

## Easy Money: Parents Have Become Lenient about Giving Money to Kids

MILWAUKEE ([BUSINESS WIRE](#)), March 29, 2011 - Over 80% of parents are “giving in” always or occasionally when kids ask for extra money beyond an agreed allowance, according to the latest poll from [Northwestern Mutual Foundation's](#) financial literacy site [Themint.org](#). Only 7% of those polled report never being given extra money beyond an allowance.

There is a distinct trend of increasing leniency across generations. The poll results show that 63% of today's [kids](#) 17 and younger are “always” given extra money when they asked for it, and 26% of children 17 and younger “sometimes” receive extra money when they ask.

However, older age groups indicated that their parents were much more strict when it came to receiving extra money. Only 12% of those 18 - 45 responded that they were “always” given extra money, 8% of 46 – 59 year olds, and 13% of those 60 and older.

Likewise, the number of those who were “never” allowed extra money steadily increases with age. Only 6% of the 17 and younger group reported “never” being allowed extra money, while that proportion jumped to 26% for the 60 and older group.

“We’re seeing a lot more leniency among parents today when it comes to providing extra money to their kids when they ask for it, and this easy money can create bad habits over time,” says Janie Schiltz, [Northwestern Mutual](#) director – life product, and parent of two. “Being disciplined with money early on is key to practicing good money habits later in life. [Parents](#) who say “no” – and explain why – will help their children better understand budgeting and prioritizing.”

### What do kids do with the extra dollars?

Parallel to the shift in leniency, the types of things that [kids](#) want extra money for also changed significantly across the generations.

Overall, the most commonly selected reason why kids today ask for extra money is to buy tickets to a movie/concert/sporting event (40%), followed by food/drink (24%) or to buy a toy/game/phone (19%). Only 15% answered that extra dollars are spent on school/educational purposes, and 1% wanted funds to give to or participate in a charitable effort.

These findings were especially evident in the 17 and younger group, where 58% of kids wanted extra money for tickets to a movie/concert/sporting event.

In contrast, among those 60 or older, 47% cited that extra money used to purchase an item for school or education purposes.

“Parents are becoming more lenient about giving out money to their kids, and it’s typically used to buy non-essential items,” says Schiltz. “As [parents](#), we need to be [teaching](#) our [kids](#) about responsible spending. This doesn’t mean never buying tickets or new toys. But it does mean curbing spontaneous spending behavior and helping kids understand the real value of each dollar, what they need to do to earn it and how to prioritize using it for spending, saving or investing.”

### Multimedia Links

[Chart: Today's parents almost always give in and provide extra dollars when kids ask](#)

[Chart: Most kids spend extra money on non-essentials like movies, concerts and sports tickets](#)

### About Themint.org Poll

From January through March 2011, visitors to the financial literacy Web site [Themint.org](#) were invited to answer two questions about their parents’ willingness to provide extra money beyond an allowance. A combined total of more than 1,164 respondents nationwide provided insight, and the results were then analyzed based on several demographic factors including the age and gender. This poll marks the thirteenth in an ongoing series of polls by [Themint.org](#), with the aim of bringing continued awareness to financial literacy issues. Poll results are archived on the site and can be viewed at <http://www.themint.org/polls>.

Launched in 1997, [Themint.org](#) is a collaboration between the [Northwestern Mutual Foundation](#), the charitable arm of Northwestern Mutual, and the [National Council on Economic Education](#) (NCEE). The site provides fun activities, games, challenges, quizzes and tests for students and [teens](#), helpful [tips for parents](#), and entertaining programs and [lesson plans](#) for [teachers](#) to promote financial literacy.

### About Northwestern Mutual and the Northwestern Mutual Foundation

The mission of the [Northwestern Mutual Foundation](#) is to build strong, vibrant communities that serve as a legacy to future

generations. The Foundation's giving is designed to create an impact on the communities where the company's employees and financial representatives live and work. In fiscal year 2010, the Foundation contributed more than \$15 million to nonprofit organizations across the country.

The [Northwestern Mutual Life Insurance Company](#) – Milwaukee, WI (Northwestern Mutual) – the “World's Most Admired” life insurance company in 2011 according to FORTUNE® magazine – has helped clients achieve financial security for more than 150 years. As a mutual company with \$1.2 trillion of [life insurance](#) protection in force, Northwestern Mutual seeks to share its gains with policyowners and deliver consistent and dependable value to clients over time. Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: [life insurance](#), [long-term care insurance](#), [disability insurance](#), [annuities](#), [investment products](#), and [advisory products and services](#). Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company; and [Russell Investments](#).

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=6662634&lang=en>

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