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Count on us! Children's economy - a learning project

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Swedish children's everyday life economy

Children's scope of action in terms of the economy is highly restricted but does this mean that they lack understanding of economic issues? In everyday life children take some part in economic relationships, negotiate economic terms and face economic values and norms. They are shopping, borrowing, saving and earning. This paper introduces results from research concerning the child's symbolic world, scope of action, strategies and action patterns and conditions in economic matters. We call this the children's economic world.

Information has been gathered from the 5th and 9th grade of school about children's economic life at home, at school and during spare time.¹ The issues raised in the group interviews were:

- Children's pocket-money
- Children's experiences and strategies for spending, saving and loans
- Contexts of learning economy in childhood ²

The children were first asked about what they thought were the three dominating costs of household life. Their ideas were realistic. Group-discussions about whether gendered consumption needs made it more costly for parents to have boys or girls led to quoting comments from their parents. Some girls concluded that, though girls had special needs, boys ate 'like monsters'.

An often mentioned huge cost for their parents was the telephone bill.

...my mother sits like this ... 'Yes, like, maybe you have to cut down your phone-calls a little Lisa, because now we have to get by this month', bla-bla-bla.

Almost half the parents quarrelled with the children on economic matters. A quarter of the girls said that this happened frequently.

¹ Data is a questionnaire and interviews. Boys and girls were interviewed in gender-segregated groups of six. The sample was drawn from three geographical areas: a suburb to a large city, an industrial town and a small town community including countryside; two kinds of housing: living in single family house and living in flats. In the 5th and 9th grade of compulsory school, 19% and 13% respectively were born abroad; 21% and 7% respectively had an unemployed mother; 16% and 3% respectively had an unemployed father. The two age-groups contributed a total of 148 and 91 children respectively. The children as well as their parents permitted participation.

² In the quotations // marks the division between two parts of one interview, ... marks exclude part of a sentence. The transcriptions keep the character of speech with interruptions, repetitions and slang.

Figure 1: Do parents quarrel with their children concerning money?

Quarrel?	5 th grade %	9 th Girls %	9 th Boys %
Never	52	17	24
Seldom	36	24	44
Sometimes	12	34	24
Often	1	24	8
Total	101 (148)	100 (41)	100 (50)

Several teenagers worried about that they didn't have enough money: these worries only concerned their own money, and were concerns largely related to opportunities to spend on spare time activities with their friends.

Figure 2: Is the children's money enough for their needs?

Money enough?	5 th grade %	9 th Girls %	9 th Boys %
Too much	68	20	38
Exactly right	22	29	26
Not enough	8	46	32
No answer	2	5	4
Total	100 (148)	100 (41)	99 (50)

To have money was very important to some teenagers:

I must have some money all the time. I cannot do without money.... then I panic.

Planning and saving were coping strategies:

I have saved money, // So I have never, like, in my life been in the situation like: 'Ah, I don't have money' // I think like this: 'I have no money, I don't want to be wasteful. I don't feel like using money on this'. But I have always money, if something should come up.

All except one boys' group agreed that teenagers need money for clothes. All the girls' groups mentioned cosmetics. Boys needed things while girls spent on social interaction. Fifth graders mostly spent on sweets and lemonade.

Pocket-money

Swedish legislation requires - and the children's views support this - that parents have to provide for their children up to maturity. Does this mean that parents give children money to spend? 'Pocket-money', 'week-money' and 'month-money' were concepts well known to the children, irrespective of age.

Figure 3: Regularity with which pocket-money is given

Pocket-money	5 th grade %	9 th Girls %	9 th Boys %
Monthly	49	80	75
Weekly	22	5	10
None	27	15	16
No answer	2		
Total	100 (148)	100 (41)	100 (50)

Most teenagers got money every month, some every week and a few did not get any regular income. There were no significant differences by gender. Compared to the fifth grade, there is by the ninth grade a clear increase in the regularity and frequency of pay. Does this accord with the children's views on pocket-money?

There was a great variation between groups. Some thought that children ought to get money by the time they reached pre-school. The youngest age mentioned was four. Some proposed to start at their own age at the time of the questionnaire. Comparing age-groups, we see a tendency to propose higher age-levels the older they are. None of the teenagers, however, proposed a starting age above their own, which some of the younger children did. The reasons behind the selection were similar: a matter of competence, learning and needs, but age in itself was a self-evident variable.

To be given pocket-money at a young age had a pedagogical purpose, according to some groups.

