
Parents and children: how important is the family in the use of money by the new generations

Main results of the sample survey conducted in Italy between September and October 2022
SNP0454



Methodology

- A total of 311 families were involved: 444 parents and 380 children, using the CAWI technique (Computer Assisted Web Interviewing)
- The families are part of the Telepanel which is made up in its entirety of 2,000 families, with a sample of over 4,000 respondents
- The Telepanel was conceived, designed and funded by the NIELSEN institute in 1975 and updated over the years to represent the Italian population on a 'small' scale, according to the variables of age, sex, geographical area, qualification and profession.

Main evidence

Main evidence

- A cohesive family experience emerges , starting from a relationship build upon everyday life and dialogue. Parents and children unequivocally say they talk to each other several times a day, even through chat, and share recreational activities (walks, concerts...) at least twice a month or even more often.
- Although linked in everyday life, different generations have different exposure to the media (TV driven for parents and internet driven for children). For 70% of parents, TV is the primary source of information compared to 30% of children.
- Money represents an important topic of dialogue. 44% of children say they never talk about money with anyone outside the family and 43% say they have never talked about it at school.
- They share a feeling of ambivalence for which money is a highly desired object (there is maximum agreement to the statement that «money is never too much»), but also associated with negative feelings such as anxiety and stress, especially for parents (53% of children declare they have no negative feelings, compared to 22% of parents). Both targets are modestly in agreement with the assumption «salary as a measure of success».
- Prudence and a strong propensity to save by containing expenses are common among the targets.
- The inclination towards risk aversion tends to be associated with financial management focused on the present, which is transmitted within the family (43% of parents say they prefer 50 euros today rather than 100 in six months, 47% of children 20 euro today rather than 40 in six months).

Main evidence

- Self-declared financial skills are passed on between generations by example, rather than by the effect of presumed knowledge.
- There is continuity in behaviour, which emerges in the control of expenses (over 90% of parents declare that they control expenses and almost 80% of children avoid making unnecessary purchases) and in the habit of planning (45% of parents always do it, children always do it 14%, or often 56%).
- The by example element also emerges regarding the parents' job which is important for the family (34%) and in general for everyone (60%) according to the majority of children.
- The factors most correlated to children's developed relationship with money depend above all on the parents' educational qualifications (and possession of books!) and their availability of income. The percentage (29%) of kids who would prefer 40 euro in six months more than 20 euro today increases in families with graduate parents (36%) and with high income (33%). Likewise the the habit of talking about money within the family is even more marked in educated and wealthy families.

Main evidence

- However, parents and children are not always aligned in their responses regarding family facts and behaviors.
 - as in how swimming/cycling lessons are remembered (declared as given by 75% of parents but confirmed by only 42% of sons and 39% of daughters)
 - discrepancy also occurs with more recent perceptions such as the practice of 'pocket money'. About 60% of parents say they assign a periodic sum to their children to manage on their own but the children who confirm this are much fewer.
- Furthermore, the answers demonstrate a more accentuated caution in managing money in children compared to their parents. Caution which is not a symptom of financial competence, which is lower than their parents' (the parents give themselves an average score of 6.6 and their children 5.9).
- The survey gives an image of the prevailing continuity within the family of the relationship with money , based on daily relationship more than on financial education.
- This continuity shows aspects of hysteresis. Repetitions of behaviors and static patterns are generated, which can limit children's future planning and full autonomy.

Insights

- Trends
- Reference context
- Educational messages
- Economic-financial awareness
- Money: source of satisfaction and worry
- The value of work

Trends

- The results of the survey show a family context characterized by a good level of participation and sharing. The centrality of the family in the education of children and their recognition of this centrality can be seen on many levels. There is a common thread that passes through the basic teachings (culture, sport, free time) up to the example in the use of money (and not only), crucial for the adults of tomorrow.
- From the results there emerges the profile of a new generation that carefully observes the example of their parents, is generally inclined to replicate the economic model breathed into the family and to assimilate the culture of work, as transmitted by the adult referent. This is demonstrated by the overlap of the responses of the two targets.
- The family monocentrism highlights a lack of recognition of the role of the school, as a possible money management education center. Dialectics within the family unit is considered more effective and a priority.
- Family dialogue on economic issues only moderately affects the state of mind of children, who, compared to their parents, appear less involved in negative feelings and reveal greater optimism about the future. Vice versa, like adults they chase an idea of money which in any case "is never too much". However, this does not lead them to identify the success of the person with money, but - once again following the example of their parents towards whom they feel full gratitude - the priority is the acquisition of the skills necessary for a satisfying professional future.

