

750m in the youth bank

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By Roger Tredre and Children's Express

Despite what many parents suspect about their children, money does not make them a spend, spend, spend generation.

It doesn't all go on sweets and toys - children are more careful with their money than adults might give them credit for, according to a nationwide survey commissioned by the Observer and Short Change, the BBC TV children's programme. I've heard stories about teenagers being able to run up debts because banks have given them overdraft facilities. That's madness.

The overwhelming majority of children interviewed said they tried to save money: 86 per cent, compared to 14 per cent who prefer to spend every penny they get. Sixty per cent of those aged seven to 14 have some form of savings account. As much as 750 million is in bank accounts, with a further 57m in savings at home.

Of those with accounts, the average sum saved is 199. Children who keep their money at home in a piggy bank have saved an average of 9.

What are they saving up for? Presents came top of the list, with one in three children putting aside money for Christmas or birthday gifts, and one in five were saving for a holiday. But children also save for shopping sprees, with clothes, computer games and compact discs their most coveted items.

However, they are concerned about their treatment by banks. I use banks, admits 15-year-old Pete Campbell from Bow, east London, but the whole business bothers me. I've heard stories about teenagers being able to run up debts because banks have given them overdraft facilities. That's madness.

Worry over debt is shared by Toni Jennings, 13, from Hackney, east London, who believes that, without training, most children are ill-equipped to deal with debt. Children who get into trouble with money do not fully understand the problem, she said. Banks say an overdraft by a child is not the business of the parent, but parents are the ones who pay it off. That's a double standard.

The Children's Express panel believed that young people would benefit from proper instruction in how to run their accounts and make financial decisions, particularly over issues such as charges for the use of cash machines not owned by their own bank or building society.

Kathleen Dawes, 13, from London, believes that not enough time is spent by banks teaching young people how to save. She thinks there is too much emphasis on pulling in new young savers, whatever the cost. Banks should perhaps spend money on teaching kids how to save theirs - instead of supplying record tokens.

Kathleen was also concerned that banks should inform their customers about where their money was invested. A bank should tell you everything, she said. There's a lot of money possessed by children. I can see why they wouldn't want you to know that they've invested in something that isn't popular, even if it means their customers get a good rate.

About the team

The editor of this discussion was Pete Campbell, 15, assisted by editor Sonia Dance, 14, with reporters Toni Jennings, 13, and Kathleen Dawes, 13.

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