I think that children ought to get money as when they are young, so that they learn to take a little responsibility for: 'You may get pocket-money, but you should buy sweets for this', like that, so you have to plan that. (9th)

The children saw pocket-money as part of the socialisation process of learning to manage money. On the other hand, lack of competence was suggested as a reason for a later start: 'In 3rd grade you cannot keep money.' But this was opposed from a pedagogical perspective. If a child got pocket-money at a young age, their competence would increase. 'So you really get control afterwards.'

Consumption was also an important factor in deciding when children ought to get pocket-money: 'It is when you start spending a little more'.

Children argued in terms of the school-grades and levels. The school was used by both age groups as a career structure for childhood, where various points of passage - starting school, a new class, a new level - were seen as possible steps in the development of economic rights. Fifth graders referred to these steps as an increase in competencies: 'In first grade, that is when you start to learn to read and count. That is when all information comes in'. In all other groups the school steps constituted a self-evident career-ladder.

Levels of pocket-money

The level of pocket-money was often described as an outcome of negotiated decision-making by parents and children. Nagging was one of the children's strategies. To work around the home for more money was another. Good arguments could be: 'Everything is getting more expensive', or simply to say 'Please'. Older siblings could be used as points of reference. Most teenagers were satisfied with their influence: 'my mother sits down and then just: "Yes, now, but, what is it that you want to spend money on?" And then she sits and counts how much that costs'.

A norm the children seemed to accept was that the more regular was the income that they got, the less they could ask for money in between. The children proposed these criteria for making decisions on the correct levels: age or school-step, competence and need.

At a young age, 'You cannot get a lot of money'. There was then a progression in terms of amount, but also in terms of the intervals between payments: pay on irregular basis;

weekly pocket-money; monthly pocket-money; allowance. In this progression, the level and the frequency were intertwined.

When we were young, like, on Fridays, our parents used to buy sweets. And then, like, when you started school and things like that you got 5SEK as weekly money. Now you may, like, decide on your own what you want to get weekly.

The teenagers frequently got an allowance. Most of them saw this as reasonable, but not all who wanted this received an allowance. All groups saw the level of pocket-money differentiated by age as fair. The reason, according to some groups, was that needs grow by age. Most groups agreed upon that there should not be any gender difference, though they discussed gender variation in needs, in much the same way as they described their parents doing. Two boys argued, however, for girls to get more money, because of their greater needs.

- *Girls need so much clothes.*
- *Yes, cosmetics.*
- *They are dependent on shopping, we are not. //*
- *Give girls twice as much money.*

The competencies the children referred to concerned spending and saving, a matter not only of competence, but also of economic morals: 'It depends on whether you are a Saver or a Spender'.

Though the children had clear ideas on children's levels of competence, parents carried the responsibility of making judgement on what was given, according to younger children. Teenagers also mentioned parents' judgement, but said that the decision on allowances should be based on children's own judgement of their competence.

- *You used to get, what is it called, the child allowance, when you think that you can manage.*
- *When you think that you can handle it.*
- *You can take responsibility yourself.*

Several groups pointed out a drawback of getting an allowance, because it mostly meant a demand to pay for their own clothes, which was difficult to manage:

- *Then is nothing left. //*
- *If you get, say, 750, you buy a pair of trousers for 500. Then you have only 250 to manage on. Then, it is spent on all the amusements that consume all the money.*

Children frequently described difficulties they had in handling money. Because their needs were often dependent on interaction with others, it was hard for them to predict and plan spending over a long period of time:

- *I don't know what I spend all the money on. It just disappears.*
- *You spend everything the first week and then you are broke the last week.*

Not even all teenagers saw themselves as competent, and it was not self-evident to them that more pocket-money or allowance was a good thing. It could be an advantage to get less, or to get it more frequently, and to let parents pay for clothes.

I get 350SEK of the child-allowance to spend as I like. And then my mother says: 'Yes, but what do you need?' like that. Because I may waste the money, and then just: 'Oh I need

a new pair of shoes' and then I don't find any money, like that. // It is best that she takes care of it.

Saving money

The children saw the reason for saving was not to use all the money you get at once, but to put some away for later use. To most of the children saving was short-term and with a certain expensive purchase in sight that they couldn't afford at once. Some added a moral aspect to it: 'Temperance. To avoid buying sweets, things.' The emotional aspect of expectation was also mentioned: 'You look forward to something'. A few were saving just to 'get rich' or without a specific purpose:

Right now I save, but I don't have a particular purchase in mind, but I save anyway, you know, for later moments when I maybe want to buy something.