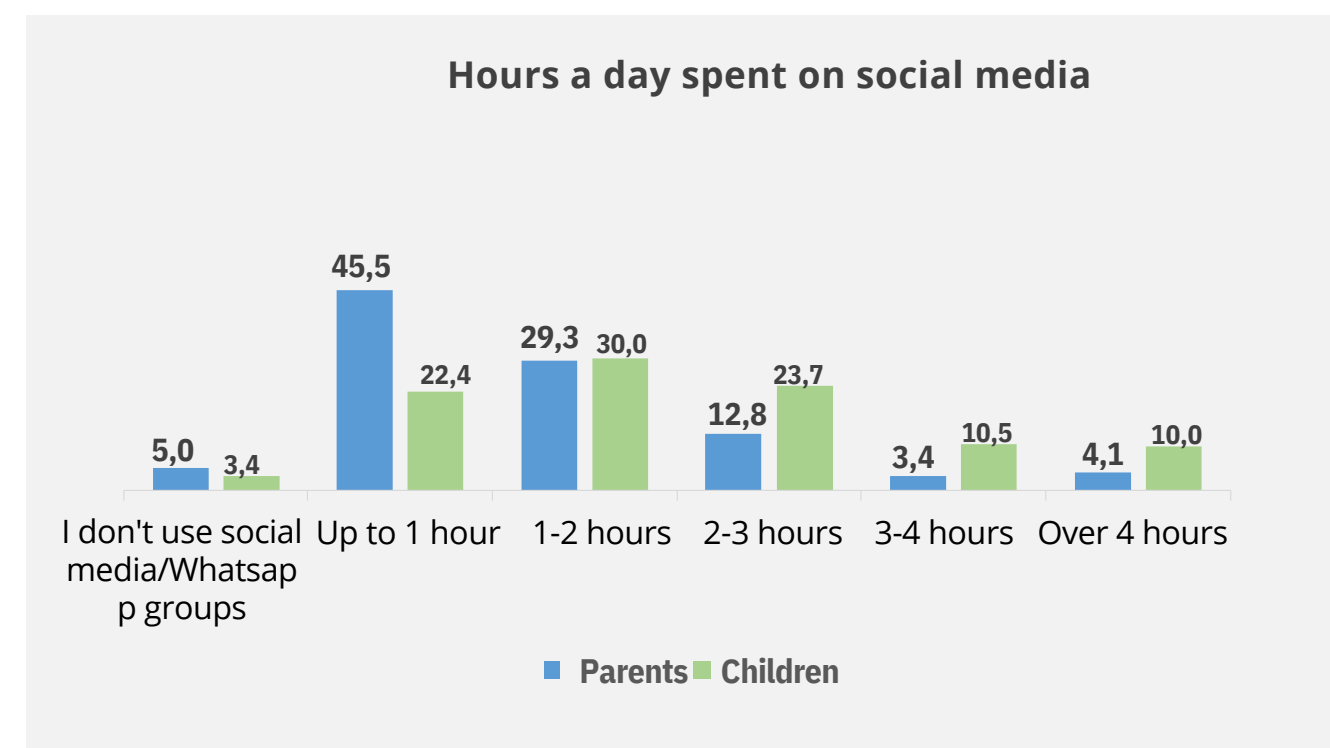
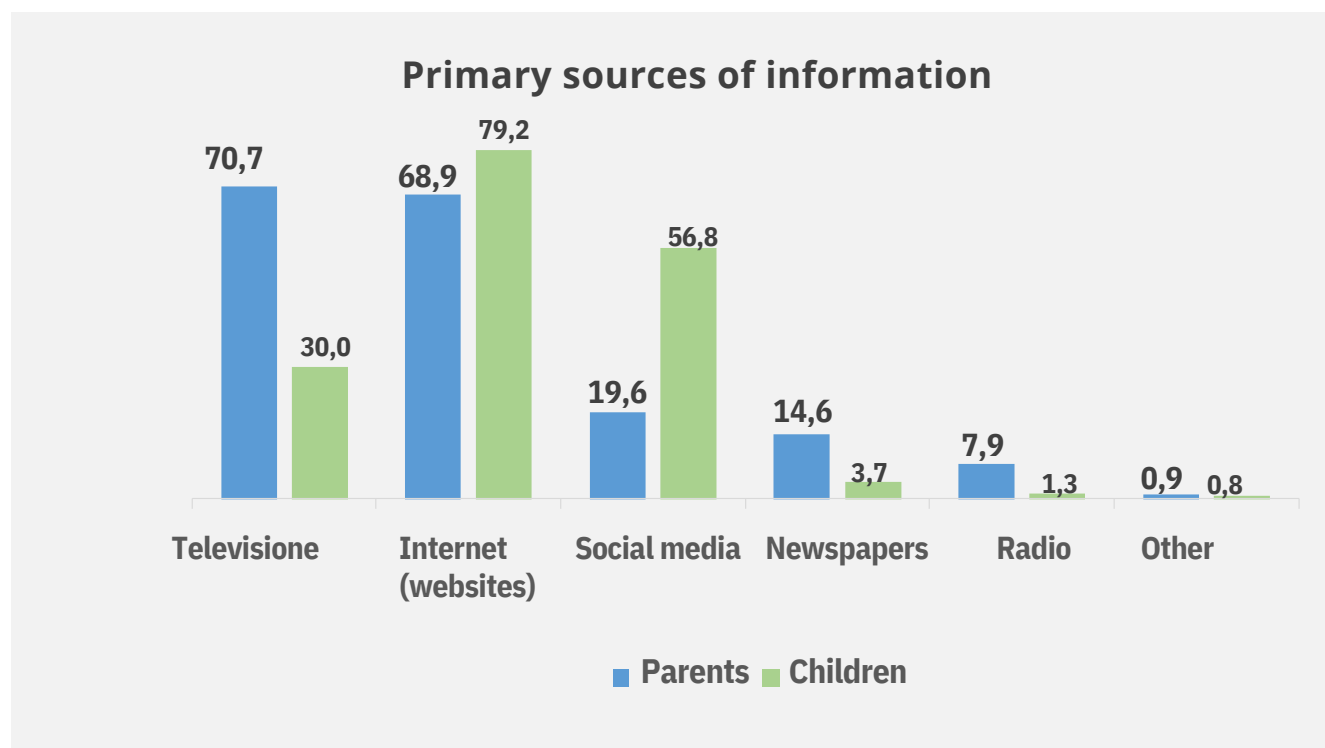
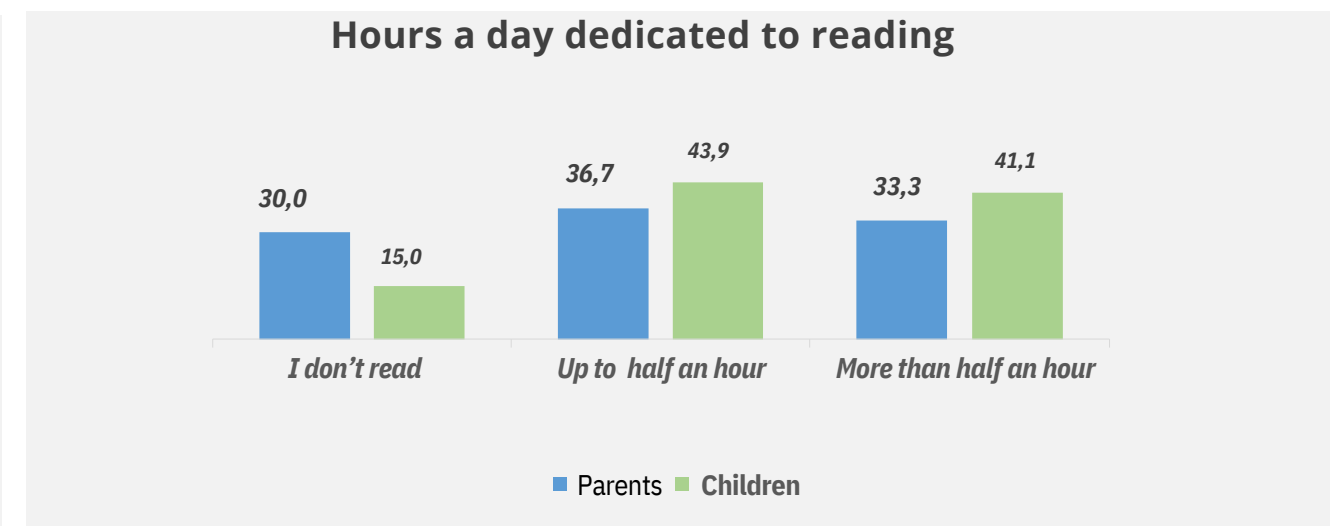
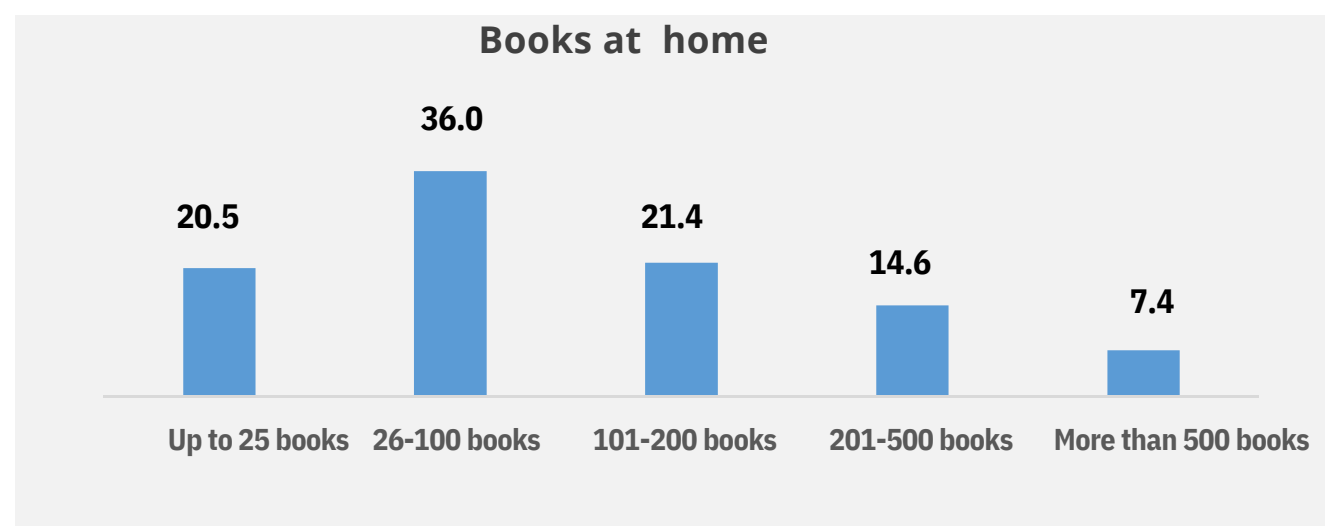
Trends

- In this context, a gender difference is observed in the delivery of educational messages. Mothers are more inclined to control expenditures, save and plan; fathers excel in activities to implement their income (investments, purchase of cryptocurrencies, use of online trading platforms).
- Income and educational qualifications are the most characterizing sociodemographic variables. From economic solidity and advanced education derive greater awareness on economic issues, aptitude for planning, propensity to investment and optimism about the future. In general, in wealthy families, the parent-child relationship appears more evolved.

