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Pocket money as an agent of economic socialisation: differences in parental management of money of male juvenile delinquents compared with controls

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Introduction

Research about economic beliefs and behaviours can be divided into three areas: (1) staged theories about the development of economic ideas, (2) the development of different economic concepts, and (3) the management of pocket money (Furnham, 2002). There is a need for both parents and teachers to understand the economic socialisation of children and adolescents in the area of pocket money – a weekly or monthly allowance given by parents to their children either unconditionally or in exchange for some work.

Latest research (review in Furnham, 2002) on children's and adolescents' pocket money has concentrated on demographic and national differences from the perspective of parents. Few studies have attempted to investigate family practices of providing an allowance from the perspective of children (Furnham and Thomas, 1984a; Näsman and von Gerber, 2002) and adolescents (Miller and Yung, 1990). Kerr and Cheadle (1997) remarked the need for research on these issues from the children's perspective.

The study reported here set out to investigate adolescents' beliefs about the way parents socialise children into the economic world, reflecting the differences between parental money management with a group of juvenile delinquents compared with controls. As far as can be determined only vague empirical studies exist in this area. Nye (1959) studied the relationship between adolescents' attitude toward the way money is handled in the family and more specific money relationships and reported that the amount of money given as an allowance, and the amount earned outside the family, show a consistent pattern - large sums of money available to the adolescents were related to frequent delinquent behaviour of boys.

There are educational benefits from giving an allowance to children as a component of home-based financial education, but as Mortimer and his colleagues (1994) noted, there is a debate about the administration of pocket money: for example whether or not an allowance should be conditional (they concluded that this was an ineffective parental money practice). However, there is clear evidence that ineffective child-rearing practices are one of the risk factors in the development of delinquent behaviour in children and adolescents (e.g. Blackburn, 1999). Therefore, when parental money management in the family is an organic area of parental child-rearing practices, we can use these results as a basis of our hypothesis.

The purpose of this study was concerned with two aspects of family money management: differences in allowance arrangements in the family context

and associated family practices as found in two subject groups – juvenile delinquents and matched controls. It was hypothesised that (1) male juvenile delinquents get more pocket money per week than the controls, and (2) the parents of young offenders were less likely to give pocket money unconditionally than the parents of the controls.

Method

Subjects

The sample of the study consisted of two groups of adolescents: institutionalised delinquent male subjects and a matched control group. The first group consisted of 75 male adolescents attending a state training school. All of the institutionalised youths had been arrested for theft: in addition they had failed to undertake compulsory school attendance (17%), violated public order (13%), been drunk in public places (9%), and committed motor vehicle theft with other group members (7%). The control group consisted of 75 adolescents randomly selected from three different comprehensive schools. The delinquents were matched by age, sex and nationality with the control group. The total number of male adolescents in the two different groups was 150 ranging from 10 to 17 years ($M=13.99$; $SD=1.88$). Nationalities represented were Estonian (92%), Russian (6.67%), and other (1.33%).

Instrument

Each subject was required to complete individually a questionnaire containing eleven questions on two aspects of family money management: allowance arrangements in the family context, and associated family practices – how allowances were regulated within the family.

The first part of the questionnaire consisted of six open-ended questions about money arrangements within the family. Each adolescent was asked to indicate which parent (or other person) took the main responsibility for handing out pocket money; how much pocket money was received (averaged on a weekly basis); why pocket money was given; how it was spent; how much money the adolescents earned outside the home; and what were the sources of earned money (see Table 1, first column).

The second part of the questionnaire consisted of five questions on a five-point scale that concentrated on the paternal and maternal family practices concerning pocket money management (see Table 2; first column). The bases were the mechanisms were

1. Generosity: *Is the mother/father of your friends more or less generous than your mother/father?* (scored 1-5, much more = 1, much less = 5); *Considering the family income, when I need money my mother/father is?* (very generous = 1, very strict = 5)
2. Partiality (*I think my brothers and sisters get more money than I get from my mother/father?; Do you think your mother/father spends too much money on herself/himself?*) (scored in terms of frequency of occurrence, very often = 1, never = 5)

3. Parental control over spending money (*Do you think your mother/father hounds you about where or how you spend money?* (scored in terms of frequency of occurrence, very often = 1, never = 5).

Results

The results indicated that a large majority from each group had received an allowance (90% for the delinquents and 96% for the control) (Table 1).

