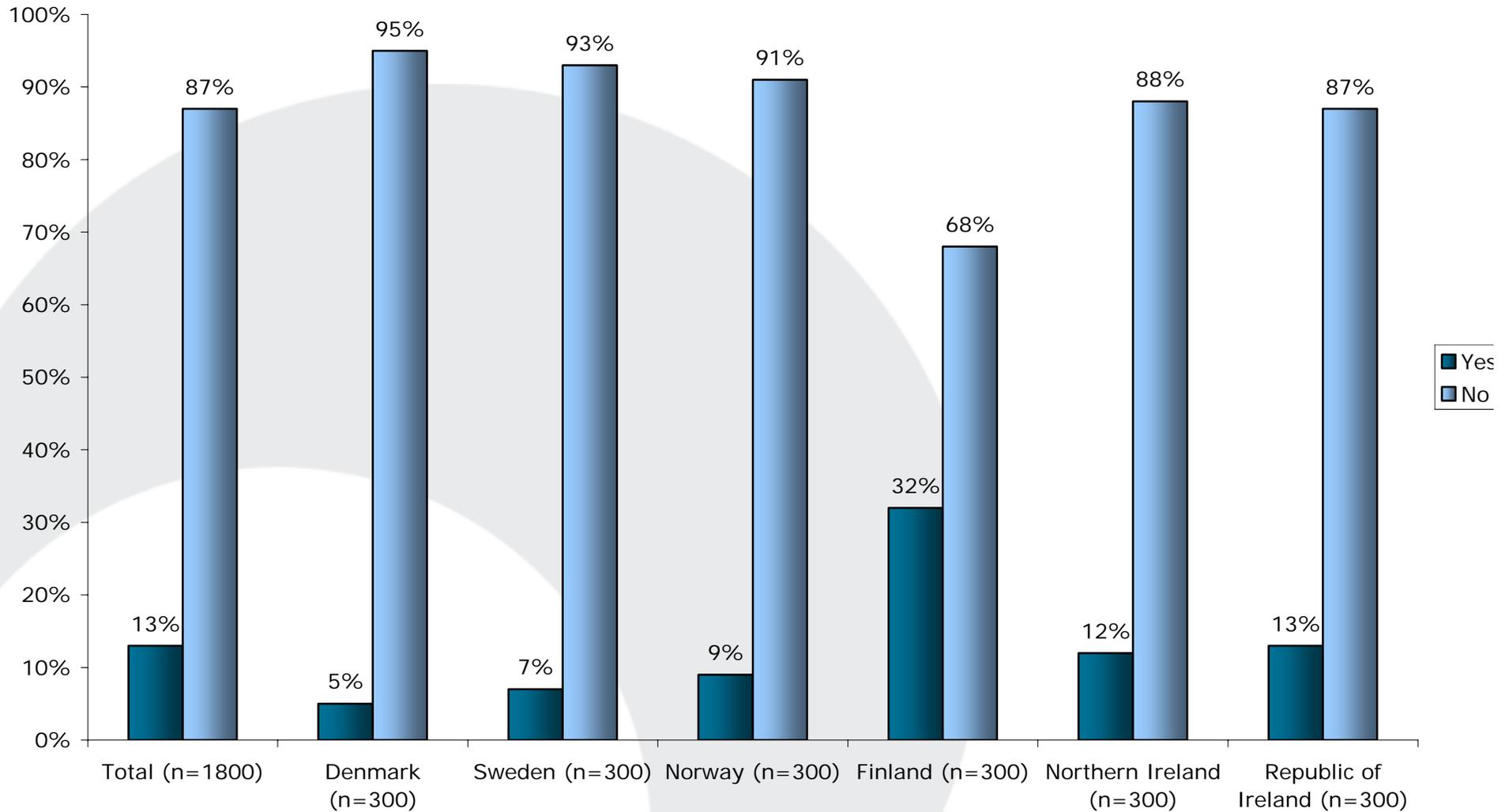
89% of the children ask at least a few times a month for products worth more than €13

How often does your child ask for something worth more than 13 euro?



Note: In DK the children often ask for expensive products. In ROI 7% ask for expensive product at least once a day

Does your child have his/her own mobile phone?

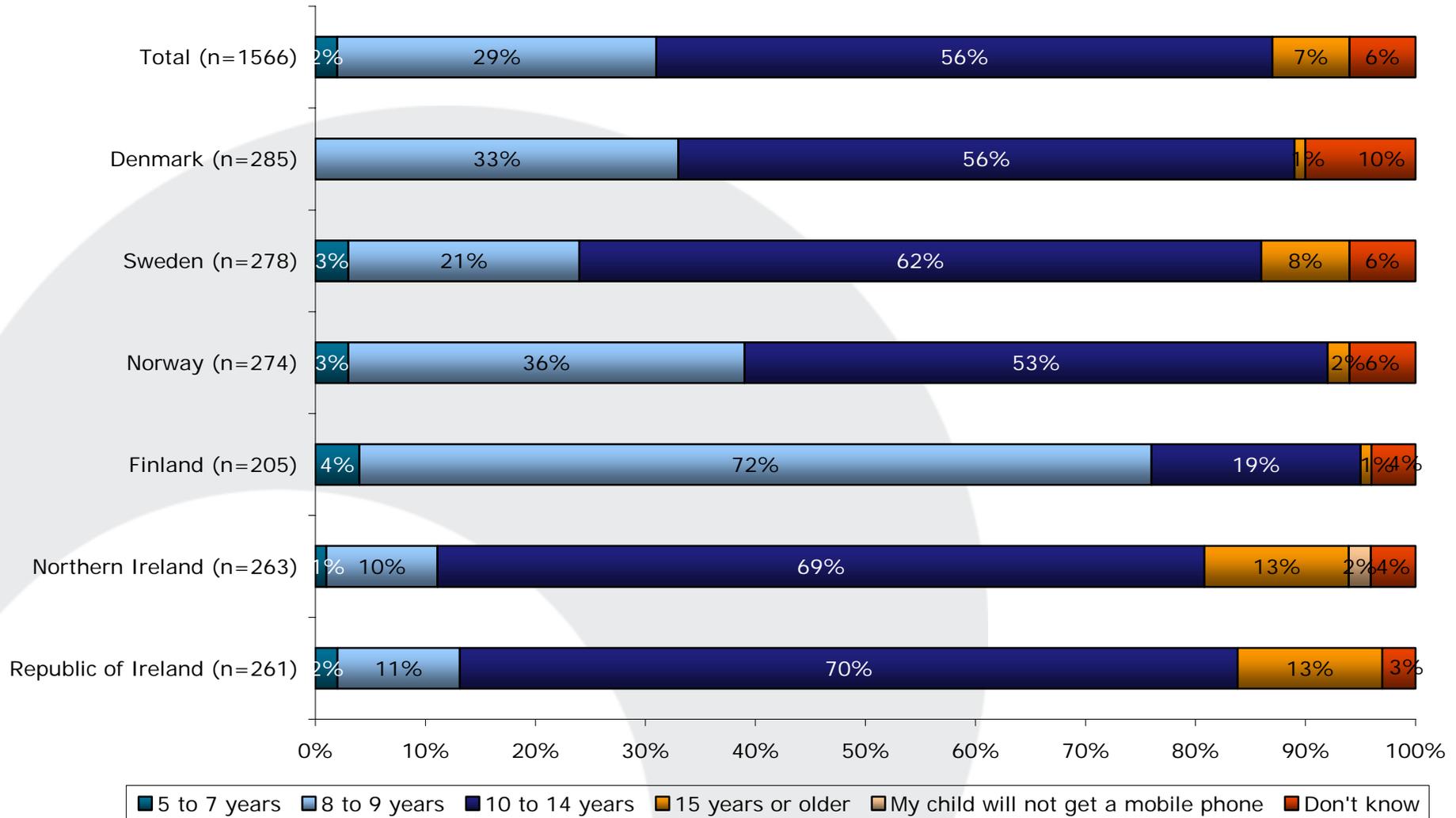


Note: FI is very different from the other countries and so is DK, NO and SE

31% of those who do not already have a mobile phone will have it before the age of ten

At what age do you expect your child get his/her first mobile phone?

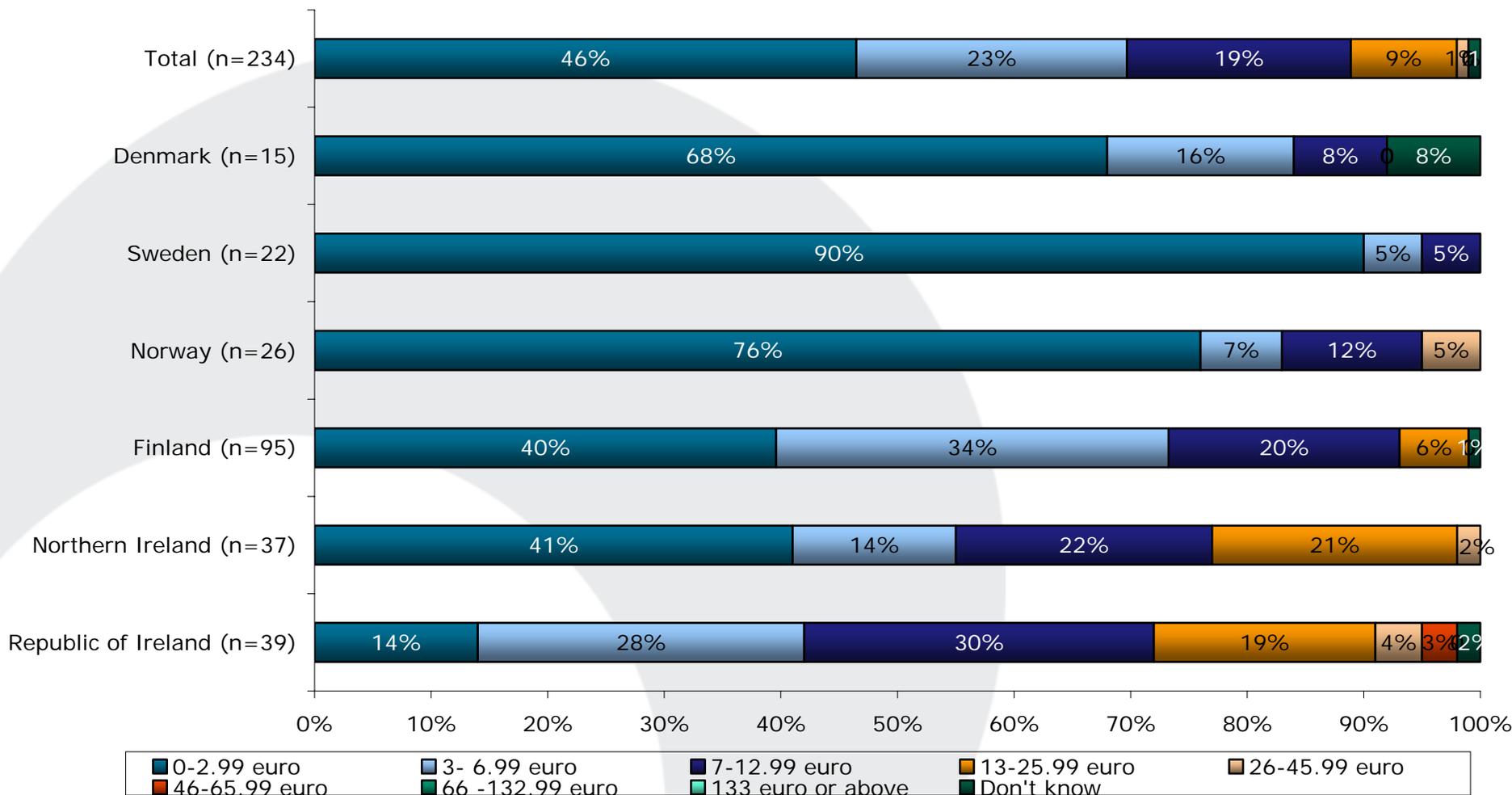
Base: The child doesn't have his/her own mobile phone



Note: In NI and in ROI the children will get a mobile phone when they are between 10 and 14 years.
Large spread

Approximately how much does your child spend on the mobile phone each month [phone calls, sms, subscription of phone signals, etc.]?

