



Expenditure Pattern Of Pocket Money On Children

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ABSTRACT:

Pocket money is an important factor in students' lifestyles, as it significantly influences their social interactions and status among peers within educational institutions. A review of research papers focusing on the expenditure patterns of pocket money among children aged 6–16 years was conducted. The studies carried out in India, Ghana, the United States, and France during the period 1999–2021 were analyzed. The results revealed that family environment, peer influence, gender, and self-control have a positive and significant effect on the management of pocket money among students. Furthermore, the proportion of children receiving pocket money increases steadily with age.

Key words: Expenditure, Pocket, Money and Children

INTRODUCTION

Pocket money can be defined as a small amount of money given by parents to their children, usually on a regular basis, to meet their personal expenses. In recent years, pocket money has emerged as an important determinant of students' lifestyles, particularly influencing their social interactions and status among peers within educational institutions. The amount of pocket money received often shapes children's consumption patterns, decision-making abilities, and overall behavioural development. The trend of providing pocket money to school-going children has been steadily increasing. This rise is associated with changing family structures, increased purchasing power, and greater awareness among parents regarding financial independence for children. However, the accessibility of pocket money also has direct implications on children's habits, particularly their eating behaviour, which may lead to adverse consequences such as poor nutritional choices and negative effects on oral hygiene.

The distribution of pocket money varies widely among children and is influenced by several factors such as family income, socio-economic status, parental attitudes, and the age of the child. Children from higher-income families tend to receive more pocket money compared to those from economically

weaker sections, thereby creating differences in spending patterns and lifestyle choices. Previous studies, including those by Furnham (1999), have highlighted the role of pocket money in shaping financial behaviour and responsibility among children.

Pocket money also serves as an early tool for financial socialization. It helps children understand essential economic concepts such as spending, saving, and budgeting. When guided appropriately, children learn that money is limited, needs to be managed wisely, and cannot be spent all at once. It also introduces them to the value of saving for future needs and understanding the effort involved in earning money.

Furthermore, the amount of pocket money given and the expectations associated with it often depend on family circumstances, including household budget, children's age, and responsibilities such as contributing to household chores or managing personal expenses like school lunches, transportation, and recreational activities. As children grow older, they are gradually given more financial responsibility, enabling them to develop independence and better money management skills.

In addition, parental guidance plays a crucial role in ensuring that pocket money is used effectively. Establishing clear guidelines regarding spending, saving, and sharing can help children develop disciplined financial habits. Thus, pocket money not only fulfills children's immediate needs but also acts as a foundation for developing responsible financial behaviour, making it a significant aspect of child development and lifestyle formation.

Methodology:

The study followed a systematic review design, aiming to collect, analyze, and synthesize findings from previously published research. This approach helped in understanding trends and variations in children's pocket money expenditure over time.

Selection of Studies

A total of 10 research articles published between 1999 and 2021 were selected for the review. The studies were chosen based on their relevance to children's financial behavior, spending habits, and pocket money utilization.

Sl no	Author	year	Methodology	Results
1	Christine B V and François C W.	2008	The relationship between the provision of parental pocket and the level of effort undertaken by the child at school In France. Sample size including about 1,400 parent-child pairs extensive household questionnaire on family composition, and the household's characteristics, including family income.	Results found that, more than one-half of the children receive regularly pocket money from their parents (58%) of pupils get regular allowances, the proportion being slightly higher for postsecondary pupils (65.5%) than for secondary ones (53.1%). The proportion of children receiving pocket money increases steadily as they grow up 50% at the age of 11 years, (57%) at 13 years, 63% at 15 years, 70% at 16 years.
2	Christine B V and François C W.	2001	Motives for pocket money allowance and family incentives in france. Sample size was 1200. Extensive household questionnaire on family composition and the household's characteristics, including family income.	Result show that, half of the children between age of 6 and 10 receive some money, and this proportion grows steadily until the age of 17, at which more than 85% of the youth get an allowance. This remains the same until the age of 25. result of the interference of two phenomena: needs increase with age, but as they grow up, some children become financially self-sufficient. After a given age, if children are still supported by their parents, they get a relatively high amount of cash.
3	Rendika <i>et al.</i>	2018	Management of students' pocket money directly and indirectly in Air Tawar Padang City. using proportionate stratified random sampling technique in the Sample of 344 students The questionnaire includes four sections referring to 17 indicators (see appendix).	Result found that, the family environment, peers, gender and self-control have positive and significant effect on the management of students in Padang City.