Reference context

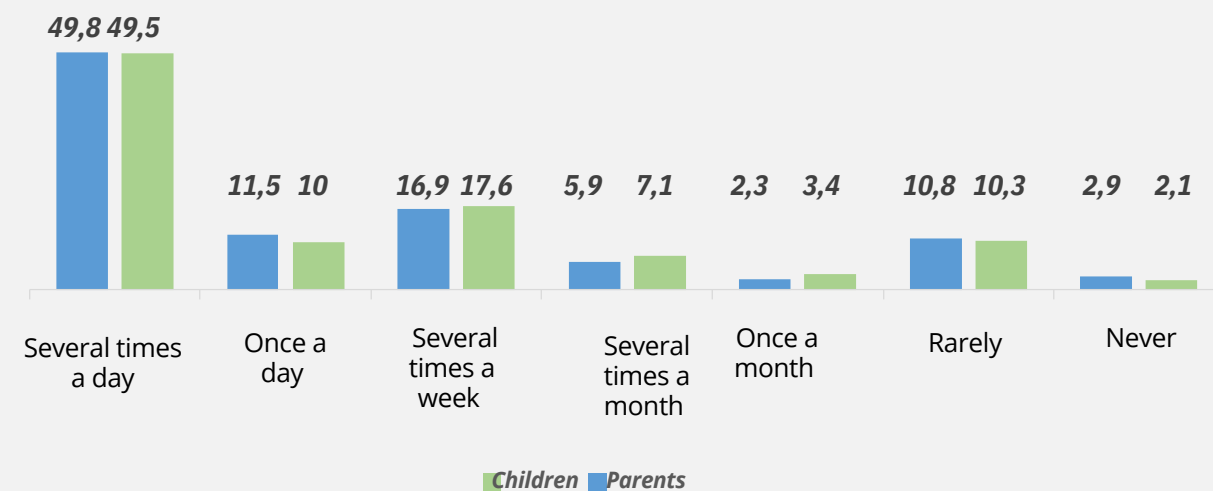
- Books, media and social media in the family
 - The presence of books on the shelves at home (43% have more than 100) does not have a strong correspondence with the aptitude for reading (30% of parents never read). Aptitude which is, however, higher among women under 44 years and more educated.
 - Television and the Internet are the primary sources of information: TV for adults, the web almost without distinction for the two target.
 - The use of social media as a source of information is a prerogative of the new generation but in terms of time spent, parents and children are substantially aligned.
- Social media and words in parent-child communication
 - Whether virtual or real, family relationships show a good communicative and relational dimension. Parents and children declare, unequivocally, that they speak to each other several times a day, even via chat and share recreational activities (walks, concerts...) at least twice a month or more.
 - Within the family, the exchange of communications on money-related issues is greater between mothers and children, and increases in more culturally advanced contexts.
- Sports education
 - Fathers, however, are more frequently responsible for introducing their children (regardless of gender) to basic sporting activities such as swimming or cycling. This is more frequent in families with young parents, resident in the center-south and with a higher education.

Books, media and social media in the family

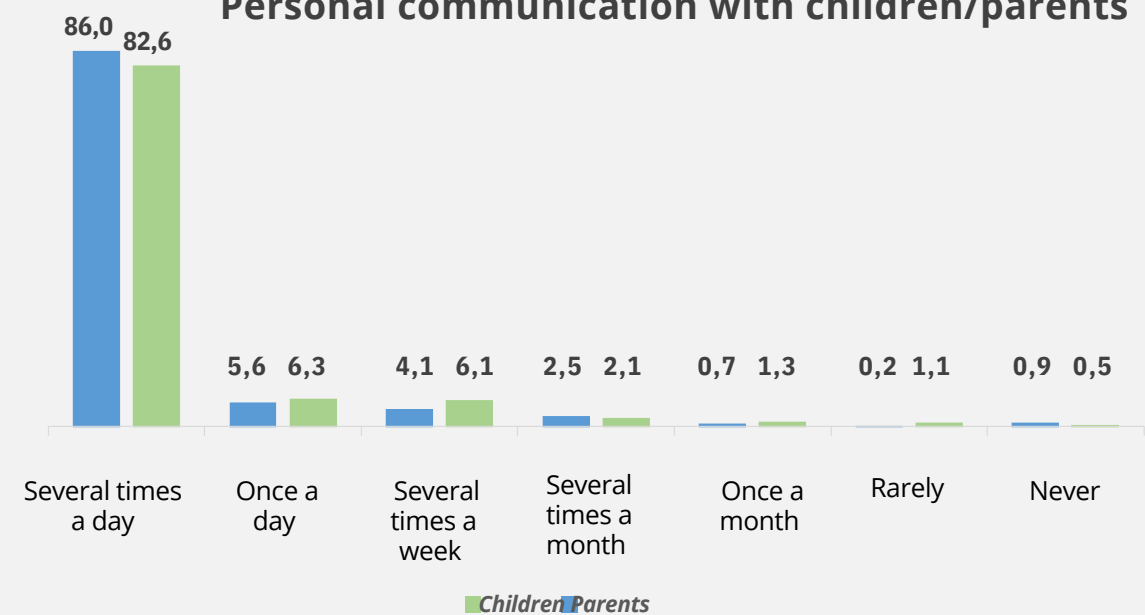


Social media and words in parent-child communication

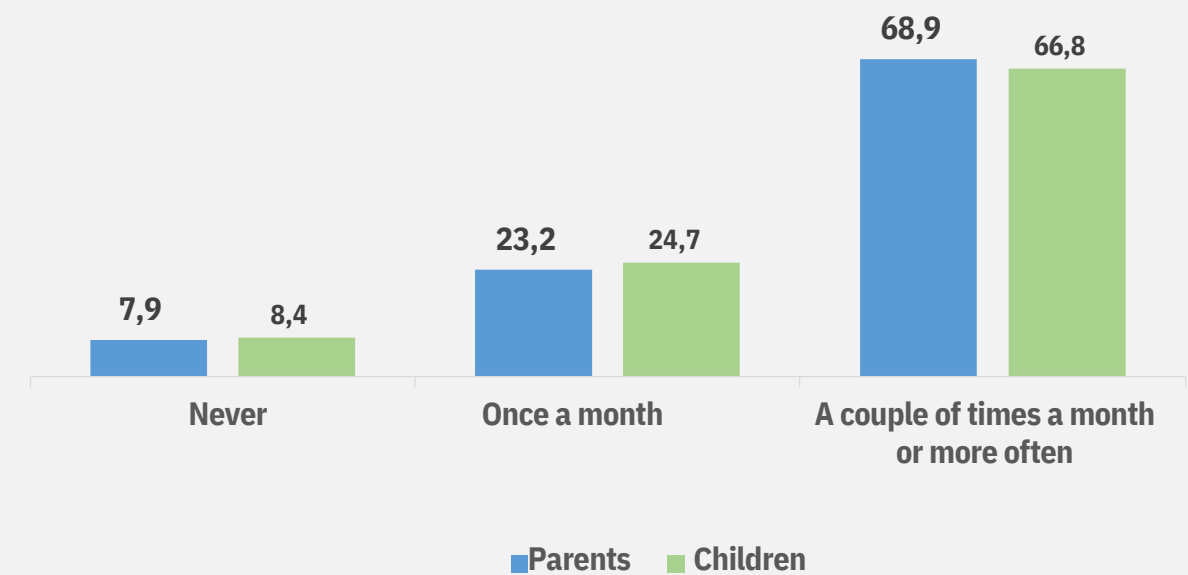
Communication via text message, whatsapp, email with children/parents