Using a *t*-test, we noted several significant differences in family money arrangement issues between the groups.

1. The main agent for handing out pocket money to the control group youngsters was the mother (47%), compared with shared agency (26%) or father as an agent (22%). The delinquents indicated that the main agents for handing out their pocket money were both parents (46%), compared with mother (37%) or father (8%). In the control group fathers more often took the main responsibility for handing out the allowance than fathers of the delinquents, and there was more frequent shared parental responsibility reported by the delinquents. Thus the role of the parents as main social agents for distributing pocket money tended to be different – the role of the father was weaker for young offenders than for the controls.
2. The amount of pocket money that adolescents received weekly was slightly different for the two groups – juvenile delinquents got more each week than did the controls. The second question in this section showed the same pattern – young offenders earned more money than did the controls. Additionally, it was found that the main source of earned money was different for the two groups: stealing for juvenile delinquents, and helping parents and domestic work for the controls.
3. Only 15% of young offenders agreed that the allocation of allowance by parents was an automatic right compared with 44% of the control group members. The majority of adolescents with delinquent behaviour said that their parents attached some conditions for receiving pocket money – good or bad behaviour at school, home, street, or grades at school. Consequently, pocket money tended to be contingent on good or bad behaviour and grades for juvenile delinquents in the family context.
4. The spending patterns of the two groups also tended to be different: the delinquents spent more money on alcohol and cigarettes, while the controls bought snacks and sweets or useful things. Also the school pupils reported that they saved more pocket money than did the delinquents.

Table 1: Mean frequency (percentage) and *t*-values for family money arrangements items of the two samples of adolescent respondents

Items of questionnaire (brief description)	Categories	Juvenile delinquents (percentage)	Controls (percentage)	<i>t</i>
Main social agents for handing out the pocket money	No pocket money	9.62	3.90	1.38
	Mother	36.54	47.38	1.36
	Father	7.69	21.74	2.46*
	Parents	46.15	26.09	2.62**
	Siblings	0.00	2.86	0.26
Parental reasons for giving pocket money to their sons	Unconditionally	15.38	44.29	4.09**
	With conditions: grades at school	19.23	24.29	0.73
	With conditions: behaviour at school	3.85	2.86	0.33
	With conditions: behaviour at home	34.59	24.29	1.39
	With conditions: behaviour on the street	3.85	0.00	0.86
	With conditions: behaviour and grades at school	7.70	2.86	1.14
	With conditions: grades at school and behaviour at home	3.85	0.00	0.86
	With conditions: behaviour and grades and school; behaviour at home	7.70	1.41	1.78
	With conditions: behaviour at school and on the street	3.85	0.00	0.86
Amount of allowance per week	Non to EEK 59	25.00	68.11	2.04**
	EEK 60-99	32.70	18.84	1.30
	Over EEK 100	42.30	13.05	1.99*
Spending of allowance	Buying alcohol	36.92	2.00	6.01**
	Buying cigarettes	21.15	2.00	3.85**
	Buying clothes and snacks/sweets	7.69	16.00	1.58
	Buying alcohol and cigarettes	16.93	4.00	2.64**
	Buying cigarettes and snacks	17.31	0.00	3.77**
	Buying snacks/sweets	0.00	40.00	7.18**
	Buying useful things	0.00	16.00	3.78**
	Saving money	0.00	20.00	4.15**
Amount of earned money per week	Non to EEK 59	23.08	86.49	2.90**
	EEK 60-99	11.54	13.51	0.34
	Over EEK 100	65.38	0.00	3.77**
Source of 'earned' money	Stealing	63.47	0.00	11.39**
	Stealing and selling of newspapers	1.92	0.00	0.20
	Working	21.15	26.67	0.75
	Helping parents	7.69	46.66	5.94**
	Selling of narcotics	5.77	0.00	0.41
	Domestic work	0.00	26.67	5.19**

* $p < .05$, ** $p < .01$

5. There were no significant differences in two areas of family practices concerning money management between two study groups – the generosity of paternal

and maternal money management, and conflicts with mothers/fathers in the area of spending money by adolescents.

One specific aspect of family practices was thought significant enough to warrant analysis – partiality of parental money management (see Table 2).