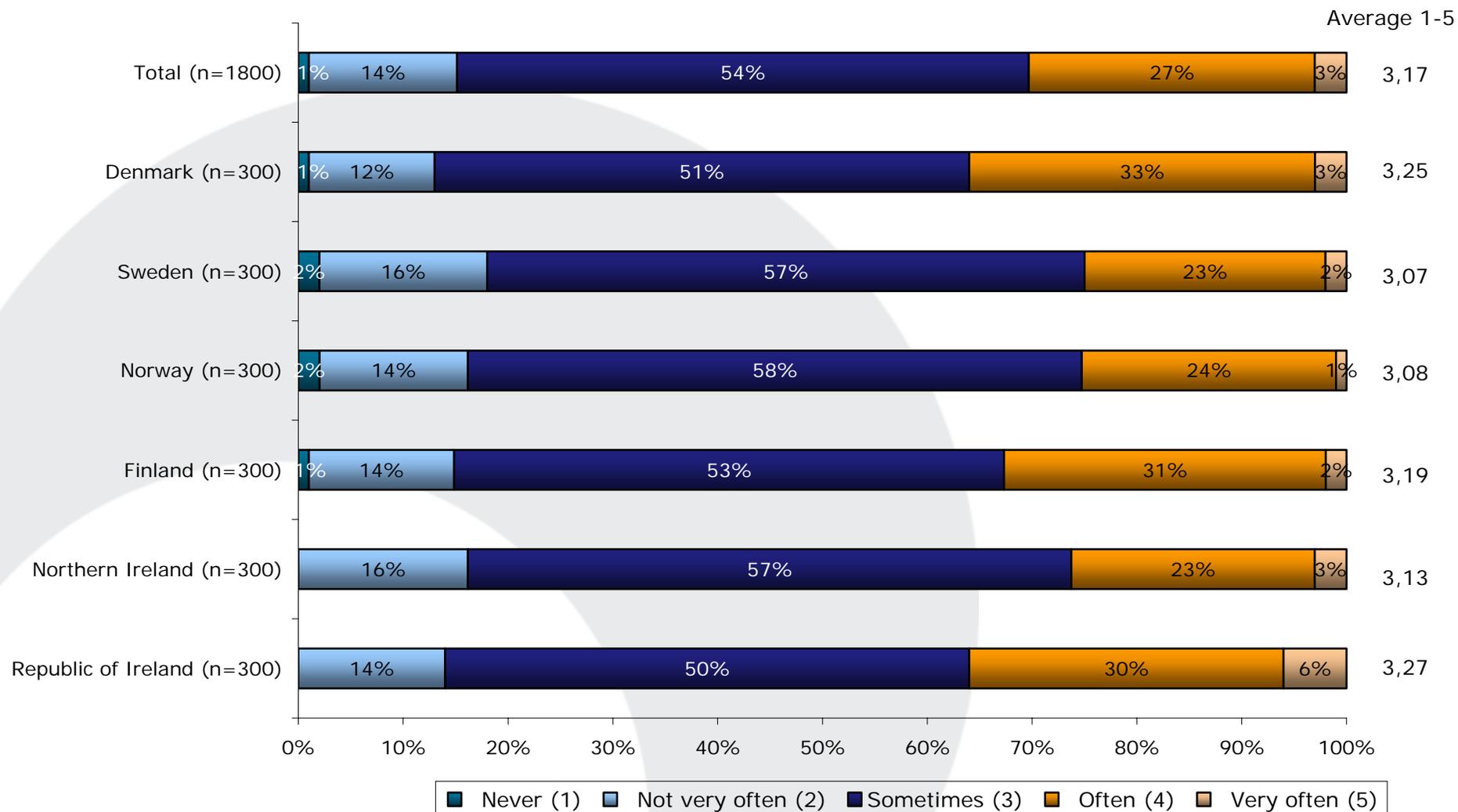
Base: The child has his/her own mobile phone



Note: Small bases

84% of the children sometimes to very often have influence on what to buy

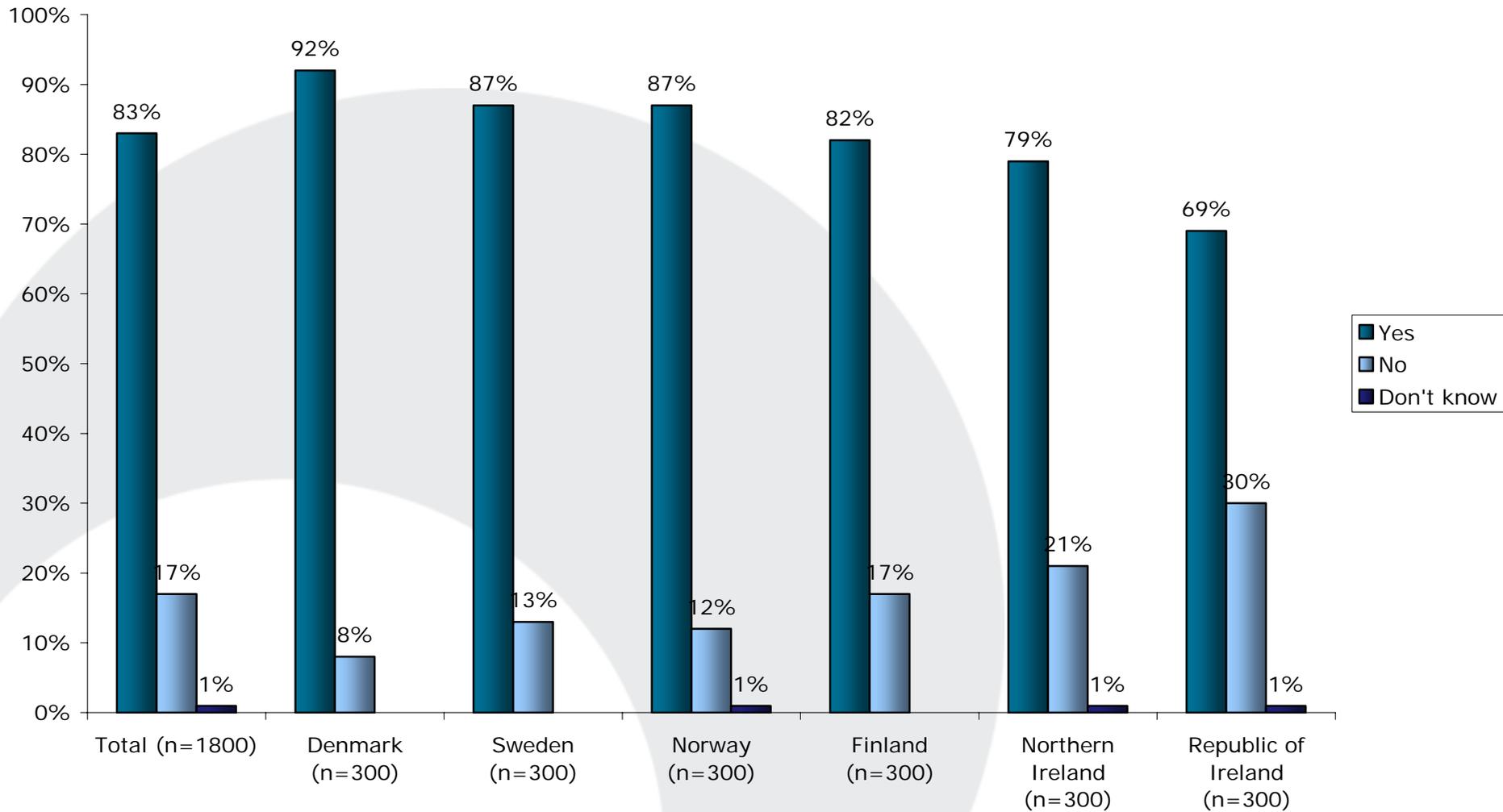
When buying things for your child, how often does your child influence the decision on what good(s) to buy? [clothes, toys, etc.]



Note: In DK and in ROI the children have the largest influence on what to buy for them

83% of the children have personal bank products

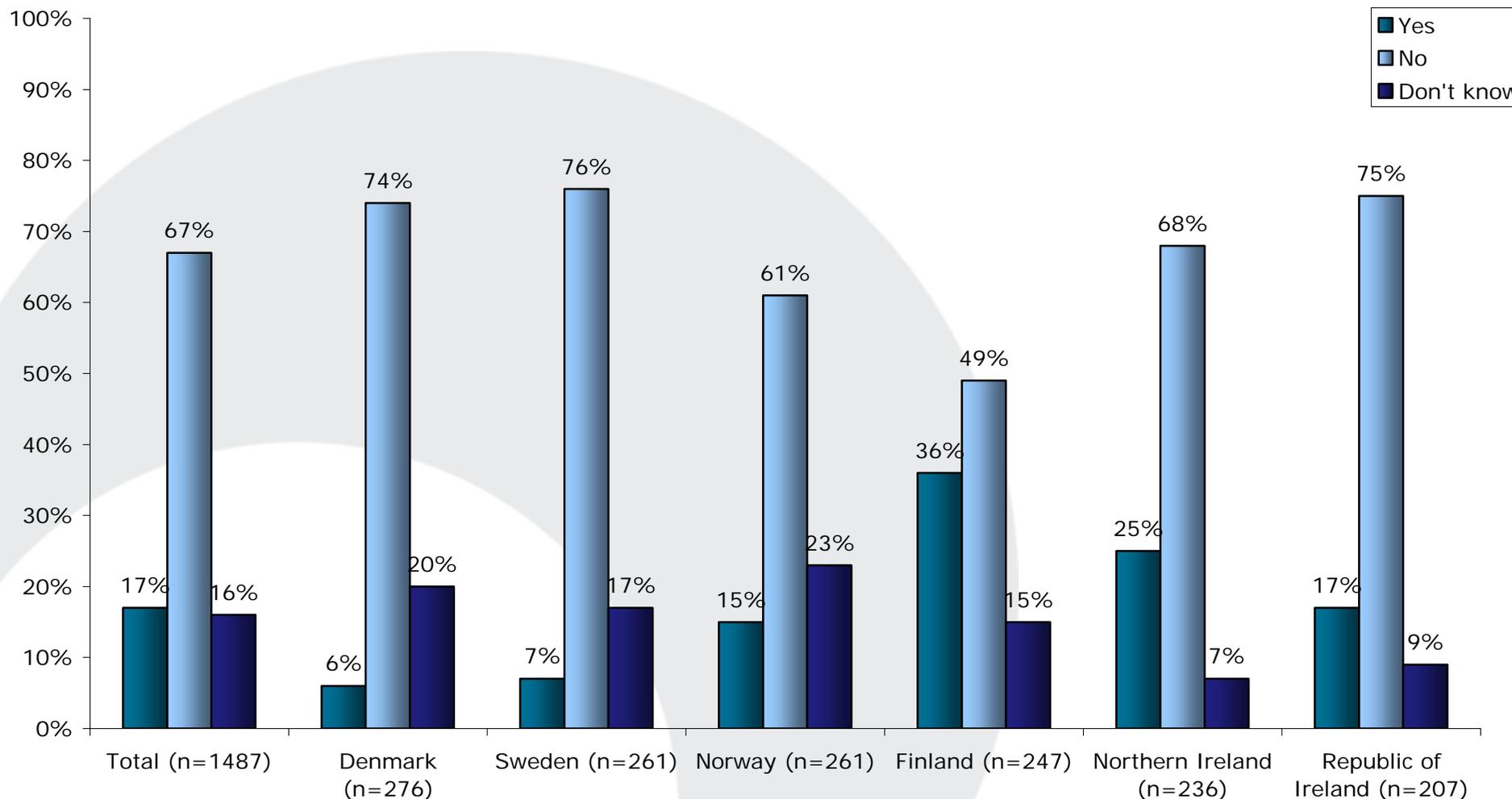
Does your child have any personal bank product [e.g. savings account, etc.]?



