

#MoneyParenting

Do it right together

Insights into how parents in Asia are
teaching their children about money

SINGAPORE EDITION 2020



About Eastspring Investments



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Eastspring Investments, part of Prudential plc, offers innovative investment solutions to meet the financial needs of clients. Over the last 25 years, we have built an unparalleled on-the-ground presence in 11 Asian markets as well as distribution offices in North America and Europe.

We are firmly invested in the future of our clients and the communities in which we operate. At the heart of **Eastspring** is our shared purpose and this guides everything we do.

**Experts in Asia.
Invested in Your Future.**

Financial education and inclusion are key topics for us, so it came naturally that

we wanted to know more about a key concern of parents which is the financial education of their children. Parents want their children to value money, understand how it is earned, appreciate its uses, and be prepared for the future.

However, many parents are not sure that they are teaching their children correctly, and would like to understand what others are doing, and what are the best techniques and tools available. So, as a leading asset manager in Asia we looked much deeper into this topic...

This research was prepared in cooperation with **Dr Mansur Khamitov** (PhD, MBA), Professor of Marketing and Consumer Behaviour, Nanyang Business School Singapore and **Duxton Consulting Group**.



Our research shows that money parenting is a responsibility that is already taken very seriously in Singapore. As part of our long-term social commitment to investing in the futures of the communities in which we live and operate, we have developed a dedicated range of resources to further empower and connect parents as they navigate this important aspect of parenthood and educate future generations.

Boon Peng Ooi, CFA Chief Executive Officer,
Singapore Head of Investment Strategies

What is Money Parenting?

'Money Parenting' is the process of educating children on the financial and social responsibilities that come with money.

In this process, parents pass on their attitudes and beliefs about finances to children in the hope that this will have a positive effect on their financial behaviours and outcomes.

Eastspring wants to help parents become better role models, and provide them with the knowledge, skills, and tools to effectively teach their children about money and plan for their future.

As a first step we conducted **qualitative & quantitative research among 10,000 parents in 9 Asian markets through the Asia Money Parenting survey.**



95%
of parents across the region and in Singapore agree that it is very important to teach their child how to use and manage money

But parents have so many questions:



What is the best age to start teaching my child?



What are the best techniques and tools?



What are other parents doing?



What should my goals be?



How will I know if I have been successful?



Part 1: The Problem

Many parents are unsure if they are teaching their children successfully

48%

of Singaporean parents don't know if they have been successful teachers and role models for their child

There are no clear benchmarks or metrics that parents can use to calculate the effectiveness of their money parenting efforts.

So only about a quarter of parents across the region and in Singapore are convinced that they have done a good job teaching their child about money management.

Another quarter said they thought they had probably done a good job.

Money Parenting Confidence Index

Eastspring applied the research data and combined different elements to develop a Money Parenting Confidence Index, to find out how confident parents are about the success of their money parenting efforts.

The Confidence Index ranges from 0.01 to 1.00; a score of 1.00 means the parent is completely confident.

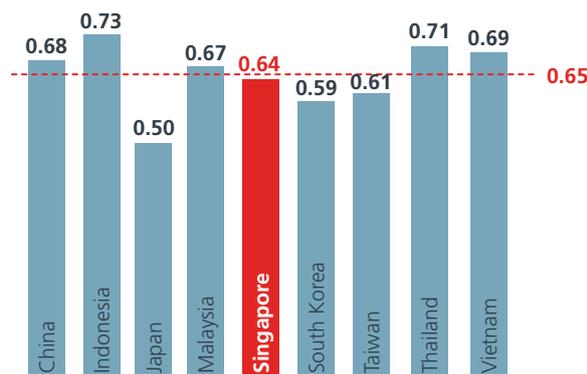
The average Confidence Index across Asia was

0.65



The Money Parenting Confidence Index varied by country, but Singapore was almost exactly on the regional average at 0.64.

Fig. 1: Money Parenting Confidence Index by Country



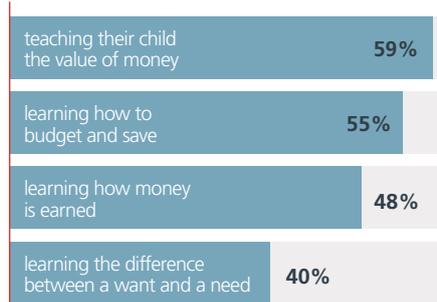
Why are parents not sure of their Money Parenting success?

