

**MYDOH™**

**2024**



**Mydoh's Canadian  
Allowance Report**



## INTRODUCTION

# The Allowance Conundrum

This Spring, Mydoh partnered with Ipsos to talk to hundreds of Canadian parents about their views on giving kids and teens an allowance. The results of that research have informed Mydoh's first-ever Canadian Allowance Report.

We know that an allowance can play a critical role in building financially healthy kids. As Accredited Financial Counsellor Jessica Moorhouse says, "a regular allowance can open up powerful conversations about money and give kids low-risk ways to build real-world experience with budgeting and money management."

While most parents believe an allowance is just as important as when they were kids, what the report reveals is parents are uncertain in how to approach allowance. Canadian parents can't agree on whether to give an allowance at all, whether withholding allowance is an effective punishment or even how much allowance to pay.

### **That's where we come in.**

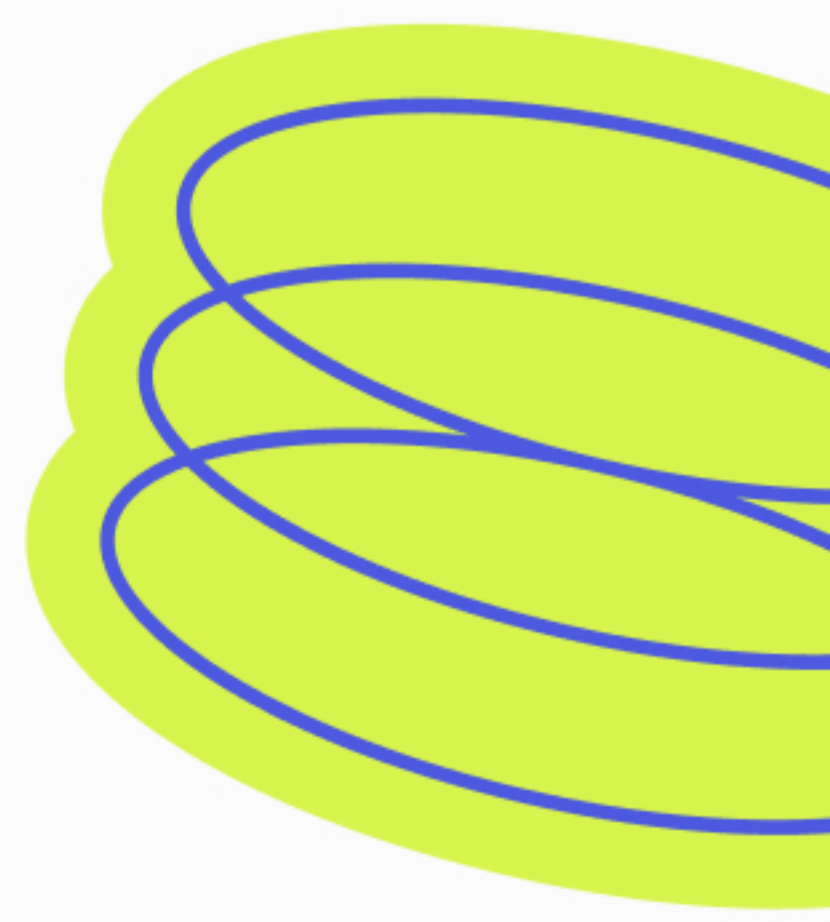
Mydoh has partnered with Moorhouse to provide parents with clear, actionable advice around their allowance approach, informed by the results of our research. They're the "ABCs of Allowance," and you'll find them at the end of this report.

At Mydoh, we're committed to helping young people build the financial skills they need to thrive in the future and we believe that allowance can play a key role in helping them reach their potential. We want parents to feel empowered and educated about this important tool and we hope this report—and Moorhouse's advice—provides that support.