Note: In DK almost every child have bank products. In ROI it is about a two thirds

When setting up the bank product, did your child get any sort of educational guidance material from the bank together with the product?

Base: The child has his/her own personal bank product

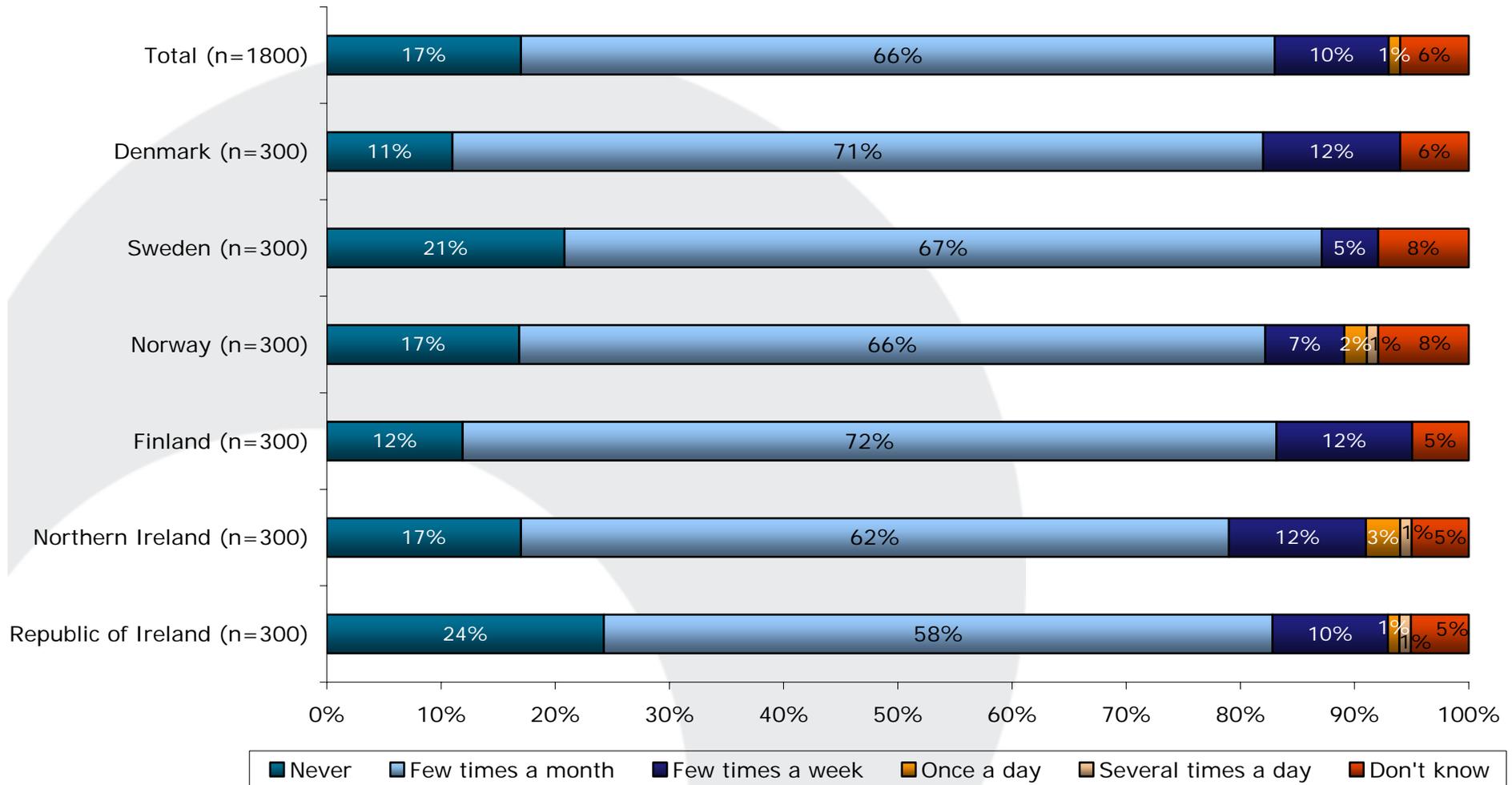


Note: The banks in FI and in NI are the most informative. In ROI the children don't have bank products but the banks provide educational guidance. In DK and in SE children don't get any sort of educational guidance

77% discuss where household money comes from at least a few times a month

Approximately how often do you discuss the following aspects of money with your child?

Where your household money comes from

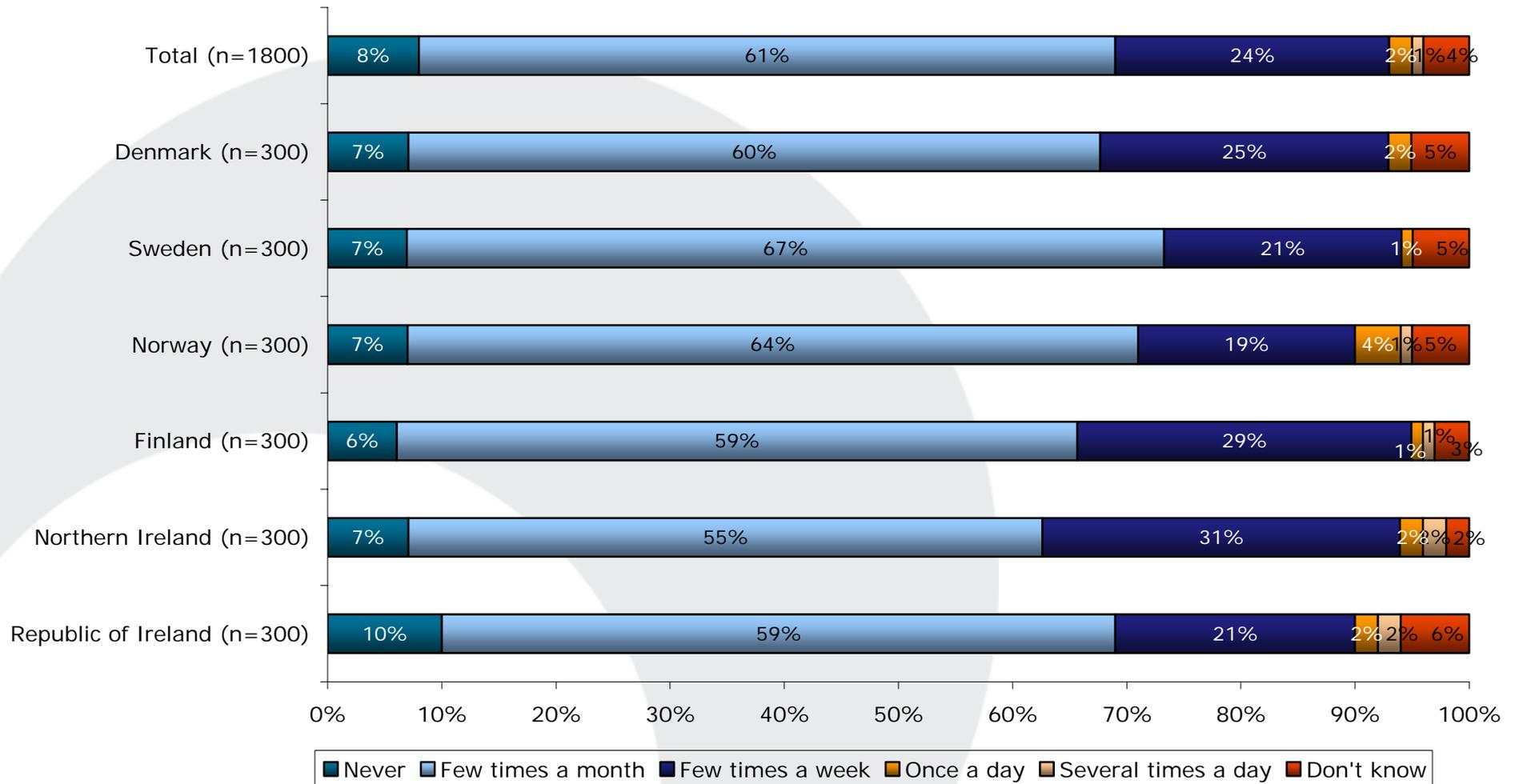


Note: The majority discuss where household money comes from a few times a month. In DK and FI they often discuss where money comes from – opposite to ROI

88% discuss how different product have different prices at least a few times a month

Approximately how often do you discuss the following aspects of money with your child?