Personal communication with children/parents

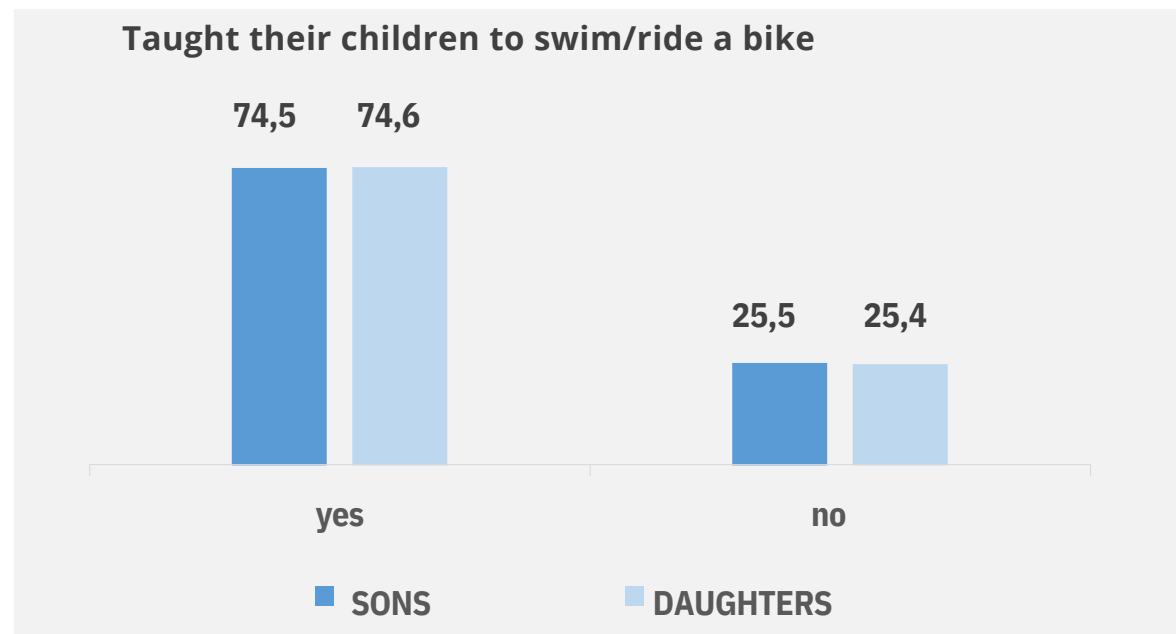


Frequency of recreational activities (concerts, walks to the park etc.) with their children/parents

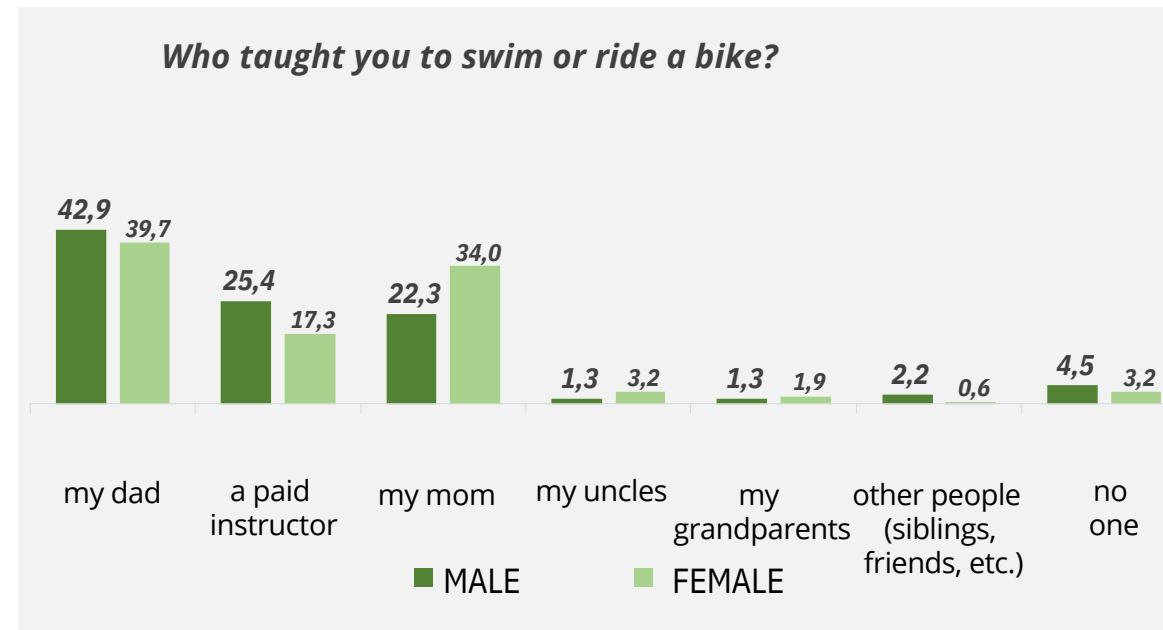


■ Base: parent sample (444 cases) – % values
 ■ child sample (380 cases) – % values

Sports and recreational education



■ Base: parent sample (444 cases) – % values



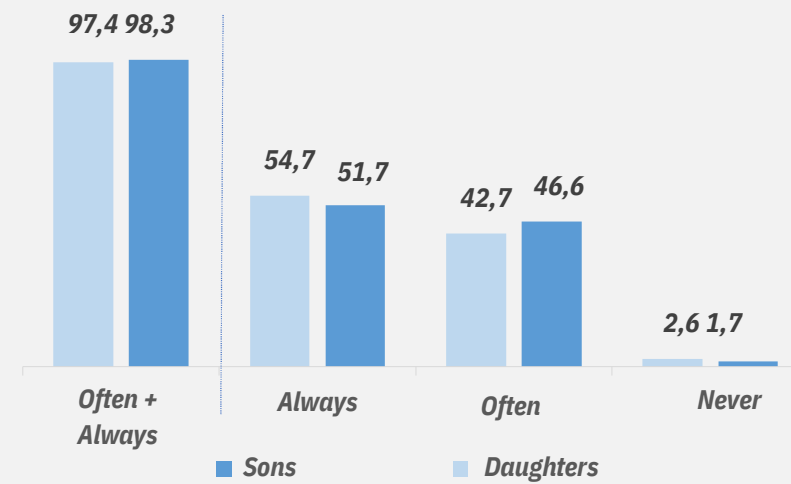
■ Base: children sample (380 cases) – % values

Educational messages

- **The role of parents in the growth of the child as an individual**
 - Parents are aware of their role as educators and believe that they best perform (often/always) their role of exhortation and stimulation towards their children. In more culturally advanced contexts, educational models within the family are even more oriented towards forms of encouragement.
 - Children, regardless of gender, recognize the centrality of their parents in their education as adults and know they can count on them in difficult situations.
- **Economic issues within the family**
 - Both targets describe a family context in which there is broad participation in important economic decisions and even more in the management of daily expenses.
 - Outside of the family, issues related to money remain limited and circumscribed to the circle of friends. While the role of the school emerges as completely marginal.
- **Forms of autonomy and reference models**
 - The centrality of the family is also reflected in the fact that parents elect themselves as a reference model for their children on budget management and consider the family the place dedicated to initiating their children towards forms of autonomy. In this regard they do not see the school as a valid and possible alternative.
 - For their part, children recognize the parental example as a priority reference model.
 - In this context, pocket money represents a possible way to pass on to children the example of how to be independent.

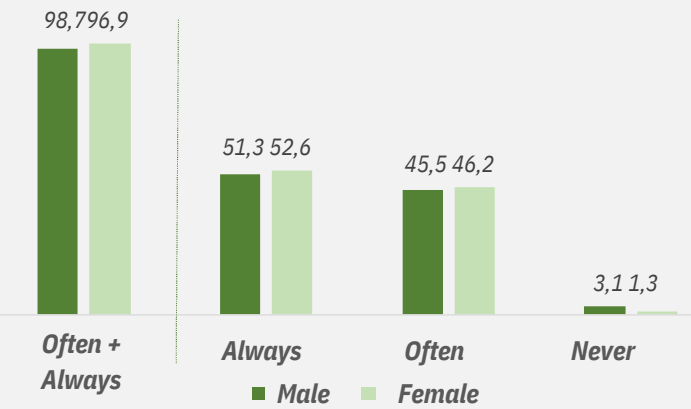
The role of parents in the growth of the child as an individual

Do you encourage your children to do new things to improve their skills or simply to learn something new?