The perceived goals of Money Parenting are very diverse.

When asked about the goals of money parenting, **59%** of parents surveyed across Asia said they see it as *'teaching their child the value of money'*.

However, in Singapore, **55%** of parents said it was also about their child *'learning how to budget and save'*, and **48%** said *'My child learns that money needs to be earned'* is a key outcome of Money Parenting.

'Learning the difference between a want and a need' was also seen as important by **40%** of Singapore parents.



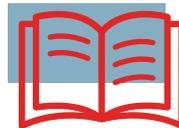
Parents perceive many different outcomes from successful Money Parenting.

57% of Singaporean parents surveyed said the best outcome of Money Parenting is that *'the child is debt free and has some savings'* when they enter adulthood.

Many parents in Asia and Singapore also said that *'enabling their child to have a happy and secure family life'* is a key outcome.

Yet other parents believe that the most important outcome is to *'teach their child how to grow money'*, or to *'plan ahead for retirement'*.

With various desired goals and outcomes, parents are unsure about how to achieve successful Money Parenting.



29%

of parents want to learn more about financial management

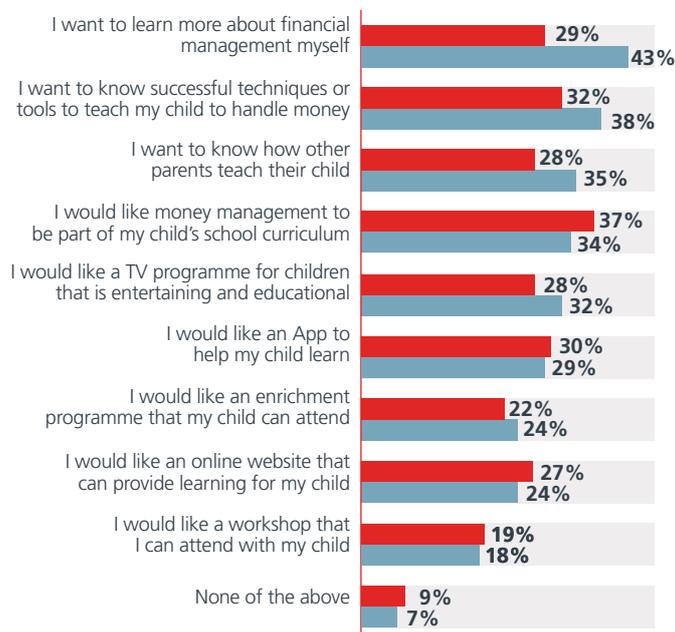
When asked by **Eastspring** what help they want in order to teach their child how to use and manage money better, **43%** of parents across Asia and **29%** in Singapore said *'I want to learn more about financial management myself'*. Improving their own knowledge would enable them to be a better role model and teacher.

However, Singaporean parents are keener on formal instruction and useful tips and tools. **37%** said *'I would like money management to be part of my school's curriculum'*, **32%** want *'Techniques or tools to teach my child'*, and more than a quarter of parents would like the assistance of a TV programme or online website.

But many parents also wanted tools to help them teach their children such as a TV programme, a mobile app, an informative website, and even workshops to attend.

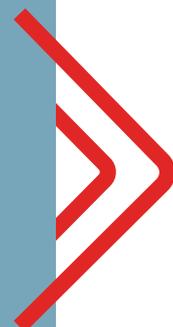
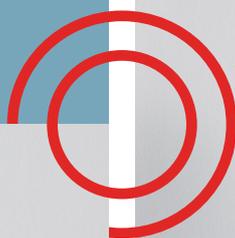
Fig. 2: What can help parents teach their child to use & manage money better

■ Singaporean parents
■ Parents across the region



48%

of Singaporean parents don't know if they have been successful teachers and role models for their child





Part 2: How Money Parenting is delivered



The majority of parents believe Money Parenting is a joint responsibility.



63% of parents in Singapore see the job of money parenting as being the responsibility of both the mother and the father

That is the case with the majority of Asia (59%), but in some households, individual parents take the teaching lead. In Singapore, the mother takes a lead role in 22% of households, and in just 10% it is the job of the father.

Very few households 'outsource' the job of money parenting to someone else.