That different products have different value

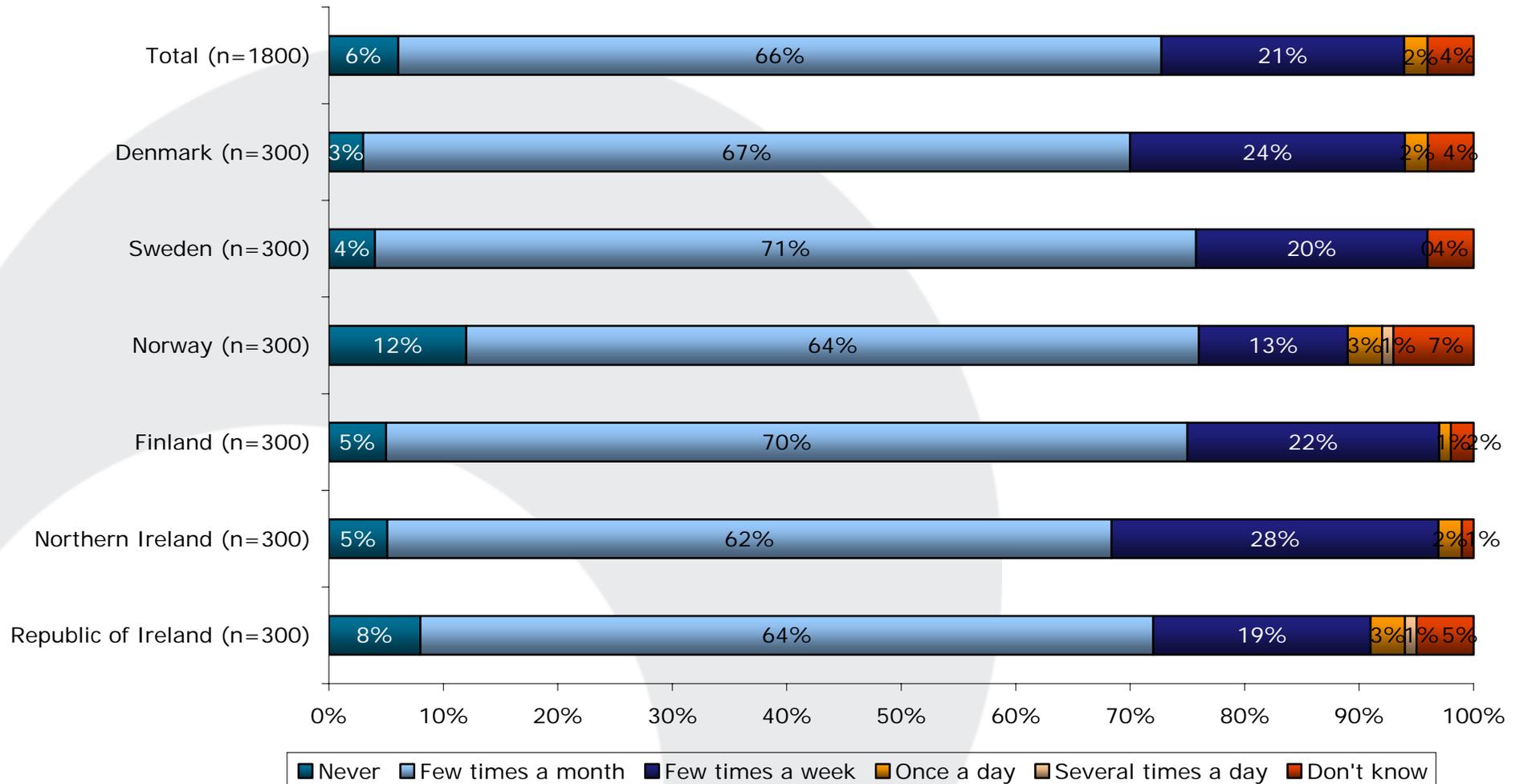


Note: The majority discuss that different products have different value a few times a month. In FI and in NI 31% and 35% discuss that different products have different value at least a few times a week

90% discuss how buying one thing may mean you can't buy another at least a few times a month

Approximately how often do you discuss the following aspects of money with your child?

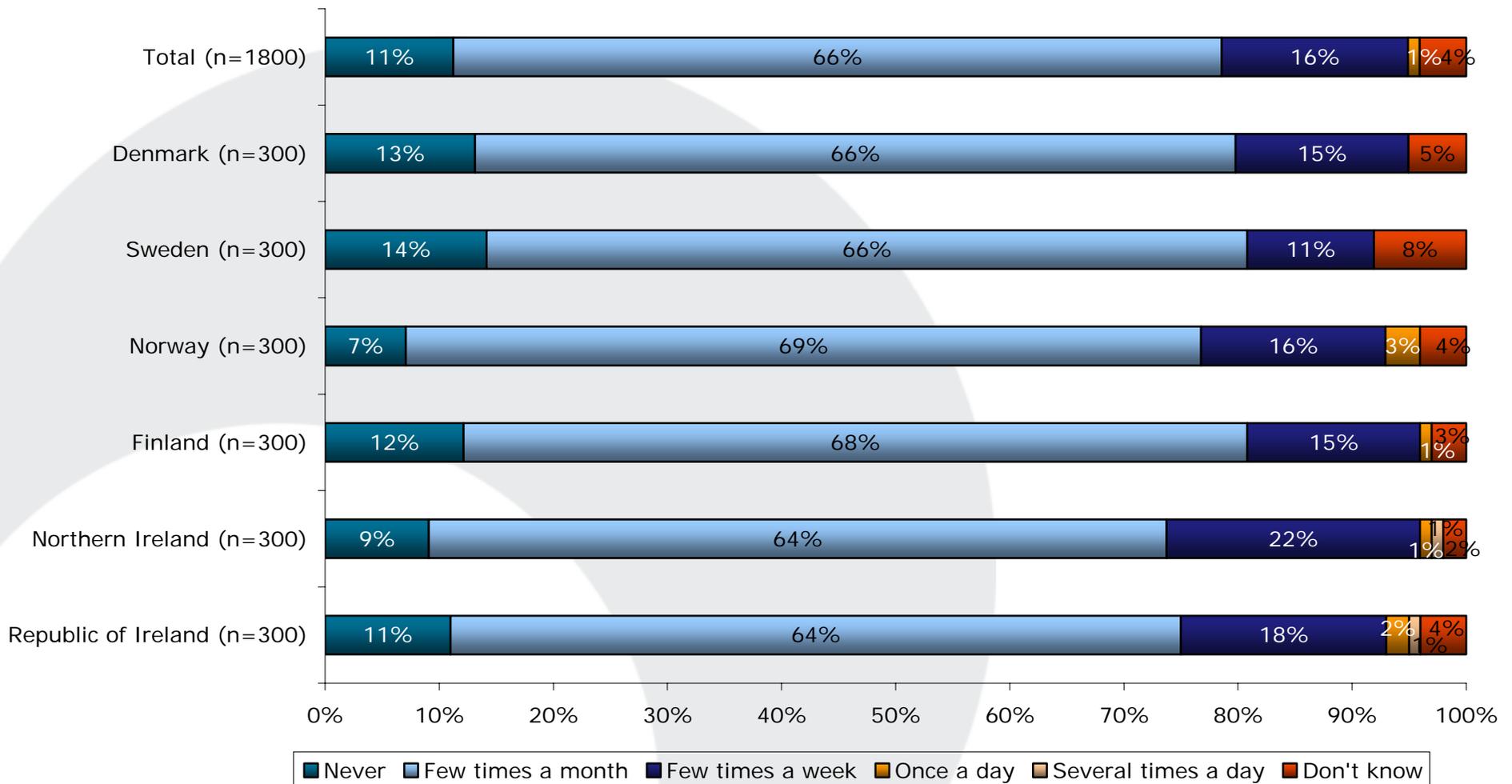
How buying one thing may mean you can't buy another



Note: The majority discuss how buying one thing may mean you can't buy another. In NO 12% never discuss this aspect. In NI 30% of the parents discuss this aspect at least a few times a week

Approximately how often do you discuss the following aspects of money with your child?

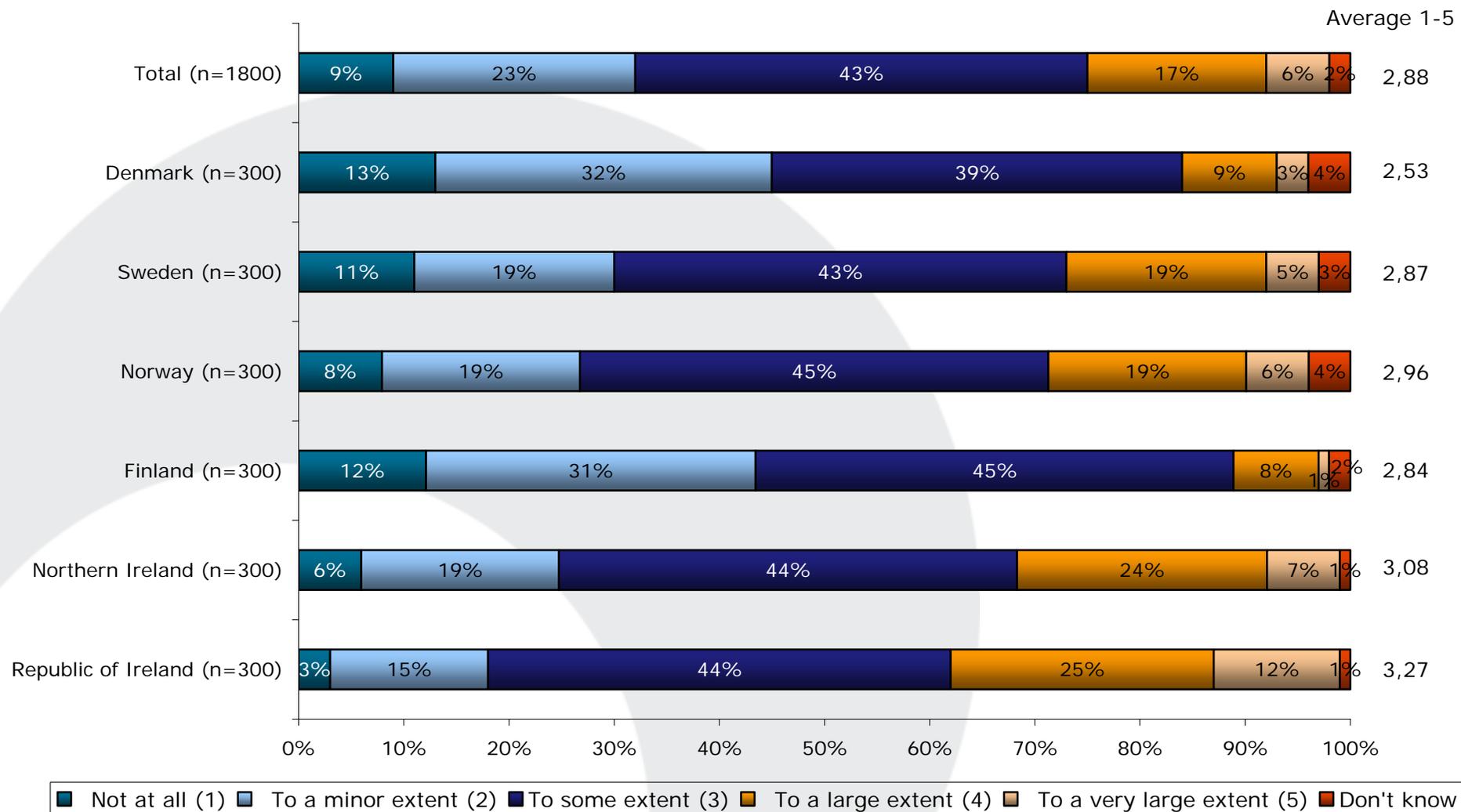
How saving up allows you to buy something you want in the future



Note: The majority discuss how saving up allows you to buy something you want in the future. In NI 24% discuss that at least a few times a week.