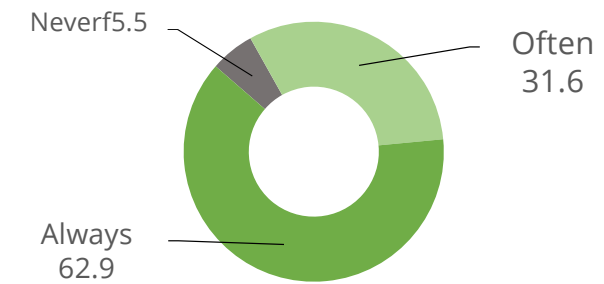


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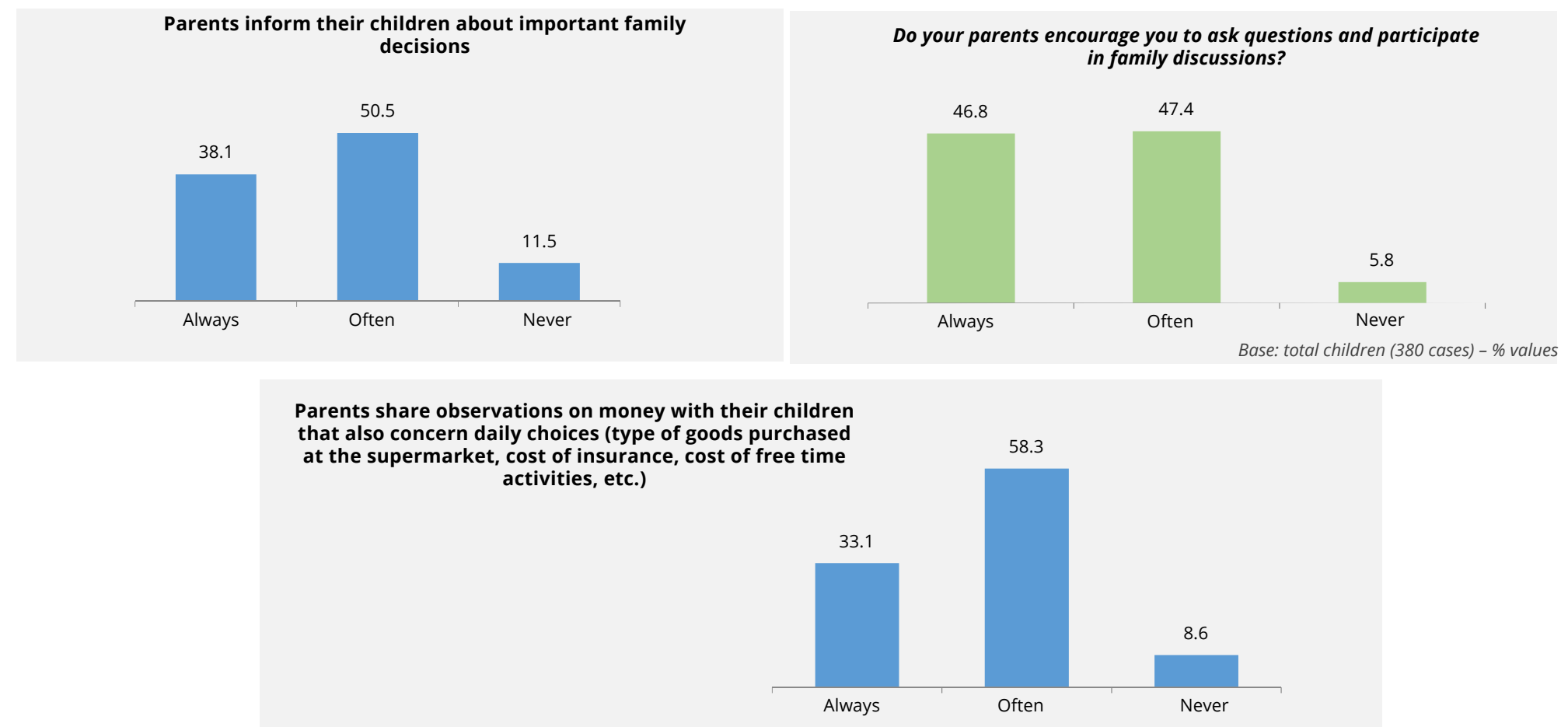
Do your parents encourage you to do new things to improve your skills or simply to learn something new?



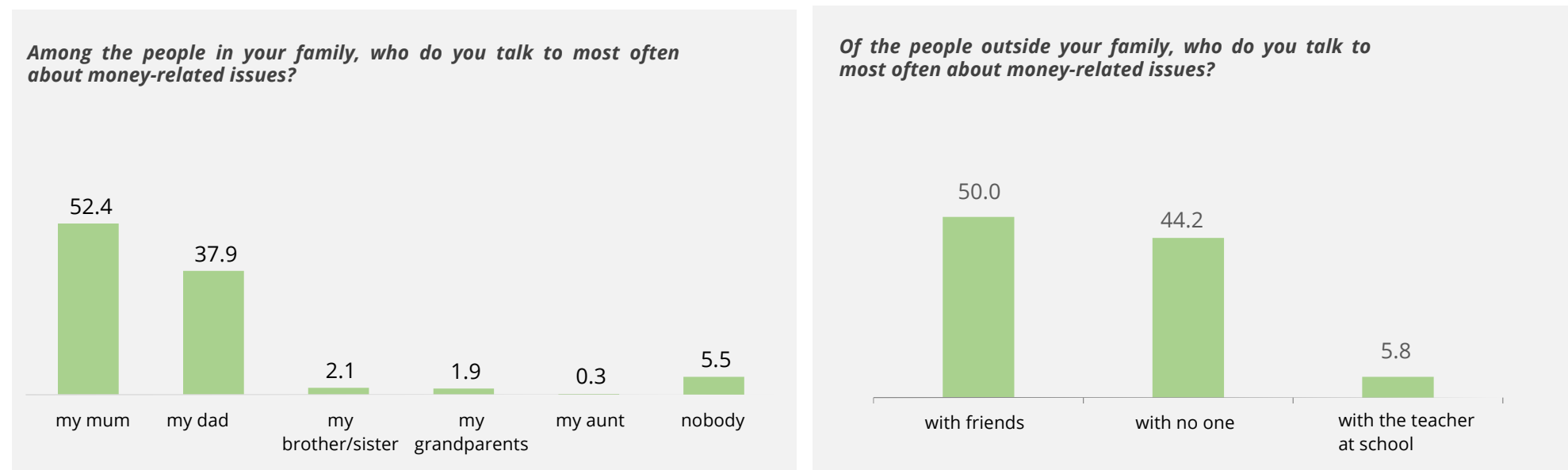
If you are in trouble, or are afraid, do you find comfort in your parents?



Economic issues in family comparison



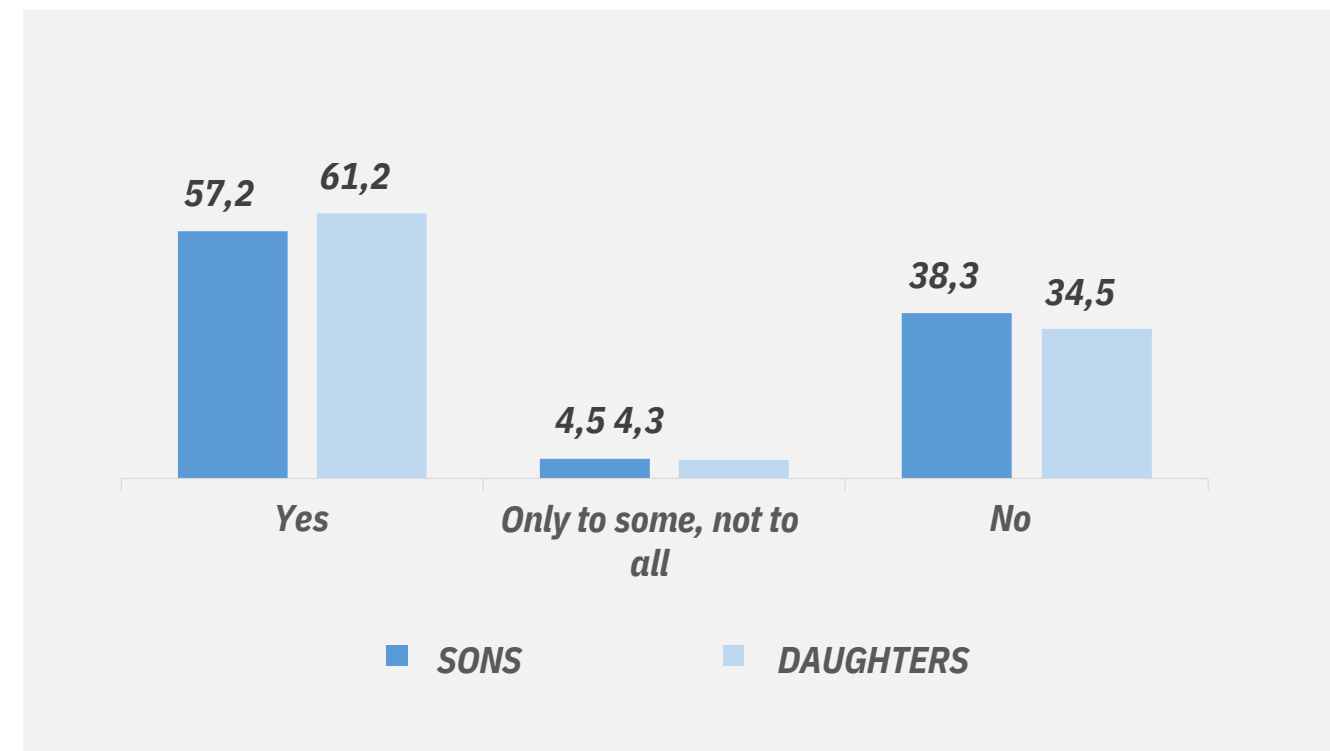
The protagonists of the discussion on the topic of "money"