When to start Money Parenting

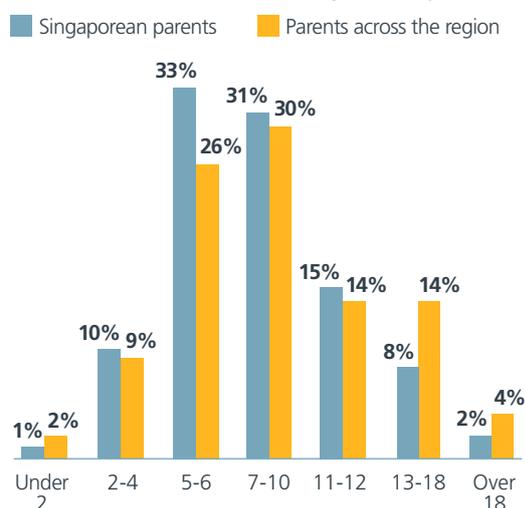
The majority of parents begin teaching basic money management techniques when their child is at a fairly young age — 10 years and under for 67% of parents across the region, and 75% in Singapore. This is usually stimulated by the need to give children money when it becomes a 'necessity'.

Real money parenting therefore usually coincides with the early years of schooling when a child is between 5 and 10 years of age. An age when children have learnt to count, read, and can recognise different denominations of coins and notes. Equally, it is an age when the child can learn values and responsibility.

44% of Singaporean parents believe children should start to learn how to use money when they are under 6 years of age.

And another 31% believe a child should begin to manage money when they are between 7 and 10 years old.

Fig. 3: The age a child should start learning about how to use and manage money (years)





Source of money and use of money

Children in **81%** of Singapore households receive pocket money from their parents.

Most children also acquire money via gifts from family or friends.

42% of Singapore children also make money from doing household tasks or have part time jobs. Learning the value of money by equating it to the work done.

When it comes to teaching the responsible use of money, most parents focus on providing guidance and advice to their children, and leave the rest of their education to be supplemented by real life experience.

Few parents exercise strict control over their child’s spending, and at the other extreme, very few show no interest at all in what their child does with their money.

Money Parenting knowledge and tactics

Most parents acknowledge their own lack of financial knowledge. Some even admit to being embarrassed about it.

To set an example for their child, most parents demonstrate high self-control over their own finances and spend, plan, and budget carefully.

They also focus money parenting efforts on money management and financial security.

74% of Singaporean parents surveyed have opened a savings account for the child. **53%** of Singapore homes have a Life Insurance policy to protect the family. And many have purchased other investment products like stocks and bonds for their child.

Getting help

Parents turn to a wide range of sources for help or advice with Money Parenting.

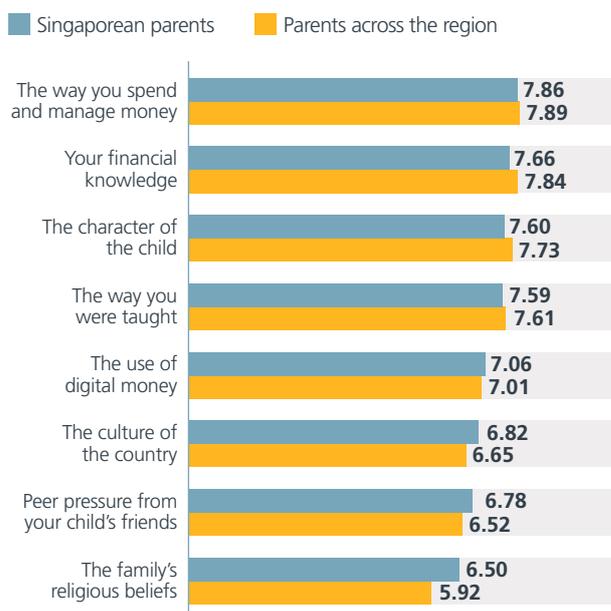
Singaporeans feel most comfortable seeking help from experts who can offer sophisticated or reliable assistance and advice. **48%** ask their financial advisor, **35%** turn to their Life Insurance agent, and **23%** get bank assistance.