66% would to to some extent to a very large extent find it helpful to have access to information to discuss and explore the basics of money with their children

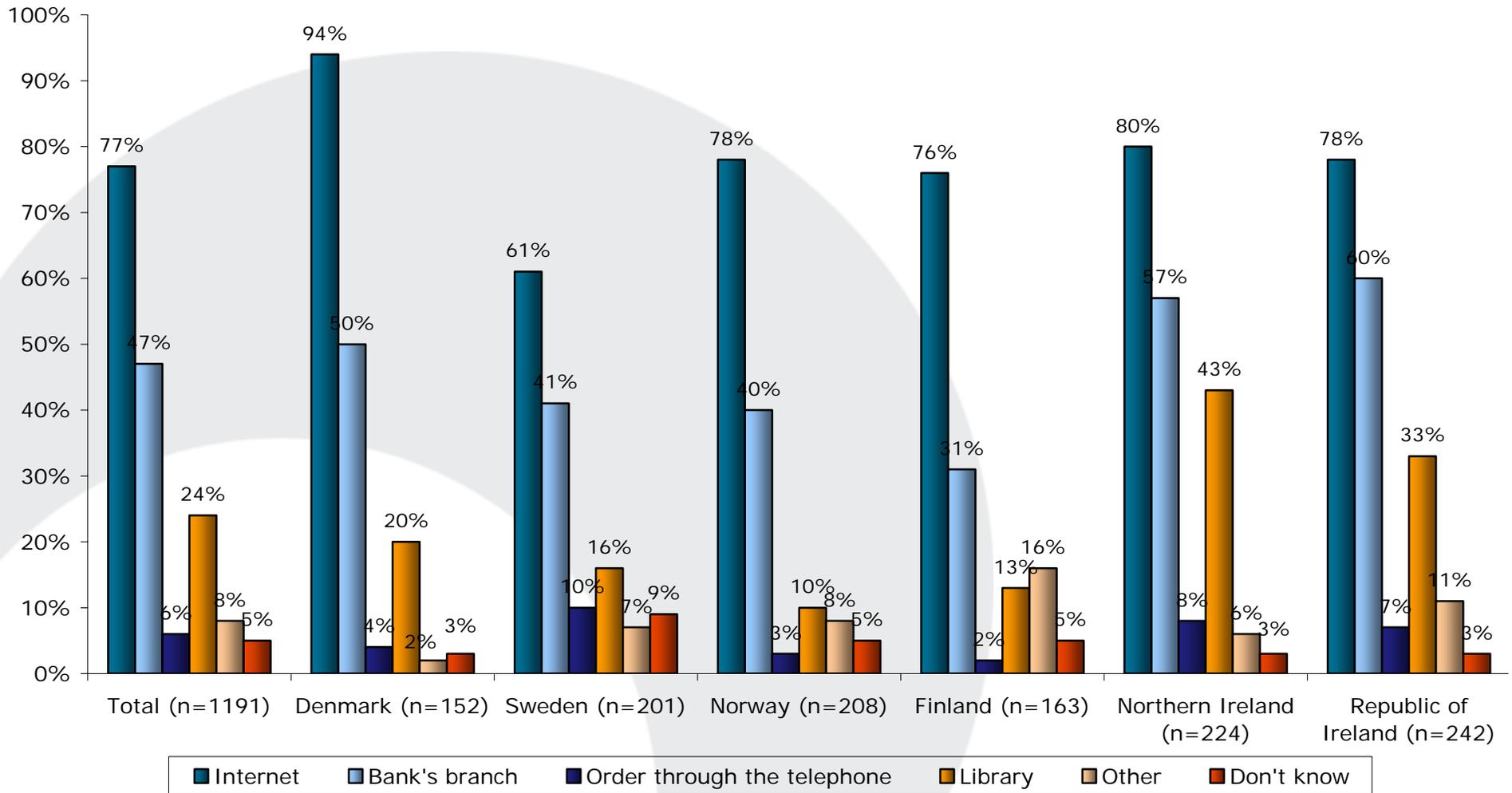
To what extent would you find it helpful to have access to information and material that can help you to discuss and explore the basics of money with your child?



Note: 66% would to at least some extent find it helpful to have access to information to discuss and explore the basics of money with their child. In ROI the parents will have the largest benefit from it – the smallest in DK and FI

77% respectively 47% of those who would like more information would prefer to find the information on the Internet and from the bank's branch

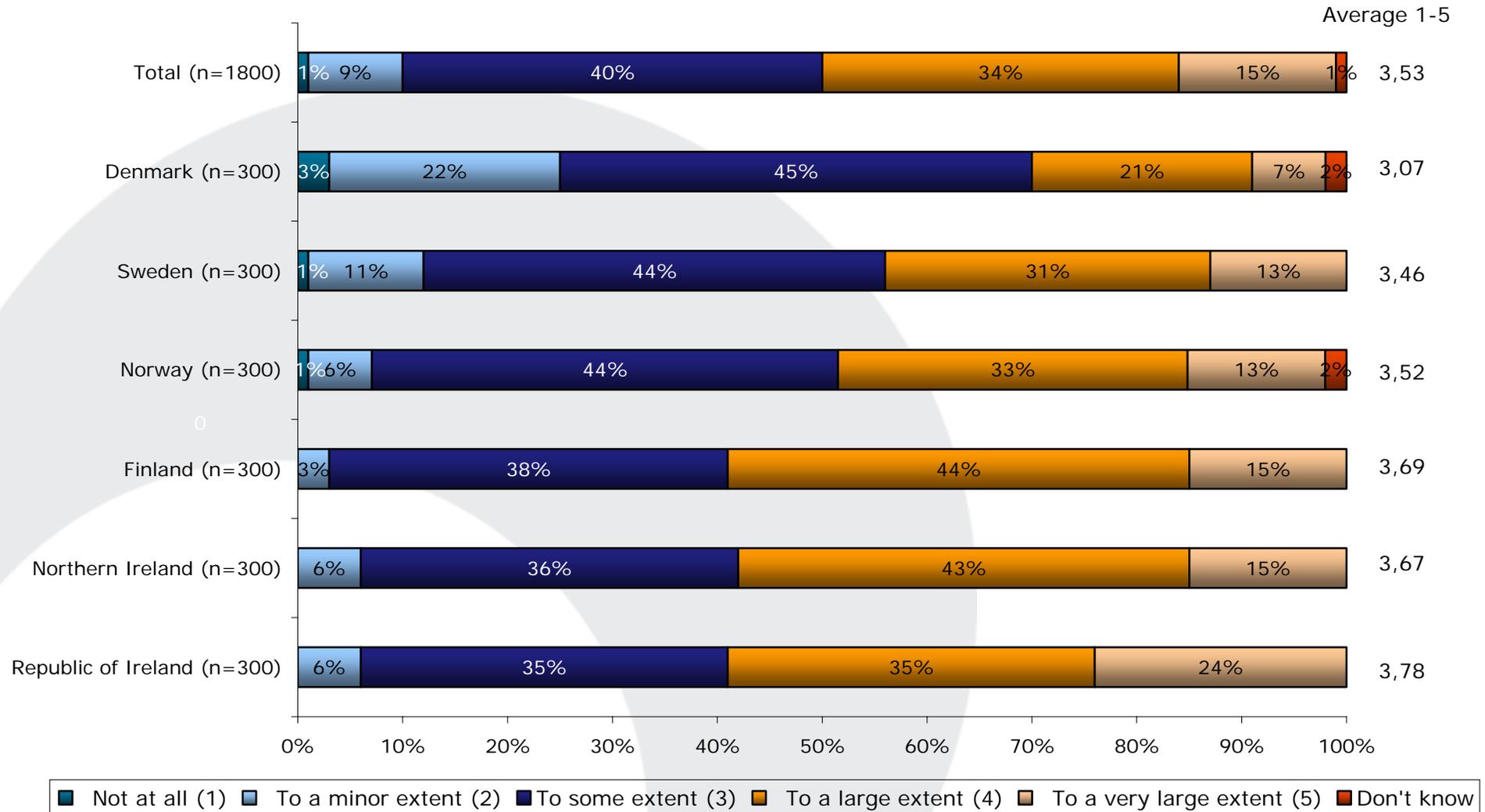
Where would you prefer to find the information and material?
Base: Finds it helpful to have access to information about the basics of money



Note: 94% in DK prefer to get the information from the Internet. 43% in NI prefer to get the information from the library.

89% of the parents think to some extent to a very large extent that primary schools should teach the basics of money

To what extent do you think that primary schools should teach the basics of money?



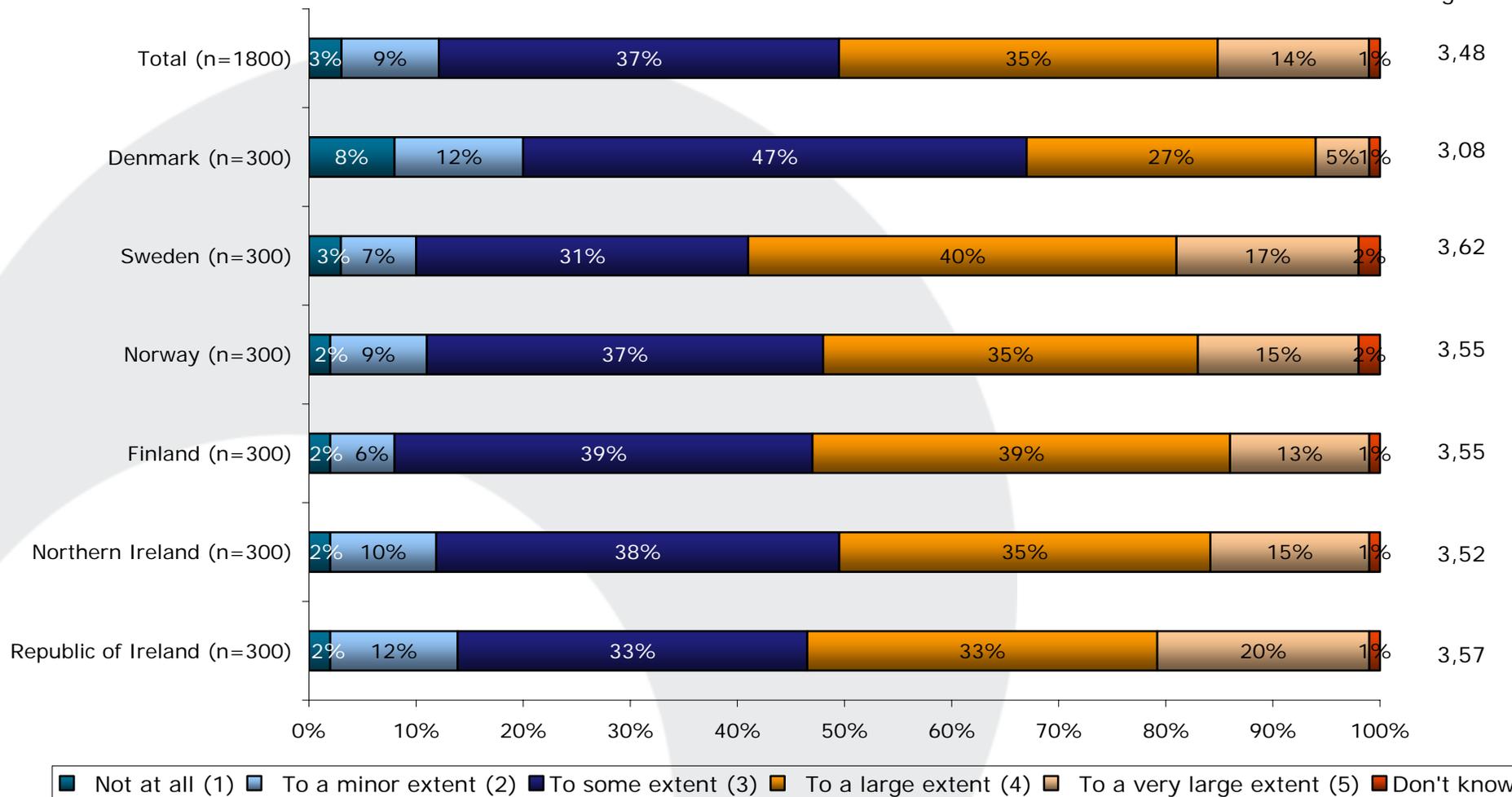
Note: DK has the lowest average – opposite to ROI

86 % think the school to some extent to a very large extent share the responsibility for the children's understanding of money

To what extent do you think the following groups" share the" responsibility for children's understanding of money?