■ Base: children sample (380 cases) - % values

Forms of autonomy...parents for their children

They assign a periodic sum to their children to manage independently



Base: campione genitori (444 casi) -Valori %

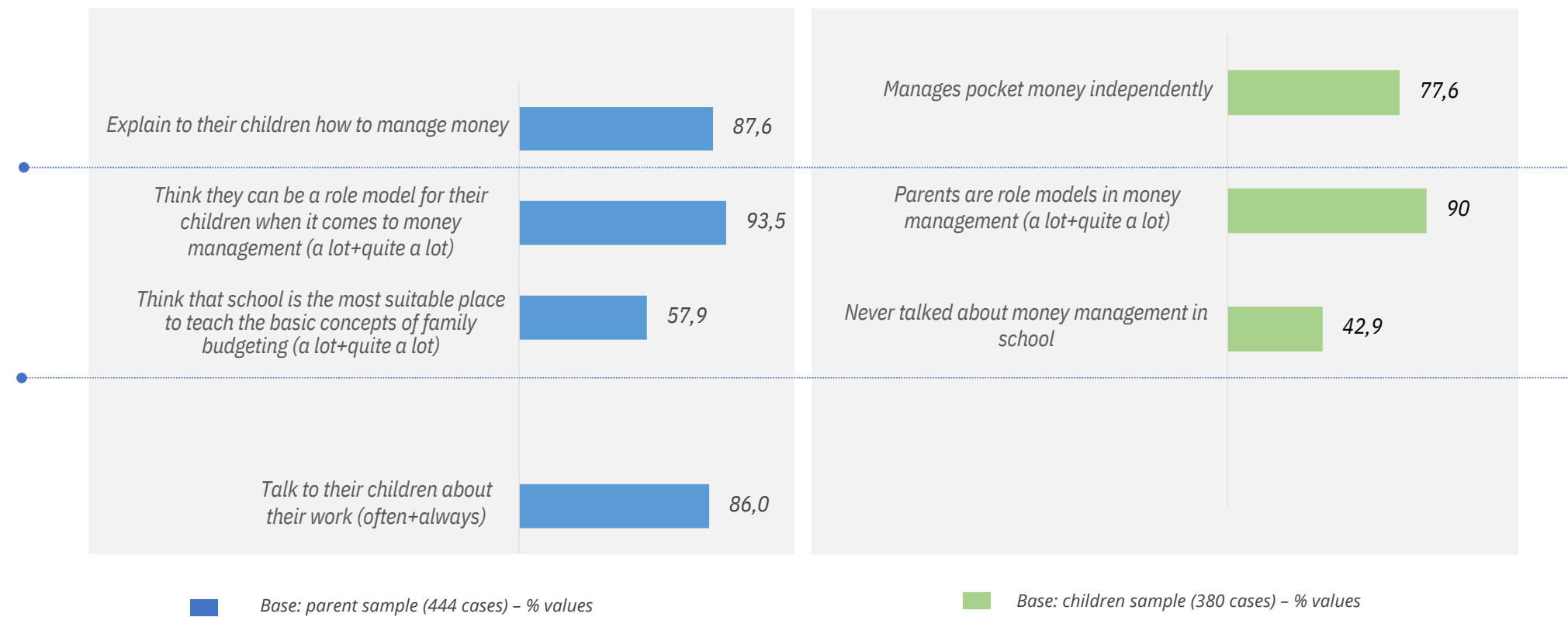
Forms of autonmy...pocket money

Do you have pocket money?



Base: campione figli (380 casi) -Valori %

Reference models in money management



Economic-financial awareness

- **Budget management**

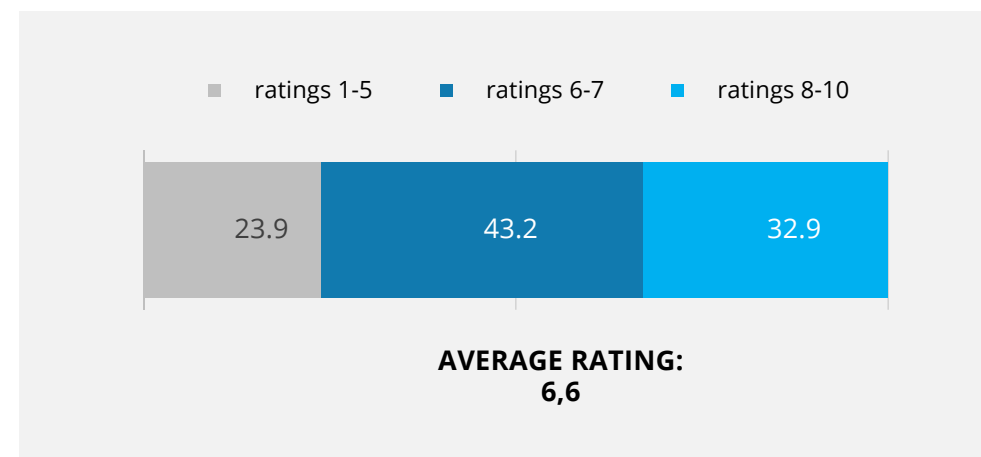
- Parents and children define themselves as poorly informed on economic-financial issues (parents: average rating 6.6; children: average rating 5.9) however in their behavior they show good ability and substantial balance in managing their own budget. Control of expenses, careful distribution between consumption and savings, and aptitude for planning are, in fact, cornerstones of the family economy, well rooted and equally transferred to their children who show parallel behaviours.
- Women tend to have a greater aptitude than men in controlling family expenses, in thinking from a savings perspective and above all in planning the use of economic resources.
- Among children, awareness increases when there are some constants: high family incomes, young parents (under 44 years old) and in families where there is greater sharing of money issues.
- Despite this, in both groups, the logic of a *bird in the hand is worth two in the bush* would seem to prevail slightly more, evidence of a marked aversion to risk. More markedly among mothers, less educated and from the South and, consistently, among children from low-income families (up to 1500 euros p.m.), with less educated parents and without family sharing of economic decisions. Instead the *two in the bush* is the prerogative of fathers, more adults (over 55 years old), residents in the north and with a degree, who are less risk averse.

- **Investments**

- The attitude to investing their money concerns just under half of the sample. Investors, typically male, resident in the north and more educated, opt for traditional solutions to increase their income: shares, funds, insurance.
- Other less conventional forms of investment such as the purchase of cryptocurrencies or the use of online trading platforms are not very widespread (23% of parents) but are still the prerogative of younger fathers (less than 44 years old). The phenomenon is even more limited among children but with a higher presence of males aged 18 and over.
- Children's use of online gaming as a form of increasing their disposable income (7%) is more frequent among children of young parents and in high-income families.