Long-term saving could be in order to buy a car or a computer. The question: 'Are you saving for security, in case you get short of money in the future?' caused expressions of surprise and laughter. Only one boy recognised the idea, and then as a proposal of his mother, which he did not accept.

Most of the children saved money sometimes, less than one third saved regularly, some never saved anything.

Figure 4: Are you saving money?

Saving	5 th grade %	9 th Girls %	9 th Boys %
Regularly	32	27	34
Sometimes	45	49	42
For a special purpose	18	5	14
Never	4	17	10
No answer	1	2	0
Total	100 (148)	100 (41)	100 (50)

For a few saving was not an active decision. They did not spend their money and saved automatically.

Saving strategies

Saving was hard according to most groups. Temptations were described:

- *If you have a 500-bill, you save that one, you know, but if you split it // then you spend the rest too.*
- *I am like this: When I have a lot of money, then I only go and buy something.*
- *A 'tjuga'³, that is nothing, you know. //*
- *Yes, exactly. You have these big nice bills and then you have a 'tjuga', then you just have to spend it.*

To some in the Fifth grade a tjuga was worth saving, compared to saving coins. Some spending strategies were actually ways of saving in order to manage until their next

³A bill worth 20SEK is called a tjuga ~a twenty.

pocket-money. Planning so that more expensive purchases did not happen during the same month, or putting aside a little every month until you could afford something, were strategies described by teenagers, though not always implemented with success.

Some strategies involved fooling oneself to save money: one of these was to hide the money so it couldn't be found. Another was to use of the feeling about large notes and change your money into as high denomination bills as possible. Yet another way was to save all extra income:

If I get money that I don't expect, I put it in the bank, or if I get a little money for my birthday and like that, but never the monthly money.

Income from work could also be saved as 'extra' money.

To reduce their access to their money, some placed it as loans or let their mother keep it. Some trusted a bank more than their mother:

When you ask mum she says (in a twisted voice) 'I don't have any money!' Then you have a bank account where you have all the allowances and stuff so you can buy what you want instead of having to nag on at mum.

The safety of a bank meant a protection against spending because it decreases access. *You have always access to the money if you save at home. Then, if you want to rent a movie, you have the money at home, but if you have it in the bank, maybe you don't have the energy (too tiring) to go and fetch it and then you skip it. It is easier to keep the money.*

Several of the teenagers had cash cards, which increases access, but these also operated as a barrier against spending.

When you have a cash card then you don't take out money anyway, because 100SEK is the minimum you can take out and you don't do that in order to buy sweets, so you ask your mother instead and thus you save anyway.

To buy shares was mentioned as a strategy that decreases access and also gives an opportunity to earn more money, but also one that means risk-taking. To acquire the competence to manage until they were next paid, was an obvious short-term goal. Some also saw this as a necessary skill if they were to manage as adults:

- *When you get a salary, in the future or - student loan, like that. You have to manage.*
- *Yes, fuck, you cannot get more from your boss, like that.*

Loans - your own and those of others

Most of the children did not want to borrow or to lend money. Some expressed this with strong feelings: 'I hate borrowing money from people. I never do that'. There were a number of exceptions to this: it could depend on the amount of money involved, how quickly you could pay it back, whether the transaction was with a friend or not, and for what purpose the money was needed. The matter was complicated, and the children switched roles between the giver and taker of loans in their descriptions of the risks involved.

- *You don't want to borrow a lot to be able to do something. As for instance if I want to buy a game for 500, I don't want to borrow that from a friend.*

- *I don't like it but I do it rather often and then I forget to pay back.*
- *If you have money at home and just borrows over the day, then it is OK, but not if you don't have money because then it is so hard to pay back.*
- *You only borrow for the most necessary things.*
- *If you borrow money, then it doesn't feel good, you know, you have to pay them back sometime and, I mean, then when you pay back - you don't feel exactly like a winner. Then when you have paid back, you know, then you don't have any money anyway, then you have to continue to borrow and that is hell.*
- *And then to lend money is also hell. You don't get them back.*

The main problem of lending money is to get it back, and if you do not get it back, to prove that you have not been repaid. Several groups described unpaid debts as the cause of conflicts, not to say fights, at school even about small sums such as 40SEK. They lent money to 'someone you can trust' and this often referred to a close friend. There was, however, a limit to the amount they would lend to a close friend to avoid problems with repayment: 'You don't want to ruin your friendship!'

If the money was for necessities, the policy was more generous. Examples of this were when money was needed to attend school activities and children from poor families could not afford this. Several groups described these experiences with feelings of empathy and criticism of the situation as unfair.

