

Cost of living squeeze hits kids' pocket money

The cost of living crisis has even taken from children's piggy banks with nearly a third of parents reducing what they hand over to their offspring on a weekly basis.

According to the annual pocket money survey released by [Halifax](#) bank a third of parents (32%) have altered how much they're putting into their children's piggy banks each week, down to £4.99 this year from £6.48 in 2021.

However, it's not all bad news for UK youngsters with the research also uncovering that, although parents have cut back on pocket money, [they're prepared to make changes to their lifestyles to keep the outgoings to the kids flowing](#).

Half (50%) of British parents say they'd sacrifice spending on their own leisure, such as hitting the pub or eating out; or give up treating themselves to personal items including make-up and designer goods (45%) to make sure that they're still topping up their children's funds. Two in five (41%) also said they'd stop spending on their own hobbies or spend less on the weekly supermarket shop (25%).

Despite this, over a third of parents (32%) are expecting their children to do more around the house to earn their pocket money this year.

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Emma Abrahams, head of savings at Halifax, said: “As household costs continue to rise, some parents are having to make difficult choices as they adapt to the conditions they face – from cutting down the family grocery bill, to passing on date night, or that much-wanted personal purchase at the shops.

“Our research reveals that parents are, in fact, [protecting their kids’ cash during this time, with many sacrificing spending on themselves rather than cut back on pocket money.](#)”

Although there’s less to spend on treats this year, parents have revealed what their children are spending their pocket money on, with gaming and sweets coming out on top (39% each), followed by toys (30%), clothing (29%), and hobbies, i.e., books (28%). Interestingly, only a fifth of parents (22%) say their children are most likely to save their pocket money, proving that there’s room for open conversations with kids around the importance of saving.

Chris Payne, who is father of girl triplets and has an eldest son is feeling the pinch and the effect it has had on how his family.

“Like others, we are experiencing the brunt of rising costs, and this means tweaking our lifestyles to accommodate new ways of living – but we haven’t compromised our approach to giving pocket money,” he said.

[Energy bills are causing the most worry British parents, with Halifax’s research revealing that 71% of parents surveyed are most worried about these payments; and 55% with rising food and grocery costs.](#) Over half (58%) of parents also say that they’ve had to cut back on their savings because of the increasing cost of living.

Halifax has analysed the economic climate over the last 35 years versus weekly pocket money allowances to determine how it impacts what parents give to their children.