

## **Kids and Allowances: Who's Earning and How Much**

*1 in 4 Adults Never Learned About Money From Parents*

New York – June 12, 2019 – Just 40% of U.S. children under the age of 18 are receiving an allowance, according to a new survey by CreditCards.com. Parents report beginning to give their child an allowance at a median age of 8 years old. The median weekly amount that parents are paying out to their children is \$4.

<https://www.creditcards.com/credit-card-news/children-allowance-poll>

“Whether or not you choose to give your child an allowance is a personal decision, but you absolutely need to find ways to teach them about money,” says CreditCards.com Industry Analyst Ted Rossman. “The subject is woefully undertaught by most schools, and personal finance is a critical life skill. As early as preschool, I recommend talking to your kids about things like needs versus wants, where money comes from and the value of a dollar.”

Cash is, by far, the most common way that children receive their allowances (61%). 10% of parents pay via mobile payments (e.g., Venmo or Cash App), 10% use a direct bank transfer, 10% pay with a debit card (including a prepaid or gift card) and 9% pay using other means. Millennial parents are the most likely to give their kids an allowance through a mobile payments service (15%).

“I like the idea of paying an allowance digitally because cards and apps are how children will be transacting once they grow up,” Rossman added. “RoosterMoney, Greenlight, Current and goHenry are good examples of services that have been designed to teach kids about money with appropriate training wheels.”

### Additional findings:

- Children in higher-income households (\$80k/year and up) are more likely to receive an allowance (51%) versus those in households earning under \$40k/year (33%).
- 16 is the median age at which U.S. adults think it's appropriate for someone to begin working for money outside of the home.
- About a quarter (24%) of U.S. adults say they were never taught about money when they were children. Most U.S. adults learned about saving from their parents (65%), followed by spending (45%), giving (38%), borrowing (25%) and investing (22%).

### **Methodology:**

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,694 adults. Fieldwork was undertaken on May 15-17, 2019. The survey was carried out online and meets rigorous quality standards. It employed a nonprobability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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