



To: General News/Education News Editors

More than One out of Four Parents Say They Need Help Teaching their Children Financial Responsibility

Many fear poverty, financial victimization of children

(Hong Kong, 8 February 2007) — A large minority of Hong Kong parents (37%) believe they are incapable of teaching their children good money habits but the majority of them (88%) do so anyway, according to a new survey by the Hong Kong Institute of CPAs.

Most parents (85%) say they understand money and finance and most parents (87%) say they are their children's primary source for learning about money, but nearly 70 percent say they still need help teaching their kids.

Most parents worry that if they don't teach their children good money habits, they will be poor as adults (69%) and many (56%) worry their children will be victims of financial fraud.

The survey, conducted for the Institute by market research firm Cimigo, asked 300 parents of children aged six to 12 about their abilities and opinions concerning their children's financial education. The sample population mirrored closely the demographics from Hong Kong's last census.

"Based on the survey results, it's obvious there's a difference between understanding financial responsibility and teaching financial responsibility," says Winnie C.W. Cheung, chief executive of the Hong Kong Institute of CPAs. "This is the reason we started our 'Rich Kid, Poor Kid' programme. As accountants we have something to give to the community by supporting parents and schools in teaching the basics of money management to kids."

More than half (56%) of the group who say they need help teaching their kids about money haven't bought books or teaching aids that would help their kids learn.

Not surprisingly, more parents with lower household incomes (less than \$10,000 per month) say they are not confident about their ability to teach good money habits to children (88%) and of this group, 23 percent say they do not understand finance and money compared to only 14 percent of all survey respondents.

Besides themselves as parents, 40 percent of those polled say their children learn about money from school and 12 percent say they learn it from television. Other sources are friends (6%), shopping (6%), other children in the family (4%) and other relatives (4%).

Healthy attitudes

The parents in the survey group say they have encouraged their children to have healthy attitudes towards money by encouraging them to give to charity (95%) or to save (94%), but fewer parents have encouraged their kids to compare prices (69%).

Parents also say they use money to change their children's behavior. About one-third say they've withheld money to discipline their children and one in five has given their children money for getting good grades. Most parents (52%) give their kids money above and beyond their allowances when their children want something.

Boys (58%) are more likely to get extra money from their parents than are girls (45%).

"The concept of using money as a carrot and a stick is particularly relevant to Hong Kong parents as it is a common practice," says Susanna Chiu, a council member. "The pros and cons of doing so are discussed in the Institute's book for parents, *How to Raise a Money-Wise Child*."

Generational divide

The prevailing opinion of most parents queried (72%) is that kids today have access to too much money and of those people, most believe this is bad news for Hong Kong. They say easy access to money will impede the younger generation's success (89%) and two-thirds say their children's generation will not be as successful as their own. They also say easy money makes money lessons more difficult to teach (83%).

Interestingly, these parents did not think their own children had too much money (80%).

This follows the recent news from the UN's World Institute for Development Economics Research that Hong Kong people have the highest individual net worth in the world at US\$202,000, outpacing Luxembourg, Switzerland, the U.S., Bermuda and China.

While most surveyed parents (86%) expect to support their own parents when they retire, they don't think (48%) their children will support them in their old age. In addition, some of parents of young children (32%) worry that if their kids don't learn good money habits, they won't earn enough money to help them when they are older.

Most of the people polled (72%) believe a shift is happening. They say most people in their generation will support their parents but when it comes to retirement, they don't expect their children's generation to help them.

"This shift is significant because family is such a priority in Chinese society," says Cheung. "For generations, the expectation was that parents could expect financial and emotional support from their children in their old age. This shift will test family ties and expectations."

Income divide

When asked if their children would suffer socially if their children have less money than their peers, most parents weren't worried (81%). However, 40 percent of parents with income under \$10,000 per month say they worry about this,

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Editors notes: The "Rich Kid, Poor Kid" programme from the Hong Kong Institute of CPAs consists of road shows to secondary schools and story telling sessions at primary schools based on the Institute's storybook *May Moon and the Secrets of the CPAs* with its companion volume for parents, *How to Raise a Money-Wise Child*. It is part of an Institute initiative to help families better manage money.

Cimigo carried out the research for the Hong Kong Institute of CPAs in December 2006. Professional interviewers conducted face to face interviews with 300 parents in prominent shopping locations. The sample was half male and half female parents mostly between the ages of 30 to 50 (90%).

About Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorised by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 26,000 members and over 10,000 registered students. Members of the Institute are entitled to the description *Certified Public Accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate Qualification Programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

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