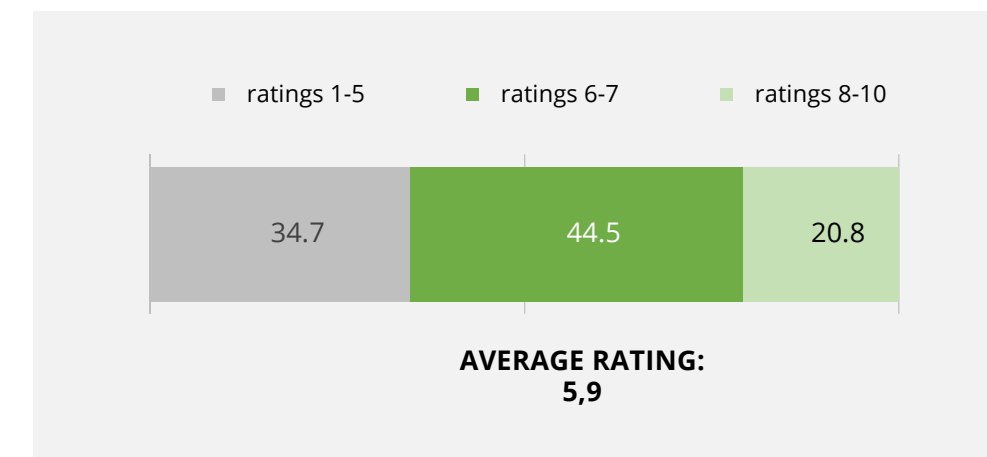
Self-evaluation on economic-financial issues

From 1 to 10, how informed are you on economic-financial issues?



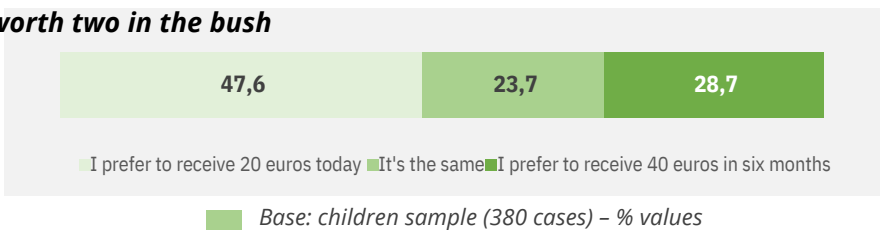
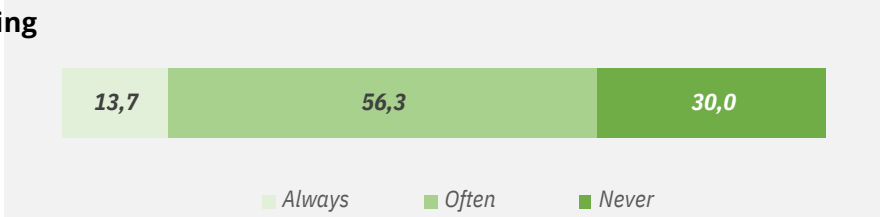
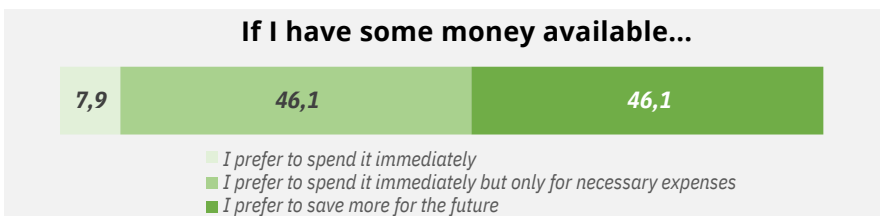
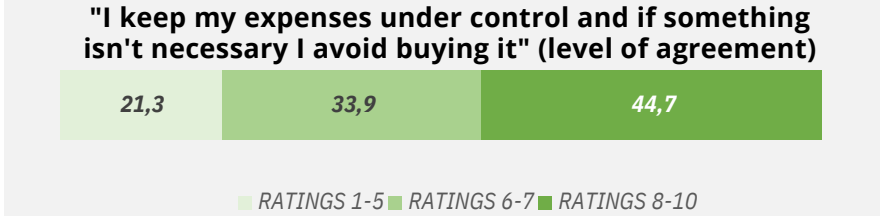
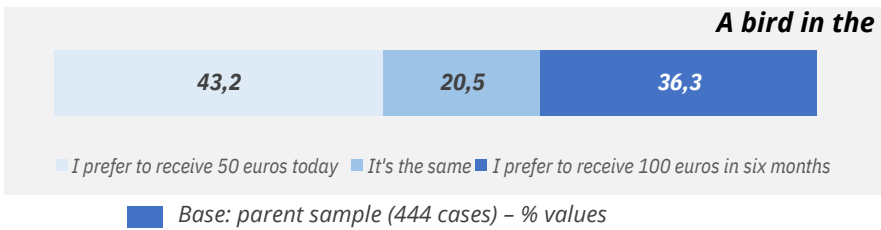
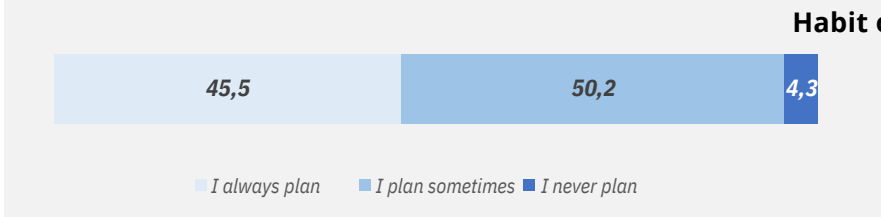
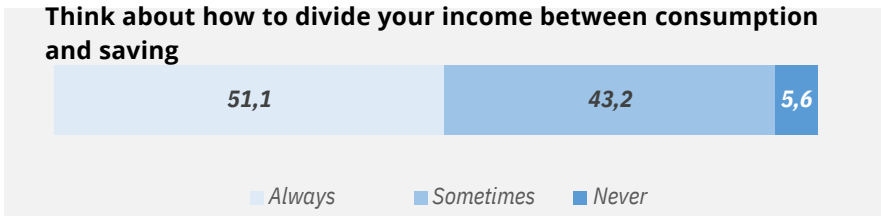
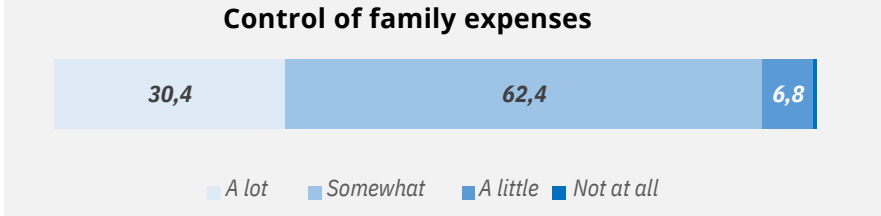
■ Base: parent sample (444 cases) - % values

From 1 to 10, how informed do you think you are on topics related to money management?



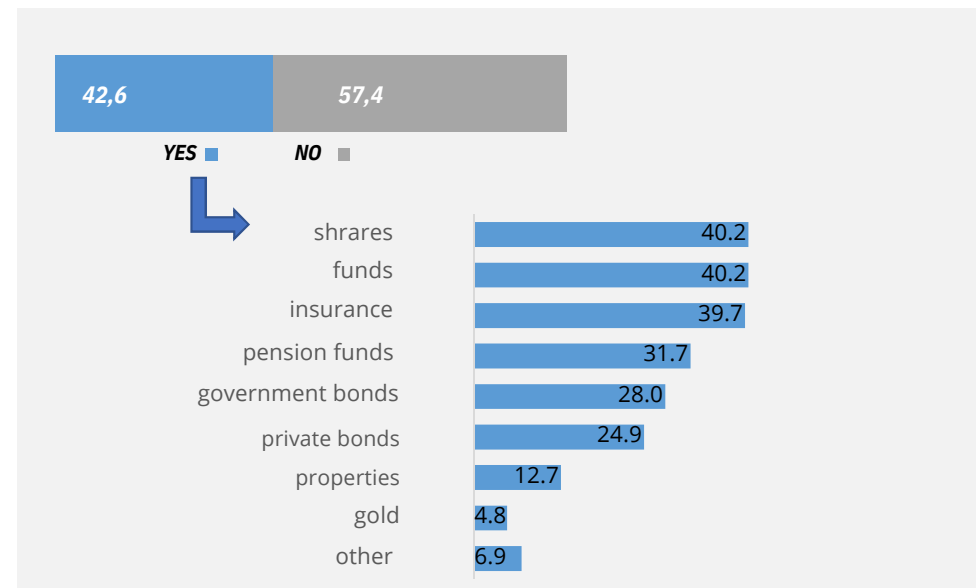
■ Base: children sample (380 cases) - % values

