

Ticklish topics for every parent: Sex, drugs — and finances?

Survey reveals grown-ups not acting like it when it comes to counseling kids on money; children tend to ask Mom

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Male titans of Wall Street take note: Your kids are going to mom first about money questions, a survey from T. Rowe Price Group Inc. said.

About 54 percent of children said they go to their moms first on money issues compared with about 40 percent who said they ask dad, according to the survey of children age 8 to age 14 and parents released today.

Parents said talking to their kids about finances and investing is more difficult than a discussion about bullying or drugs. The survey also found it was easier talking about finances than puberty or sex.

“You don't have to tell your child what your salary is to have a conversation about money,” said Stuart Ritter, a senior financial planner for Baltimore-based mutual-fund provider T. Rowe Price. “Your kids are learning whether you're talking to them or not.”

About three-quarters of parents said they're not always honest with their children about their finances, with 43 percent saying they haven't told the truth about how worried they

are about money and 32 percent telling children they can't afford something when they actually can.

More parents think it's likely a cure for cancer will be developed or that life exists on other planets than think that Social Security, in its current form, will be available by the time either they or their children retire, the survey found.

"I think parents are trying to be realistic about what expectations they should have and their kids should have," Ritter said.

Money and Allowances

About 46 percent of parents said they don't always agree on money, with 42 percent of kids reporting their parents don't always agree. Kids said they would like their parents to talk to them more about saving, and how to make money and allowances, compared with other issues.

"My six-year-old the other day told me, 'Dad, I want a credit card,'" Ritter said. "And I said, 'Well why do you want a credit card?' And she said, 'Because if you have a credit card you can walk into a store and buy anything you want.'"

T. Rowe Price hired San Francisco-based market-research firm MarketTools Inc. to survey 1,008 parents and 837 children during February. About 58 percent of the parents reported their annual household income was from \$25,000 to \$99,999, with 7 percent earning \$150,000 or more. The results were released in recognition of Financial Literacy Month in April.

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