School

Average 1-5



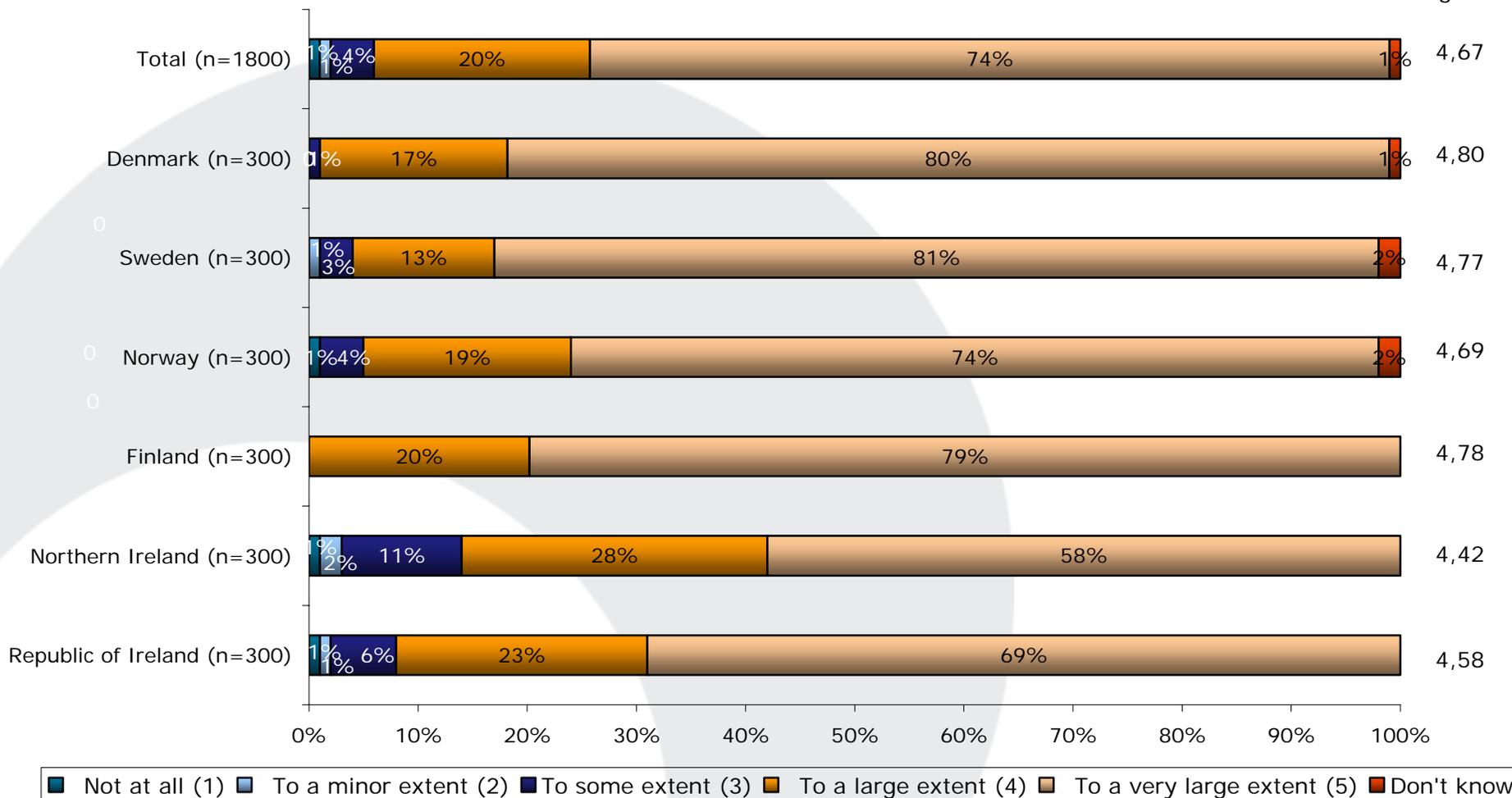
Note: The parents in DK don't think the schools share a high a responsibility for children's understanding of money as in the others countries.

98 % think the parents to some extent to a very large extent share the responsibility for the children's understanding of money

To what extent do you think the following groups" share the" responsibility for children's understanding of money?

Parents

Average 1-5



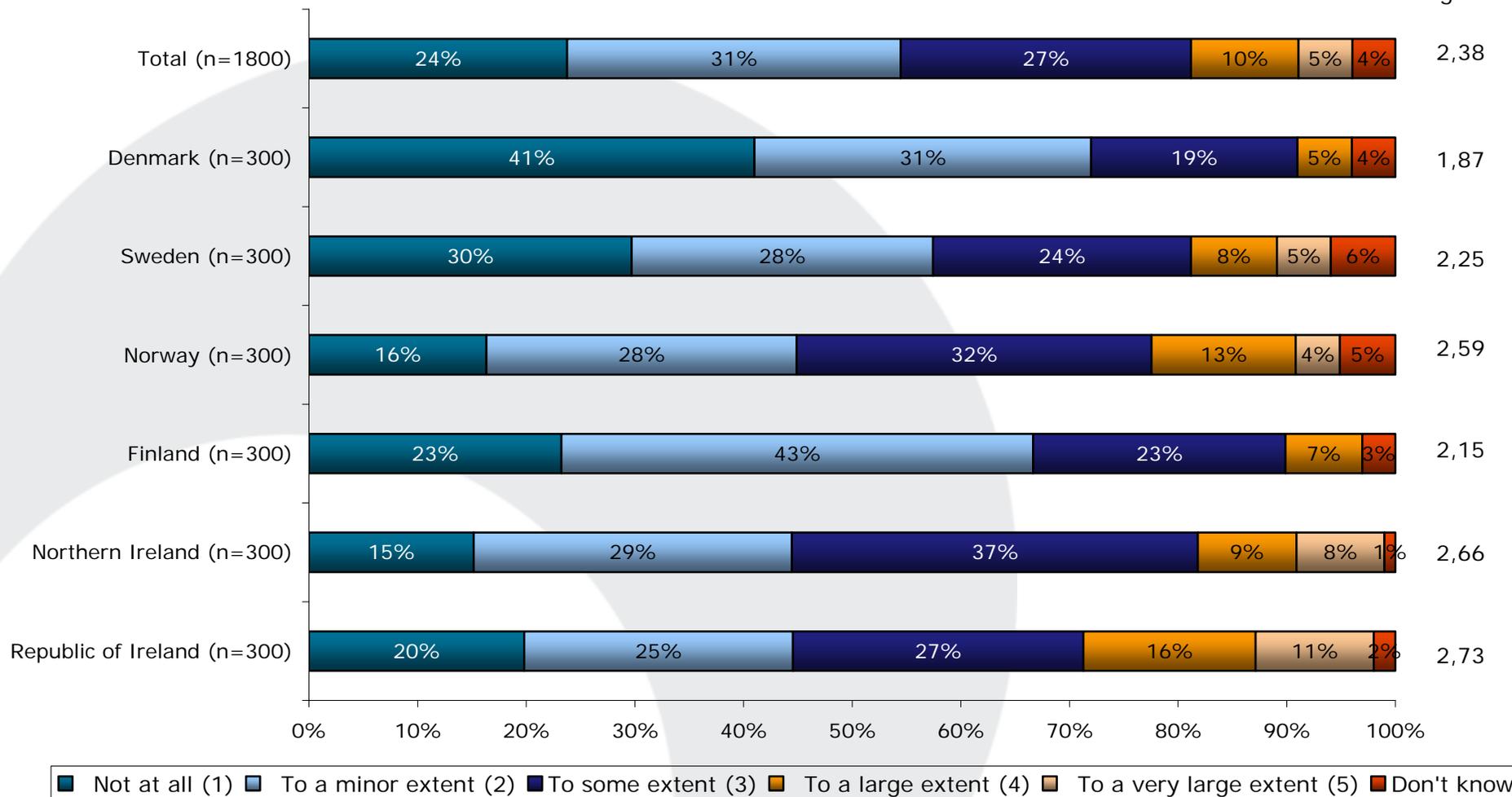
Note: The parents have the main responsibility for children's understanding of money. 94% answer to a large or very large extent – especially in DK (97%) – but not so much in NI (86%).

42 % think the government to some extent to a very large extent share the responsibility for the children's understanding of money

To what extent do you think the following groups" share the" responsibility for children's understanding of money?

Government

Average 1-5

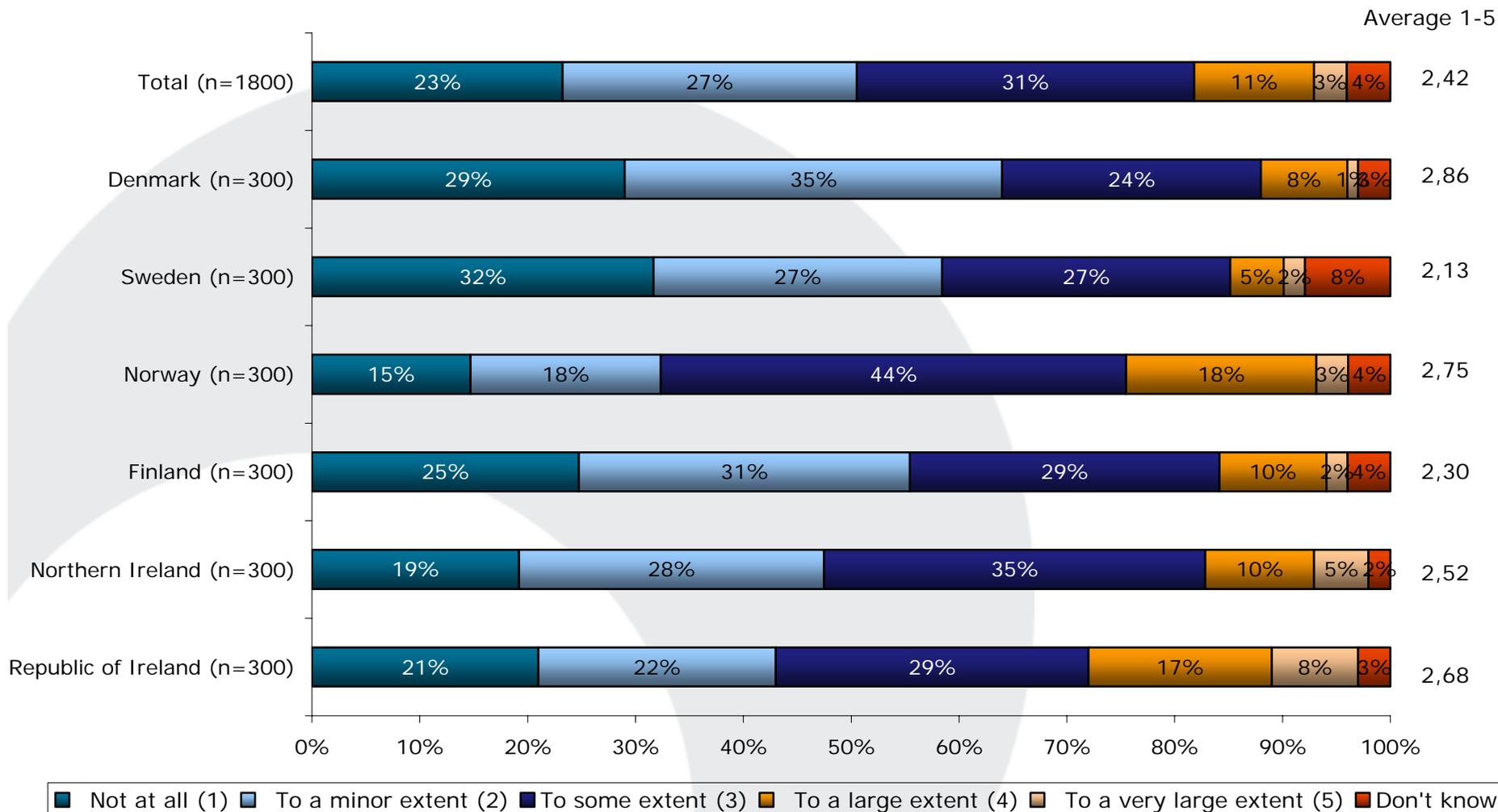


Note: The government does not share a responsibility for children's understanding of money – especially not in DK

45 % think the financial sector to some extent to a very large extent share the responsibility for the children's understanding of money

To what extent do you think the following groups" share the" responsibility for children's understanding of money?

