

MEDIA RELEASE

Eastspring Study Reveals One in Four Asian Parents are Optimistic about Educating Children about Money

- *98% of parents in Malaysia agree that it is very important to teach their child how to use and manage money.*
- *Only 47% of Malaysian parents think they have been successful teachers and role models for their child.*
- *Malaysia's Money Parenting Confidence Index score is 0.67, slightly above the regional average of 0.65*

Malaysia (29 January 2021) – A major regional study conducted by Eastspring Investments (“Eastspring”), the USD 220 billion¹ Asian investment management arm of Prudential plc, found that three in four parents are unsure of their success in educating their children about money.

Eastspring's inaugural Money Parenting study (#MoneyParenting) surveyed 10,000 parents across nine Asian markets to explore how parents are educating their children about financial responsibility. The findings provide a comprehensive view on the perceptions, habits and knowledge among Asian parents about financial education, and how these attitudes and beliefs about finances are passed on to their children.

Over half (51%) of all parents surveyed said they didn't know if they have been successful teachers and role models for their offspring. At the same time, nearly all parents (95%) surveyed agreed it is very important to teach their children about how to use and manage money.

Indeed, nearly half (43%) of parents surveyed would like to improve their own financial knowledge to become a better role model and teacher. Many expressed an interest in tools to help them teach their children to use and manage money better, including mobile apps, TV programmes, websites and workshops they can attend with their child.

Eastspring developed a Money Parenting Confidence Index from the research, which shows an average confidence index of 0.65 among the nine Asian markets surveyed. The index ranges from 0.01 to 1.00 with a score of 1.00 revealing the parent is completely confident in teaching their child on money matters. Parents in Indonesia (0.73) and Thailand (0.71) are the most confident about the success of their money parenting efforts, whereas parents in Japan (0.5) and South Korea (0.59) recorded the lowest confidence.

Commenting on the results of the study, **Seck Wai-Kwong, Chief Executive Officer at Eastspring**, said: “Financial inclusion and literacy are key topics for us and we are passionate about educating the next generation so that our children understand the value of money and are able to make informed financial decisions to secure their future.

“As a leading asset manager in Asia, we recognise the responsibility we have to society and are firmly invested in the future of our clients and the communities in which we operate. We play a pivotal role in helping parents become better role models by empowering them with the knowledge, skills and tools to

¹ AUM as at 30 June 2020.

provide the best possible financial guidance and assistance to their children and for the generations to come.”

Key Malaysian findings

- 98% of parents in Malaysia agree that it is very important to teach their child how to use and manage money. This is higher than the regional average of 95%.
- Many parents are unsure if they are teaching their children successfully. Only 47% of Malaysian parents think they have been successful teachers and role models for their child.
- Malaysia’s Money Parenting Confidence Index score is 0.67, slightly above the regional average of 0.65
- Parents perceive many different outcomes from successful money parenting. More than half of Malaysian parents surveyed say the best outcome of money parenting is that ‘the child is debt free and has some savings’ when they enter adulthood
- 74% of Malaysian parents see the job of money parenting as being the responsibility of both the mother and the father
- **When to start** - The majority of parents begin teaching basic money management techniques when their child is at a fairly young age — 10 years and under for 67% of parents across the region and 83% in Malaysia. This is usually stimulated by the need to give children money when it becomes a ‘necessity’.
- Malaysian parents feel most comfortable seeking face to face help from those close to them: **63%** ask advice from knowledgeable friends or family members.
- Many Malaysians also turn to experts for more sophisticated or reliable assistance. **47%** ask their financial advisor, **34%** turn to their Life Insurance agent, and **33%** get bank assistance.

Raymond Tang, Chief Executive Officer of Eastspring Investments Berhad, said: “The economic uncertainty created by the COVID-19 pandemic means that now, more than ever, issues around financial security are uppermost in the minds of everyone. During these times, children are increasingly aware of the financial pressure on their families. Through this initiative, we believe parents will be better equipped to help the next generation make sensible financial choices, understand the essentials about money and live financially fit lives.”.