			Questionnaires were submitted to respondents for answers based on Likert scale (1) - (5) and nominal scale (1) for female students and (0) for male students.	
4	Iqra M and Anam J	2018	Daily pocket money amount of the students and identification of different factors effecting on their pocket money (different factors like age, family income, qualification, expenditure on transportation, shopping, having meal on restaurant, amount spend on their food, basic necessities and luxuries from their pocket money has been used). Average pocket money of students has been analyzed as 149.304 rupee per day by taking 500 observations from different institutions by using questionnaire survey through purposive sampling from district Multan.	Result found that, most of the students belong to a family of having income between 25 to 40 thousand rupees also the students were spending most of their pocket money on education and sometimes mostly students are able to save their money after spending.
5	Manisha <i>et al.</i>	2020	The relationship between pocket money trend and dental caries in school going children. A questionnaire based cross sectional study was carried	A strong positive correlation ($r=0.9925$) was seen between pocket money and caries. The results showed that 89% of

			among 200 school children of age 8 to 13 from two selected urban area schools of Ahmedabad.	children received pocket money among which 63% children had dental caries.
6	Sayani R	2018	cluster randomized experiment in Ghana Sample 3,623 pairs of youth and a parent or other adult caregiver. DV: money management scale ($\alpha = .80$), Parent financial socialization observed via non-standardized, single item measure MMS=self-reported behaviour was used to collect the information.	Results showed that, parent financial socialization, earned income, & financial education predicted youth financial capability consistently across models/samples, Youth financial capability interventions in SSA might include parents & link efforts to earned income.
7	Feather T N	1991	This study was concerned with relations among parents' beliefs, values and practices in regard to the allocation of pocket money to their children. Mothers and fathers in 133 Adelaide families provided information about the pocket money allowance they gave to each child in their family and they completed items designed to measure the importance of various possible reasons for their allocations (family concern, independence training, child's needs), as well as items that assessed value dimensions (work ethic, social welfare, compassion).	Result found that, the amount of pocket money provided was positively related to both the age of the child and to the importance of family concern reasons. Parents saw independence training and meeting the child's needs as more important reasons for older children and mothers emphasized children's needs more than fathers.
8	Adrian Furnham	2001	Parental attitudes to pocket money/allowances for children, sample size was 500 children. Questionnaire on their attitudes to, and behaviour concerning, pocket-money allowances for their children. This study focused, through multiple regressions, on the	Results indicated that, most parents (88.4%) were in favour of pocket-money schemes; they should begin around 6 years-old, there is a near-linear relationship between child's age and amount received that saving should be encouraged but that borrowing and lending from other children discouraged.

			demographic and psychographic predictors of specific attitude	They clearly approved of the establishment of clear rules around pocket money (when received, what to do when it ran out).
9	Adrian Furnham	1999	Economic socialization: A study of adults' perceptions and uses of allowances (pocket money) to educate children. 400 British adults completed a questionnaire concerning their attitudes towards, and behaviour concerning, allowances (pocket money) to children and adolescents. Two questions are addressed: the relationship between various beliefs about the use of pocket money, and the extent to which viewpoints are widely shared or vary with parental demography.	Results, most parents (91%) were in favour of starting some weekly-based system by 6 years old, with the amount of money increasing in an S shape over time. The greatest increase was found to occur between 7 and 10 years, and the least between 15 and 18 years. Around three-quarters of the sample believed that allowances should be given weekly, and that children should be encouraged to save and take on a part-time job.
10	Alan Lewis and Adrian J. Scott	2000	The Economic Awareness, Knowledge and Pocket Money Practices of a Sample of UK Adolescents: A Study of Economic Socialisation and Economic Psychology 179 male and female UK adolescents in full-time education, aged 16-18, answered open-ended questions about basic economics and closed questions about pocket money practices;	The results suggest that greater education in economic competency is required. Pocket money practices may indeed have an influence on economic socialisation as those who received pocket money regularly during childhood were economically more competent at the age of 16-18. Adolescents in wealthier, middle class homes were more likely to receive pocket money regularly; payments to boys were more regular than to girls.

Conclusion:

The review of literature clearly shows that pocket money plays an important role in shaping children's financial behaviour, lifestyle. The proportion of children receiving pocket money and the amount given

tend to increase with age, reflecting growing needs and greater independence. Parents generally consider pocket money as a means to teach responsibility, independence, and basic money management skills. It also contributes to the development of economic awareness and financial competence during adolescence. Factors such as family income, parental attitudes, and socio-economic background significantly influence the distribution and usage of pocket money among children.

At the same time, pocket money has both positive and negative implications on children's behaviour. While it helps in improving money management skills, savings habits, and financial decision-making, it may also lead to unnecessary or unhealthy spending patterns if not properly guided. Children often spend on education as well as leisure and food-related activities, which can sometimes affect their health and well-being. Therefore, proper parental supervision, guidance, and the development of self-control are essential to ensure that pocket money is used effectively as a learning tool rather than leading to undesirable outcomes.

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