Paying for your own costs

Teenagers gave three criteria for when they ought to pay for their own costs at home: their age, their income from wage labour and their household needs. In contrast to the attitude that parents are 'millionaires', it seemed like a moral obligation to contribute to the needy household:

- *You gladly want to help, // to work during your summer holiday. //*
- *Yes, but, in a way, you may refrain from taking some of your child-allowance ... you leave them 250. Then they get that. That is just as if you paid a little at home.*

To pay into the household when you are working was also a moral obligation:

If I get a job, I have to help with something in the household. I earn money and it is my parents who pay for me and I live there.

The proper age for this to start was at maturity, when the parental obligation to provide for children ended. To start at 16 was too early. Some, however, expected that the parents would find it hard to ask for payment after maturity: 'If I had children // who stayed at home and were pretty old and were working, I would feel a little stupid. Now you have to pay rent to me!' If adult children were studying, this would also make a difference:

- *You shouldn't be demanded to move away form home when you are 18.*
- *And it is only good if you live at home when you are studying, so that you don't have to take student-loans.*

Also it was seen that adult children could belong to a collective family economy. Some saw a pedagogical value in learning to pay: 'Isn't it good to have to learn to take responsibility and manage to pay the rent?'

Where children learn about economic issues

The concept 'economy' is hard to define for children:

I don't know... We have it in a housekeeping-exam on Monday and I don't know what it is. Or I know what it is, but I cannot find the words.

Some explained the concept with keywords like 'money'; 'income'; 'what you buy'; 'Cash' (in English); 'the household'.

To some the meaning of economy was its overall importance: 'It is a huge part of everything'. Others explained economy as planning money or as practical exercises. Some described economy as a competence to be acquired: to know that money is a limited resource, and that economy is useful in order to be able to make money last longer: 'If you have a good economy, you get by'.

How, when and where do they learn to manage their own economy? At school economy is sometimes a topic in housekeeping and in social science. Pupils make a budget and plan to cut spending. The children remembered these lessons, but not the content except for the 'many strange words' quickly forgotten.

They also learnt from their parents:

- *You are allowed to take part, like that. //*
- *Or like, they say no, when you want to buy something.*

Some experiences with parents are misleading: for example 'You have seen... they can take out 2000 from the cash point. They can take out whenever they want'. To understand that money is a limited resource takes time. Do children learn from one another by talking about economic issues? This varied a lot: 'Not at all'; 'Yes of course! Money, that is almost the most important to everybody, I think'; 'We used to plan our money together'. Even if the children do talk about money, this is not always recognised as part of a learning process: 'No. If you talk about money, then it is mostly about the lack of it.'

They said that they learned from their economic transactions with friends in their spare time, and from other economic activities. The children obviously saw that they learned about the economy outside school: 'It depends on how much you are allowed to handle money'. They learned by experience in different contexts, and economic issues varied between different arenas. Their pace of learning was dependent on the extent to which they were allowed to gain experiences by trial and error, as in the instance of understanding opportunity cost:

It is as when you are going to buy a jacket. You cannot buy a jacket for like 4000, even though you want one really badly. But like, it is, - then, yes but if I can afford to buy that - then I cannot afford to cut my hair this week or this month. // Then you buy a cheaper jacket.

Several groups stressed that they learned from mistakes and that these ought to be tolerated:

- *Or like, when you go and eat at McDonalds. At first you are like desperately hungry so you eat it up, so it costs 50 SEK, then you are going to buy other stuff. You don't think about that; 'Hell, I could just as well eat at home, like.'*

- *You must take the blows. And then you learn from them. It doesn't work to be so bloody foreseeing the whole time, so things happen and then you learn after that. And that is why I think that parents ought not always to be so bloody angry, since you actually learn from them.*

A learning project of their own

The children to a large extent saw their childhood as a period of learning, when they gradually learned about economic issues and behaviour, gained increasing competence, and got access to money. Stepwise, they were given more responsibility for purchases concerning their personal needs. The children often talked of this as a development, where the career or passage through school was the basis for increases in their scope for economic action. Clearly the teenagers did not look upon themselves (and even less on younger children) as competent in economic matters. As economic actors they did not yet see themselves as ready; they are not-yets. Even the teenagers had largely accepted their status as minors.

Q: Could you manage on your own, if you all of a sudden should need to manage your economy by yourself?

- *No.*
- *No.*
- *It depends. If you live alone then you get more serious. You can, like, play with the money right now. You know that you will manage anyhow since you can get money from your mum and dad.*
- *Live for free.*
- *But if you live by yourself, then it becomes harder directly.*
- *Then you have much more responsibility.*