Budgeting, saving and planning

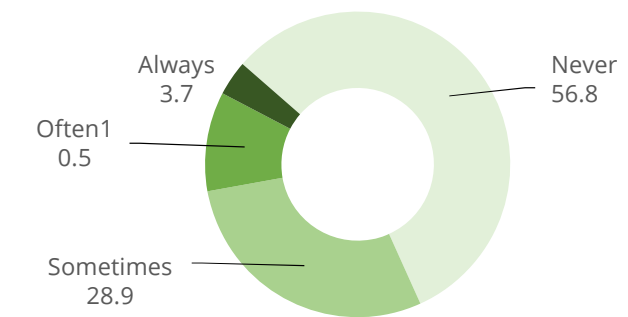


Investments

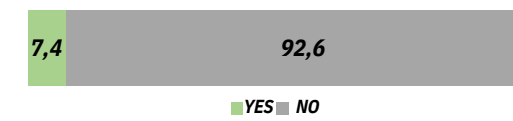
Current investments



Have you ever used your own or your parents' money to play online games (e.g. Fortnite)?



Buy cryptocurrencies or use online trading platforms



Base: parent sample (444 cases) - % values

Base: children sample (380 cases) - % values

Money: source of satisfaction and worry

- **Money worries**

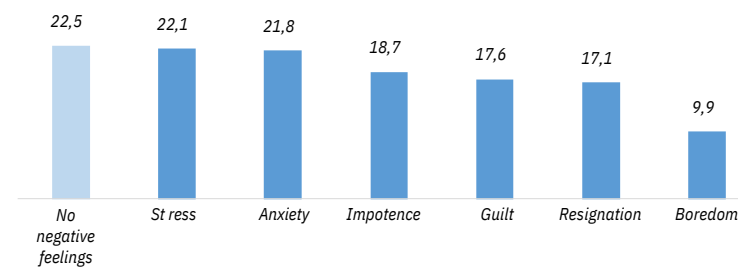
- Stress and anxiety are the moods that more than others represent what over two-thirds of the sample feels when thinking about their finances. It is the component of young parents (under 44 years old), residing in the south and less educated, who express themselves more incisively on negative feelings.
- Unlike their fathers, children show greater serenity (53% do not experience anxiety), however negative moods, when present, are equally correlated with the opposite poles of the family's financial situation: high incomes vs. economically unfavorable conditions.
- However, this does not affect positive thinking about the future, from which, in fact, "more good things than bad" are expected to happen. In this regard, it is interesting to observe the correlation between greater optimism in children and the family context whose characteristics are high income, the ability to share issues and choices related to money and the young age of the parents.

- **The value of money**

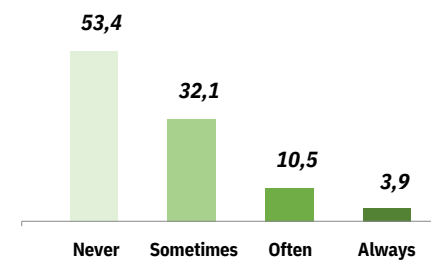
- The influence of parents can also be seen on the representation of wealth expressed by the high degree of agreement with the statement "money is never too much" (Parents 7.9; children: 7.6). Representation even more validated in conjunction with high-income family contexts, with high economic-financial awareness and sharing of issues related to money.
- On this aspect, the children's responses are strongly consistent with those of the parents, confirming and strengthening a continuity of the family culture.

Money: source of satisfaction and worry

Thinking about my finances makes me feel...



Does talking about money make you anxious?



"All in all I expect more good things to happen to me than bad"? (% degree of agreement)



"Money is never too much" (% degree of agreement)



Base: parent sample (444 cases) - % values

Base: children sample (380 cases) - % values

The value of work

- **The value of work**

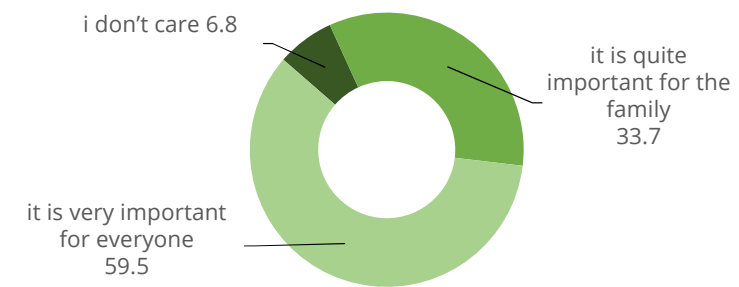
- The vast majority of children attribute great value to their parents' work which they consider important for the family (34%) and in general for everyone (60%). The recognition further intensifies as the age of the parents increases, in high-income families and in families where there is a habit of sharing decisions related to money.
- In a line of continuity, young people (especially girls living in the south) see commitment to studies as functional to the satisfaction of a fulfilling job in their future adult lives.

- **The measure of success**

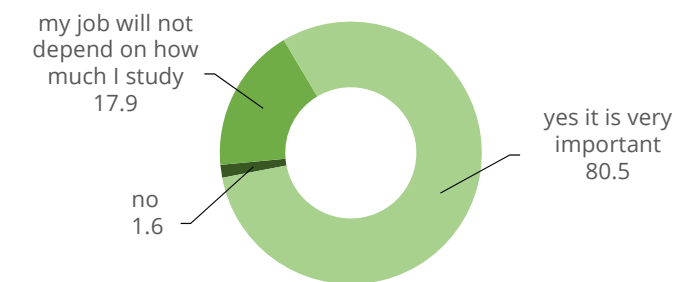
- The perception of work, which parents have passed on to their children, appears rather disconnected from the economic value of their profession. In fact, both targets assign only a modest degree of agreement to the assumption "salary as a measure of success" (average rating: parents 5.3; children 5.9), thus placing greater centrality on individual growth.
- The representation of work as a personal rather than economic fulfillment is more recurrent in families in the Center and North East and among mothers with a high education. Instead, salary as an indicator of success occurs more often in southern families with parents under the age of 44 and with a low level of education.

The value of work

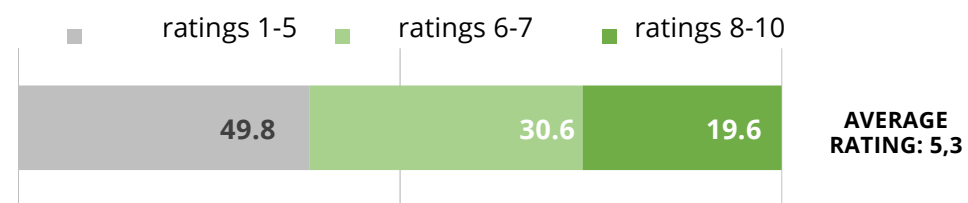
Value attributed to parents' work



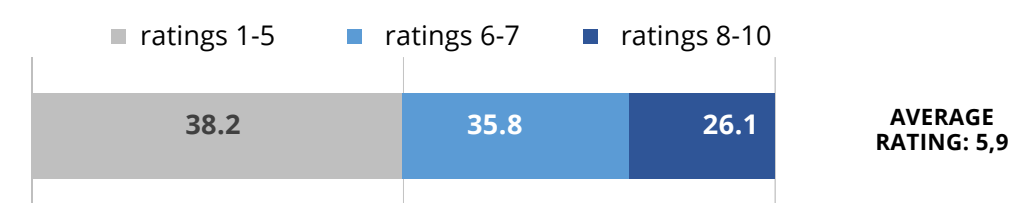
Do you think it is important to study to have the skills that will allow you to find a job you like in the future?



"Money is the most important measure for evaluating a person's success" (% degree of agreement)



"A person's success is perceived by their salary" (% degree of agreement)



■ Base: parent sample (444 cases) - % values
■ Base: child sample (380 cases) - % values