

## Young Canadians want mom and dad to be financial role models: CICA survey

**TORONTO, September 28, 2011** – A national survey for the Canadian Institute of Chartered Accountants (CICA) finds that parents who are most successful at teaching money management skills familiarize their children with the family's financial situation.

The “CICA Youth Financial Literacy Study 2011”, conducted by Harris/Decima, measured the financial literacy of Canadians aged 16-22. Nine-in-ten respondents (93 per cent) believe that parents should be good role models for responsible financial decisions and 83 per cent have approached their parents for advice about money management.

“Being open and transparent about money matters is a key element to opening doors of conversation, producing a higher level of trust and helping youth develop their own financial goals,” says Kevin Dancey, president and CEO, CICA.

Of the 78 per cent of respondents who are familiar with their parents' financial situation, the majority (83 per cent) believe that knowledge has helped them establish their own money management goals. Those familiar with their parents' financial situation are more likely to say they have both been approached and have approached their parents for advice.

Overall, seven-in-ten respondents are optimistic about their financial future (23 per cent very optimistic and 46 per cent optimistic), however, only 47 per cent believe they will be more prosperous than their parents.

The survey suggests that there is plenty of room for improvement when it comes to financial literacy among youth. Fewer than half surveyed are very confident in their ability to develop a budget (36 per cent); stick to a budget (33 per cent); limit spending (39 per cent) or use credit cards responsibly (48 per cent). In fact:

- Only 43% of respondents have a budget
- Only 52% of respondents track their spending
- More than one quarter (27 per cent) of the youth surveyed say they do not limit their spending
- Half (54 per cent) of those surveyed have a credit card and 22 per cent carry a balance

The survey also found that teenage girls and young women tend to be more cautious:

- Females are more likely to worry about money (62 per cent) than males (49 per cent); females also tend to be significantly less optimistic about their financial future (64 per cent) versus 74 per cent for males.

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About a third of the youth surveyed (38 per cent) believe their parents have been very successful in teaching them about money. Those results echo the findings of the CICA's "Canadian Finance Study 2010" that surveyed parents. It found that 78 per cent of Canadian parents had attempted to teach their children financial management skills, but two-thirds (60 per cent) believed they were not very successful.

The CICA will publish a new tool titled "A Parent's Guide to Raising Money Smart Kids" later this fall.

"Teaching money management is an important facet of parenthood," says Dancey. "Learning about financial matters helps both children and youth develop the knowledge, values and discipline needed to make life's important financial decisions. It is best to start when the children are young and then get progressively more advanced as they get older."

The vast majority of youth surveyed (89 per cent) believe that responsible money management teachings lie largely in the hands of parents. Educators are next with 24 per cent of respondents referencing them, followed by the financial services sector and banks (16 per cent) and government (13 per cent).

The "CICA Youth Financial Literacy Study 2011" was conducted online using Harris/Decima's online panel. A total of 1,209 completed surveys were collected from a random sample of 16-22 year old panel members across Canada from July 20th to August 4th, 2011. The data was weighted by region, age, and gender to make the study representative of the Canadian population.

A survey summary report is available online at [www.cica.ca/yflstudy2011](http://www.cica.ca/yflstudy2011).

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