The financial sector



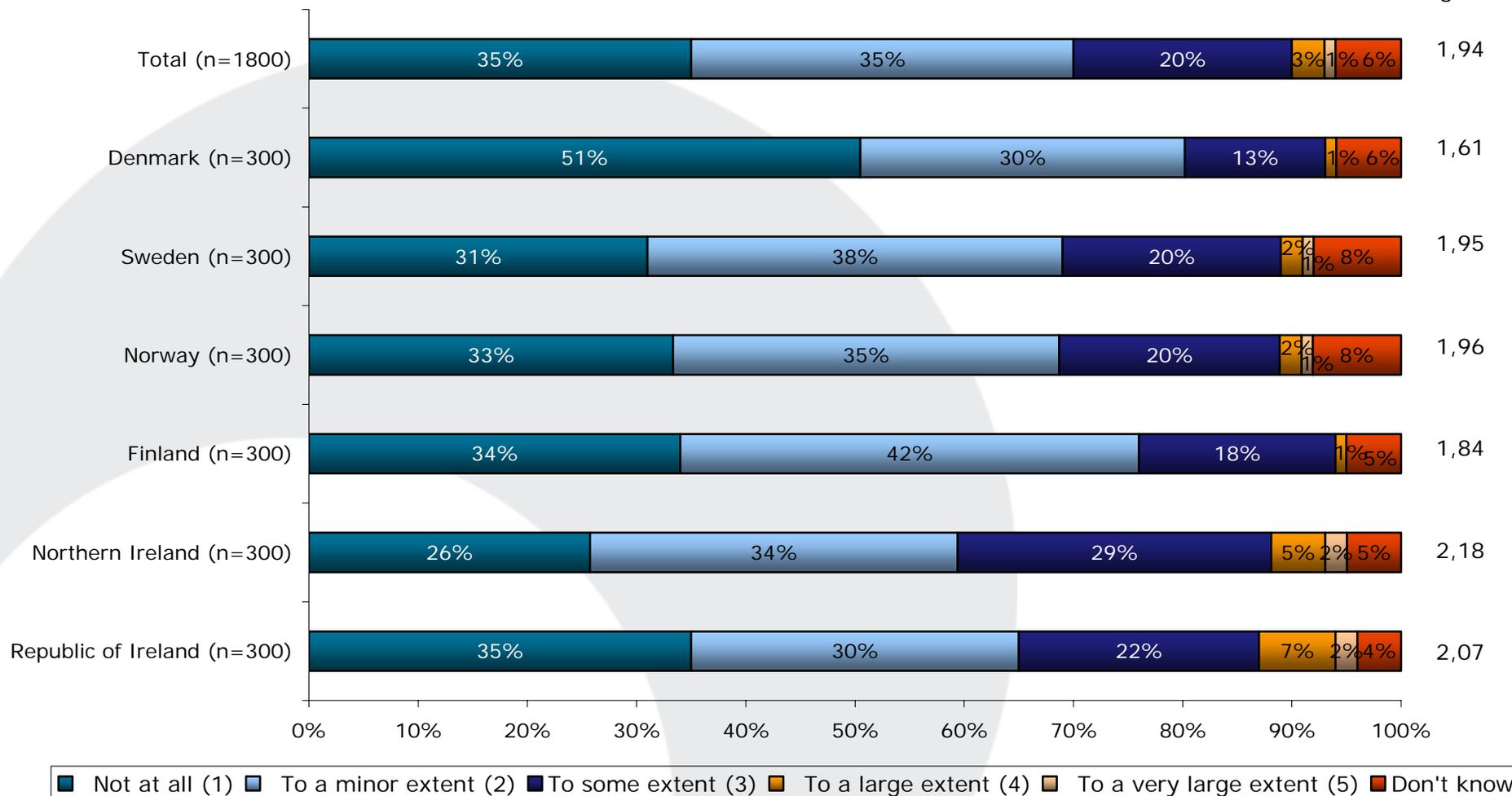
Note: The financial sector does not share a responsibility for children's understanding of money. 15% answer to a large or a very large extent. DK, SE and FI are different from the others.

24 % think private organisations to some extent to a very large extent share the responsibility for the children's understanding of money

To what extent do you think the following groups" share the" responsibility for children's understanding of money?

Private organisations

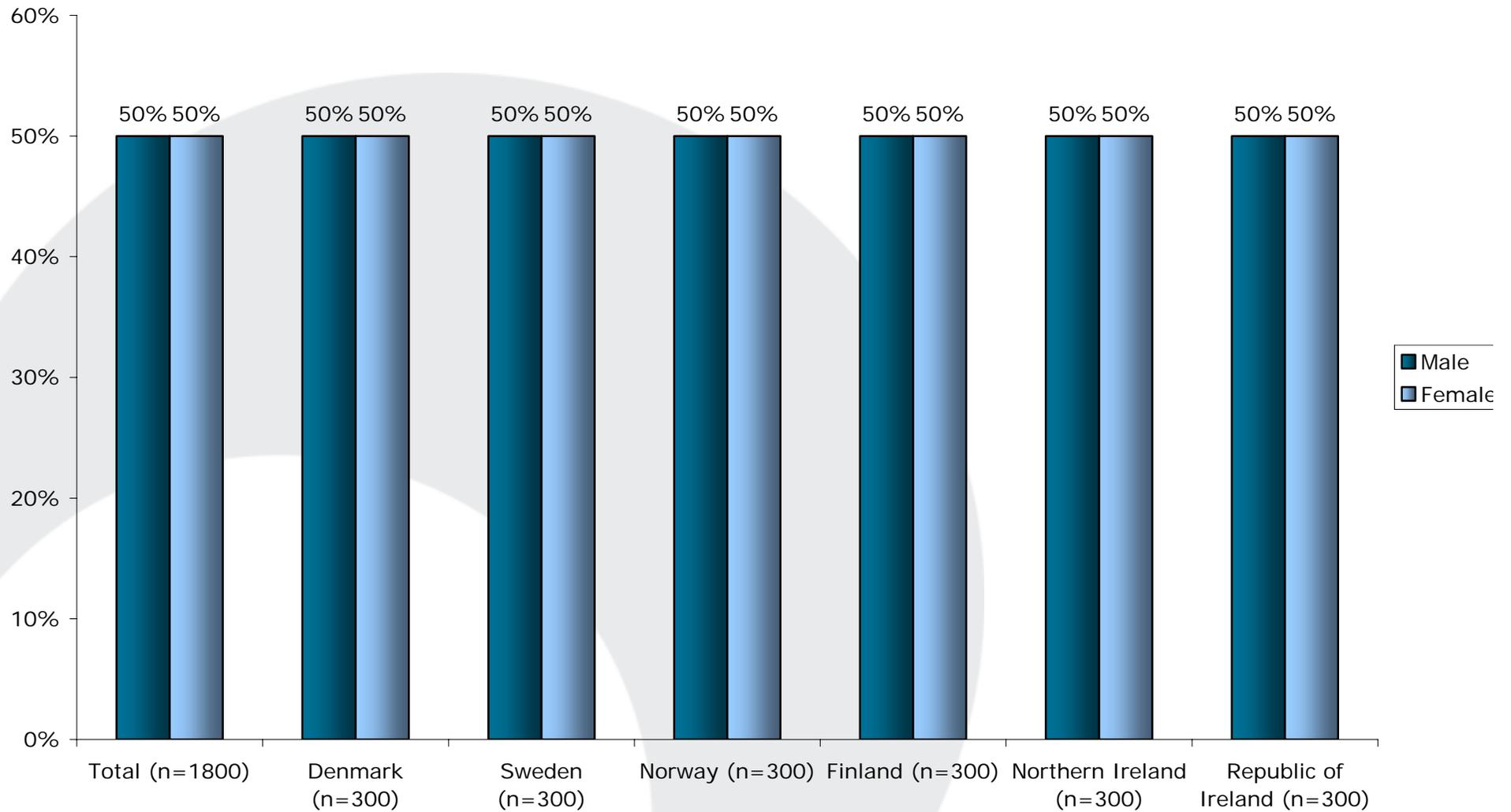
Average 1-5



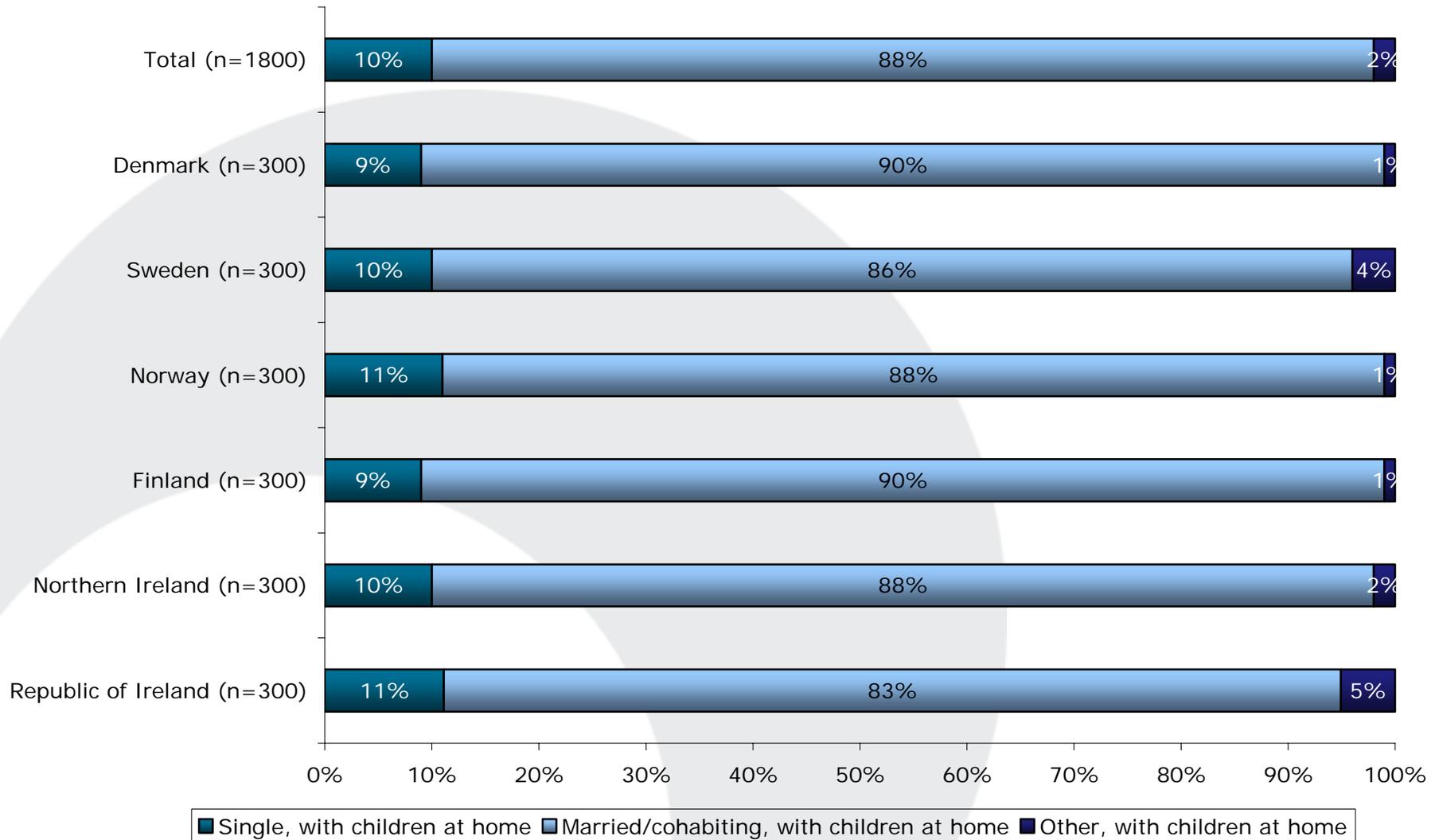
Note: The private organisations share the lowest responsibility for children's understanding of money. 70% answer not at all or to a minor extent.