Table 2: Means and F-values of family practice items of two samples of adolescent respondents concerning with pocket money management

Family practice (brief description)	Mother		F	Father		F
	Juvenile delinquents	Control group		Juvenile delinquents	Control group	
Generosity in money management of parents compared parents of others	2.38	2.48	0.31	2.44	2.48	0.01
Generosity in money management of parents in the light of economic possibilities	2.38	2.43	0.06	2.33	2.62	1.91
Partiality in parental money management (siblings are more advantaged)	3.96	4.77	16.31**	4.18	4.80	11.66**
Parents spend too much money on themselves	3.85	4.03	0.43	3.47	4.03	6.48**
Parental control over the adolescents' spending of money	3.49	3.52	0.02	3.51	3.80	2.36

** $p < .01$

Two of the five sections revealed significant differences about the bases on which allowances were regulated within the family between the two groups in the area of parental partiality:

1. mothers and fathers of juvenile delinquents gave money to their sons with delinquent behaviour less frequently compared with other siblings; and
2. fathers of juvenile delinquents spent money on themselves more often.

Discussion

The results of our study confirmed the first hypothesis that male juvenile delinquents received more weekly pocket money than did the controls.

There is a general tendency for the amount of pocket money to increase with the age of the child, and on average boys get slightly more than girls (Furnham and Thomas 1984a). In the light of this, our results emphasised the importance of effective parental money management for fulfilling the needs of adolescents by creating flexible rules in the family context. Additionally, it was found that the amount of money from outside the family revealed the same pattern as pocket money – juvenile delinquents acquired more than the controls. The larger sums of money (both pocket money and money from other sources) available for juvenile delinquents was the first area of economic socialisation which differentiated the two groups.

The source of earned money and the spending of the allowances of young offenders reflected their delinquent life-style: their main opportunity to 'earn' money outside the family was stealing, and they spent their money mainly on alcohol and cigarettes. Our results confirmed the findings from previous studies (Furnham and Kirkecaldy, 2000; Furnham and Thomas, 1984a; Miller and Yung, 1990; Mortimer *et al.*, 1994; Näsmän and von Garber, 2002; Warton and Goodnow, 1995): that the control group adolescents, spent their money on different things, and that they more often saved money; they also reported more opportunities to do household chores for extra money.

Our study showed that juvenile delinquents tended to believe that parental allowances were contingent on behaviour, or on satisfactory grades. As hypothesised, we found that the parents of juvenile delinquents were less likely to give pocket money unconditionally to their sons compared with the parents of the controls.

Previous reports revealed that the three main factors derived from the parental reasons for providing allowances were: family concern, independence training and children's needs (Feather, 1991; Kerr and Cheadle, 1997). In the adult conception, pocket money management is seen as an educational opportunity promoting self-reliance in financial decision-making and money management of 8-13 year olds (Furnham and Thomas, 1984b) and for adolescents (Miller and Yung, 1990). However, the children's perspective was that the majority of parents attached some conditions to (elementary school) children for receiving their allowances, among other reasons of giving money (Kerr and Cheadle, 1997; Näsmän and von Garber, 2002).

In our study an allowance was more likely to be given unconditionally to the control group adolescents than the delinquents; the delinquents perceived it as more likely that their parents used the allowance to modify their activities at school, home and on the street. This can be seen as giving monetary value to the behaviour modification of parental economic socialisation of their delinquent sons through the use of pocket money in the family. Differences within family practices among the two study groups in our research were obvious in one of the three aspects of routine requirements (generosity and partiality of parental management of money; conflicts with parents in the area of

spending money by adolescent) and partiality shown by either parent was more frequent in the families of delinquents than those of the controls.

This study set out to examine differences in the beliefs of adolescents concerning family practices of providing family allowances to adolescents, and the results demonstrated that one ineffective area of socialising of delinquents into the economic world was a family context where both parents were perceived by adolescents as partial in money management.

Our study was also concerned with the main social agents in the parental economic socialisation of adolescents through the use of pocket money, and our results confirmed previous results (Feather, 1991) in this area – the main agent for handing out allowance was the mother, as compared to both parents or fathers for most of the control group members, but the role of the father in the economic socialisation was weaker for young delinquents. The differences in parental economic socialisation between the two groups were evident not only in the allowance arrangements and associated family practices, but also in the influence of the social agent in this process – a more dominant maternal role for control group adolescents and a less dominant paternal role for male juvenile delinquents.

The current study is of practical importance in emphasising the role of the family in the process of the economic socialisation of children and adolescents, and in pointing out that young people's understanding of economic issues at the individual level is rooted in the family.

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