

Weak Economy Hits Kids' Pocket Money (20th September, 2010)

Children in Britain are feeling the effects of the recession. The weak economy is hitting them where it hurts most – their pockets. A new survey has shown that the weekly money that children receive from their parents is at a seven-year low. The report, from the Halifax Bank, indicates the allowance kids get from their parents is now 30 per cent lower than it was in 2003. Today, children between the ages of eight and 15 receive an average of £5.89 (\$9.20). This compares unfavourably with the £8.37 (\$13.07) they were getting five years ago, when pocket money levels peaked. The report also showed that girls were worse off than boys. Boys still receive more money than girls, but the gender gap in spending money has closed considerably compared with previous years.

Children seem to be coping well with their worsening economic conditions. The Halifax Bank says children are managing to put money away for a rainy day. Flavia Umana, head of savings products at Halifax, told the BBC: "It is encouraging to see that children are still saving, despite the amount of pocket money falling." Ms Umana added: "Teaching children how to manage their own pocket money is a great first step to building good financial awareness in our youngsters." British kids said they were finding it hard to make ends meet. Alec Flynn, 14, from London spoke about how tough he found stretching his pocket money: "It's not easy trying to budget on so little money. I only get £5 a week from my parents; it takes me three months to save up for a computer game."

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