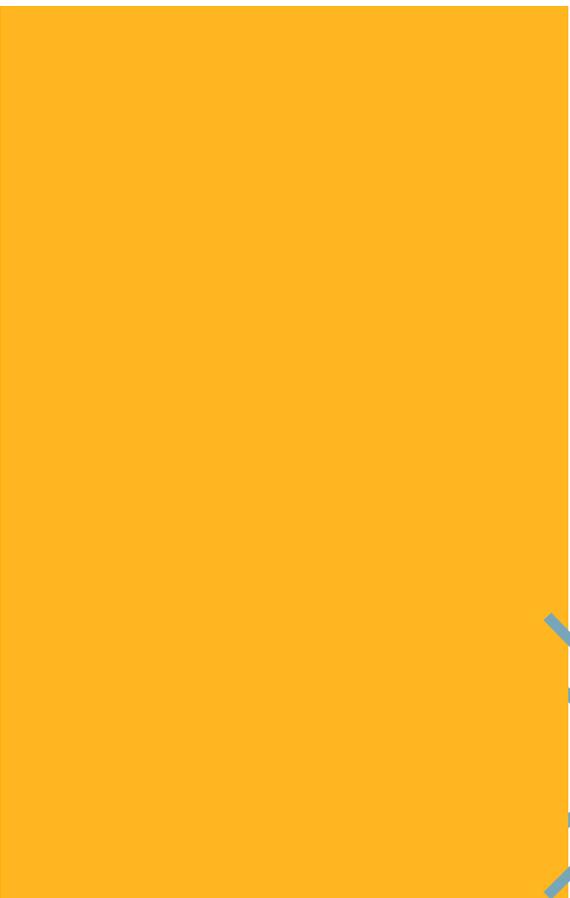
Singaporean parents are also happy to ask advice from those close to them: **43%** consult with knowledgeable family members. But only **11%** ask their parents-in-law.

Online search is also a channel for advice for **29%** of Singaporean parents, though this is much lower than the regional average.

Parents’ teaching styles are mainly influenced by their own experiences and knowledge.

Fig. 4: Factors that influence the way a child learns to use and manage money
Scale: 0 (Not at all) -10 (Very much)







Part 3: Improving Money Parenting skills

The three main questions that parents want answered

1

What style of Money Parenting works best for me?

No single style of Money Parenting works for all. Every parent should understand their own parenting style and from there, build their teaching techniques.

The Asia Money Parenting survey identified **5** money parenting personas that we call:

The Freestylers, The Facilitators, The Nurturers, The Go-getters, The Balancers.

These profiles are based on:

- ▶ parents who want to be 'hands on' and actively teach their child, versus those who believe a child can best learn through their own experience;
- ▶ those who see Money Parenting as very important versus those who see it as less so;
- ▶ parents who believe they have sufficient financial knowledge to teach their child, versus those who do not;
- ▶ those who see themselves as successful teachers, versus those who do not.

The techniques a parent can use to best deliver Money Parenting depend a great deal on their individual persona. If you would like to find out what persona you are and the techniques that may work for you [click here](#).



2

What are other parents doing?

Parents want to know more about the experiences of other parents who are successful financial teachers of their children.

**What are they doing?
What techniques and tools have worked best for them?**

35%
of parents want to know what other parents are doing to teach their children

If you would like to find out what other parents are doing, or share your own ideas please visit our website at money-parenting.com

3

How can I become a better teacher of money management?

The most important responsibility of a teacher is to know the subject being taught.

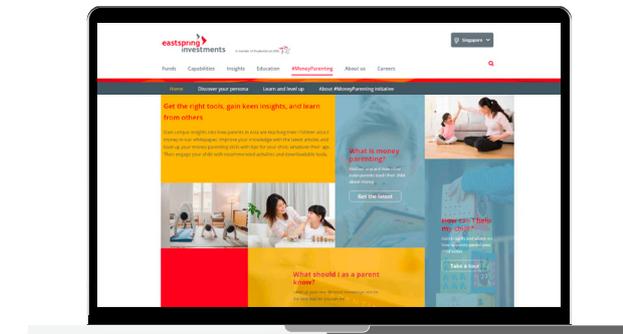
Parents recognise this and want to improve their own financial knowledge.

They want to be confident that the lessons and advice they give are correct, and can deliver the best outcome for their child.

43%
of parents want to learn more about money management themselves

Parents can improve their own financial knowledge and learn more about money parenting at the same time when they visit the **Eastspring Money Parenting microsite**.

Begin your money parenting journey now.





The topic of financial parenting and financial socialisation is a crucial one from an individual, family and societal standpoint. As a researcher and educator studying parental financial involvement as well as a parent of two myself, I cannot emphasise enough the importance of developments in this area. To that end, teaming up with Eastspring has been a welcome and productive undertaking.

— Dr Mansur Khamitov (PhD, MBA), Professor of Marketing and Consumer Behaviour, Nanyang Business School Singapore (NTU) and a Vice-Chair of American Marketing Association's CBSIG





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