Background variables

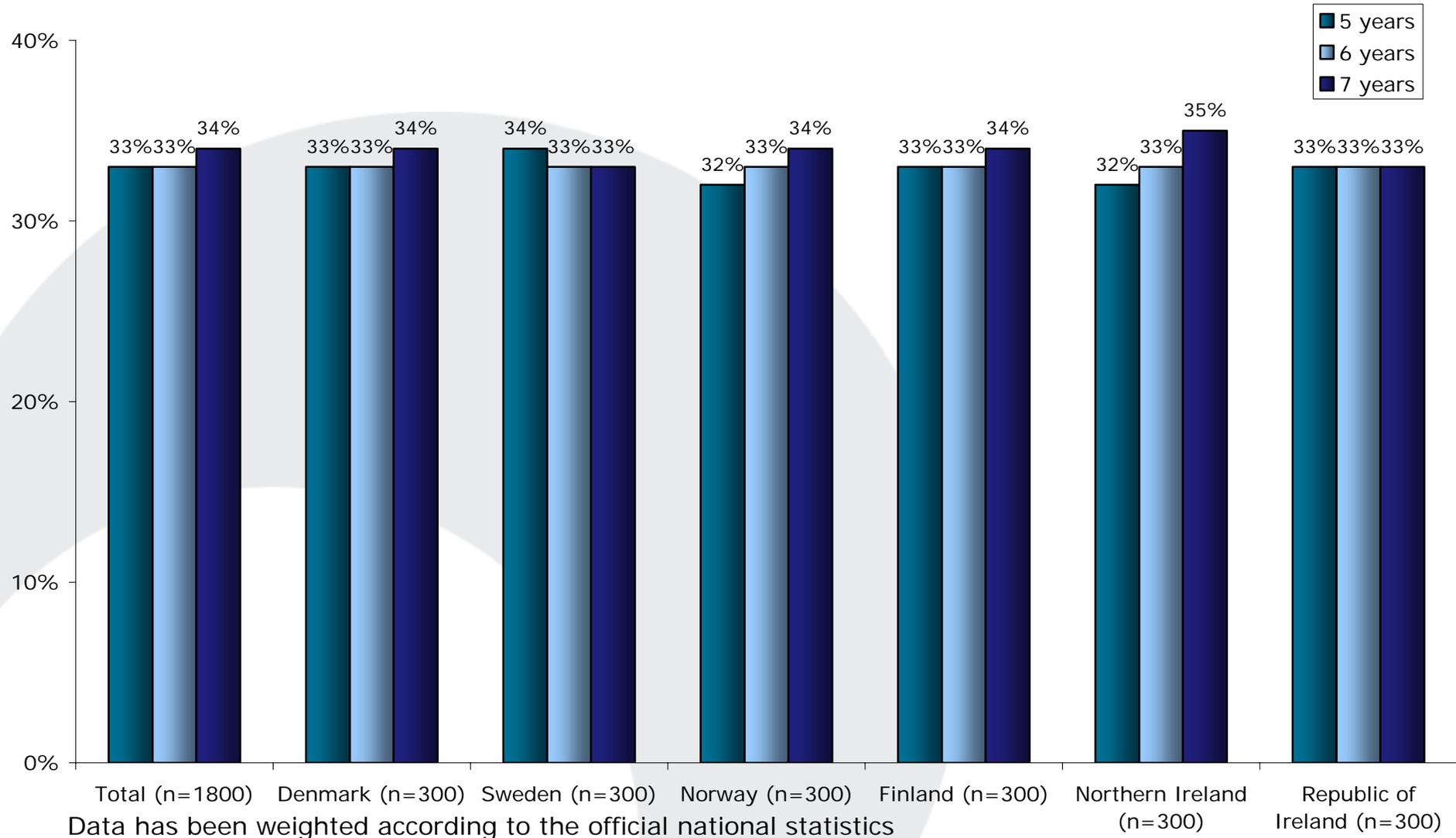
What is your gender?



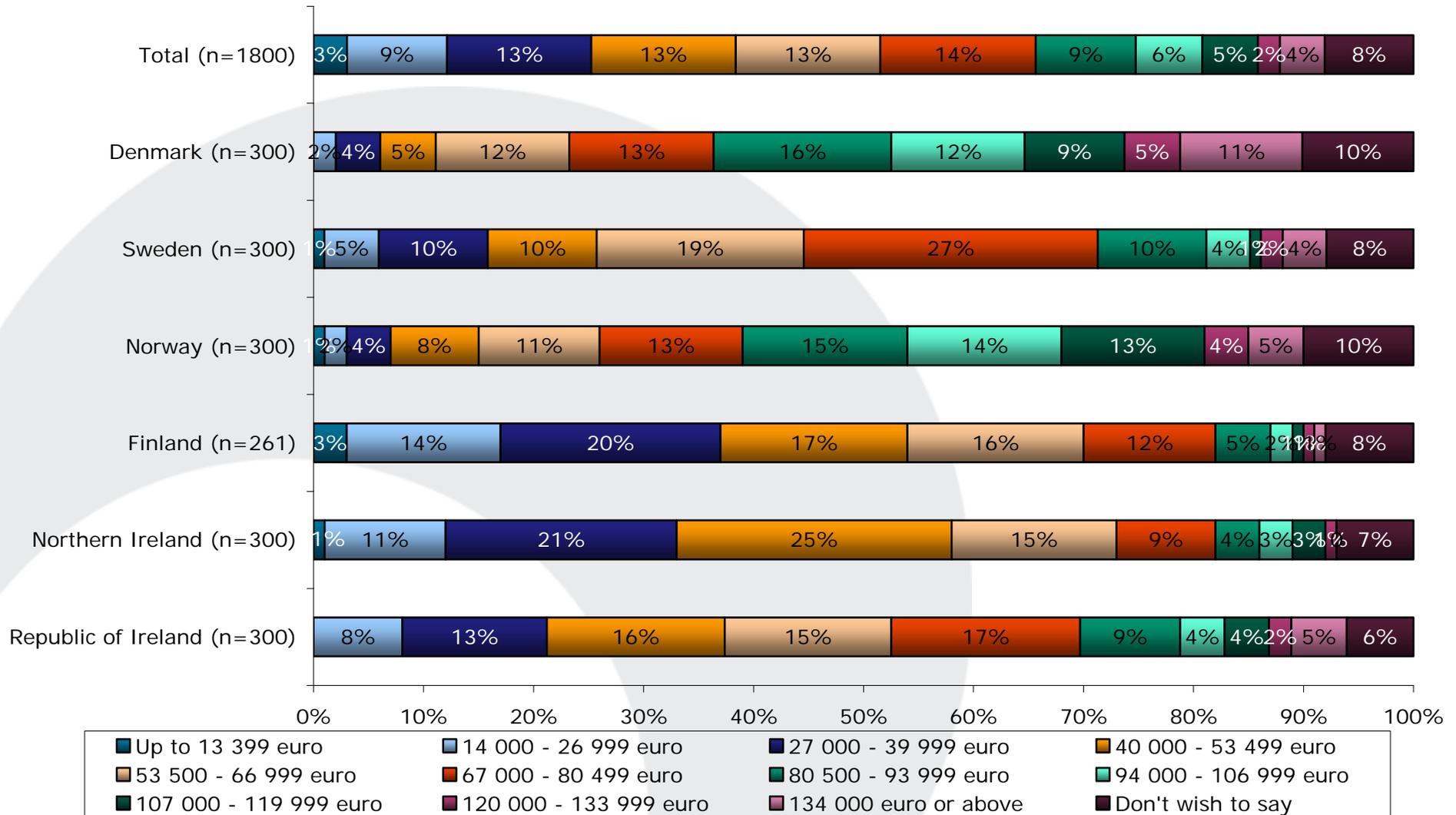
What is you household status?



How old is your child?



What is the total annual income for your household before tax?



Conclusion

- 1 of 4 young children have a low understanding of money
 - 28% of the parents -not at all or to a minor extent- think their child understands where money comes from
 - 23% of the parents -not at all or to a minor extent- think their child understands that different products have different value
 - 22% of the parents -not at all or to a minor extent- think their child understands how buying one thing mean you can't buy another
 - 26% of the parents -not at all or to a minor extent- think their child understands how saving up allows you to buy something you want in the future
- 92 % (to some extent to a very large extent) of the parents think their child **would benefit from learning more**
 - 62% of those parents who don't think their child would benefit from learning more, **think their child is to young**

- 93% of the children begin to **ask questions about money before the age of six**
 - 63% of the children ask **questions** about money at least sometimes
- 43% of the children get **pocket money**
- 63% of those who get pocket money **receive €3 or more per week**
- 91% of the parents tell their child, that he or she **can't have what they want because it is too expensive** at least sometimes
- 75% of the parents explain to their child, that he or she **has to choose because of the price** at least sometimes
- 89 % of the **children decide on how to spend his/her own money** from less than once a month to several times a week
- 89% of the children ask for something **worth more than 13 €** at least a few times month
- 13% of the **children have a mobile phone**
- 84% of the children sometimes to very often **have influence on what to buy**

- Most of the young children are customers in a bank
 - 83% of the children have bank products
 - 67% did not get any guidance material from the bank together with the product
- Parents talk about money with their young children
 - 77% discuss aspects about **where money comes from** at least a few times a month
 - 88% discuss aspects about how **different products have different prices** at least a few times a month
 - 90% discuss aspects about how **buying one thing mean you can't buy another** at least a few times a month
 - 85% discuss aspects about **how saving up allows you to buy something you want in the future** at least a few times a month

- 66% would to some extent to a very large extent find it **helpful to have access to information** on the basics of money
 - 77% of those who would like more information would **prefer to find the information on the Internet**
 - **Parents think they have the responsibility** for their children's understanding of money. 94% answer to a large or very extent
 - Parents think that **schools (86%)** and the **financial sector (45%)** also have an important responsibility