Drawing on the insights from this survey, Eastspring has developed a dedicated microsite to help parents learn more about money parenting. To facilitate conversations among parents about this important topic, Eastspring is planning to launch dedicated social media pages for parents to share their experiences, techniques and the tools they use in their money parenting journey.

The survey identified five main money parenting personas that parents can leverage to better understand their own parenting style. These include The Freestylers, The Facilitators, The Nurturers, The Go-getters, and The Balancers. Parents can then build their individual teaching techniques to deliver the best learning outcomes from their children.

Eastspring's Money Parenting study, together with the investor education portal 'Greenhouse', demonstrates the firm's commitment to empower parents and investors. These efforts complement other financial education activities undertaken by Prudential plc, including Cha-Ching that was introduced in 2009 to improve financial literacy in children.

Key Asian findings from the study include:

- Eastspring's Money Parenting Confidence Index reveals that parents in Indonesia (0.73), Thailand (0.71) and Vietnam (0.69) are the most confident about the success of their money parenting efforts in the region.
- Conversely, parents in Japan (0.5), South Korea (0.59) and Taiwan (0.61) recorded the lowest confidence, below the regional average of 0.65.
- 43% of parents surveyed want to learn more about money management so that they can be a better role model and teacher. Parents' teaching style is mainly influenced by their own experience and knowledge.
- 35% of parents want to know what other parents are doing to teach their children about money.
- 59% of parents see the job of money parenting as being the responsibility of both the mother and the father.
- In 25% of households, the mother takes a lead role and in just 12% it is mainly the job of the father.
- Very few households 'outsource' the job of money parenting to someone else.
- The majority of parents begin teaching basic money management techniques when their child is at a fairly young age.
- 37% of parents believe children should start to learn how to use money when they are under six years of age.
- 30% believe a child should begin to manage money when they are between seven and 10 years old.
- 14% believe children should start to learn how to use money when they are between 11 and 12 years old.

To download Eastspring's Money Parenting report, please visit:
www.money-parenting.com

-end-

About Eastspring Investments:

Eastspring Investments is a leading Asia-based asset manager that manages over USD 220 billion (as at 30 June 2020) of assets on behalf of institutional and retail clients. Operating in Asia since 1994, Eastspring Investments is the Asian asset management business of Prudential plc, an international financial services group, and has one of the widest footprints across the region*. We provide investment solutions across a broad range of asset classes including equities, fixed income, multi asset solutions, quantitative and alternatives and are committed to delivering high quality investment outcomes for our clients over the long term. Eastspring Investments is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a voluntary program which encourages best practice in environmental, social and corporate governance issues.

For more information on Eastspring Investments, please visit: www.eastspring.com

About Eastspring Investments Berhad

Established in 2000 and based in Kuala Lumpur, Eastspring Investments Berhad is part of Prudential Corporation Asia, the Asia business of Prudential plc of the United Kingdom. The Prudential Group has been investing in Asia since 1863.



Eastspring Investments Berhad 200001028634 (531241-U)
Level 22, Menara Prudential
Persiaran TRX Barat
55188 Tun Razak Exchange, Kuala Lumpur

T: (603) 2778 3888
eastspring.com/my

Eastspring Investments Berhad is one of the largest asset management companies in Malaysia in both institutional and retail, with about RM 48 billion of assets under management (“AUM”) as at 30 June 2020.

*Eastspring Investments (excluding JV companies) companies are ultimately wholly-owned / indirect subsidiaries / associate of Prudential plc of the United Kingdom. Eastspring Investments companies (including JV's) and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

Media Enquiries:

Judy Yap

Head of Strategic Brand
Management and
Communications

Eastspring Investments Berhad

Judy.yap@eastspring.com

Mobile: +6012-2877410