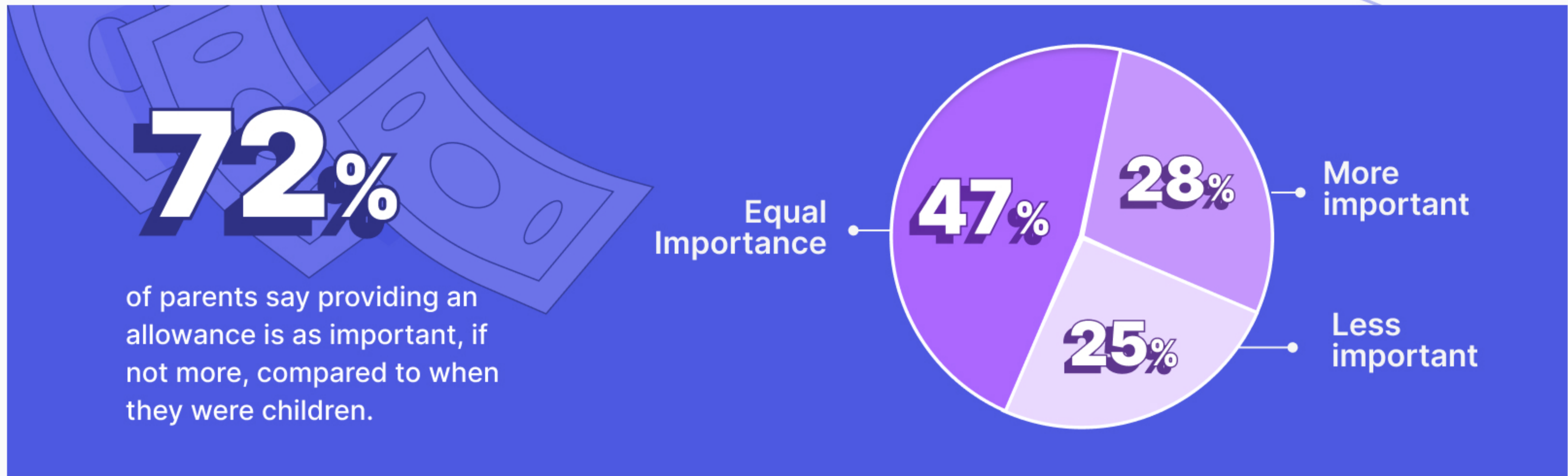
Happy reading,

**Angelique de Montbrun,**  
Chief Operating Officer and Chief Marketing Officer at Mydoh

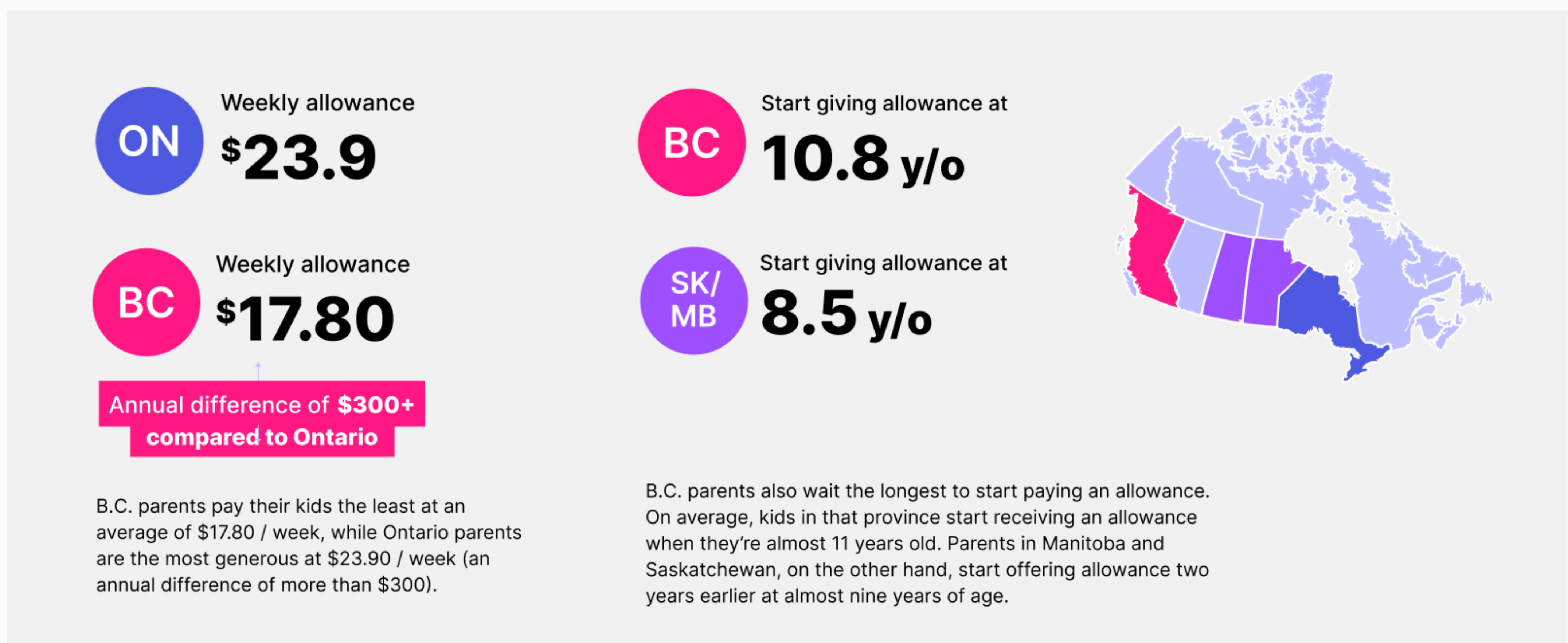
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# Key Findings



Canadian parents are evenly split on whether withholding allowance is an effective tool for discipline.

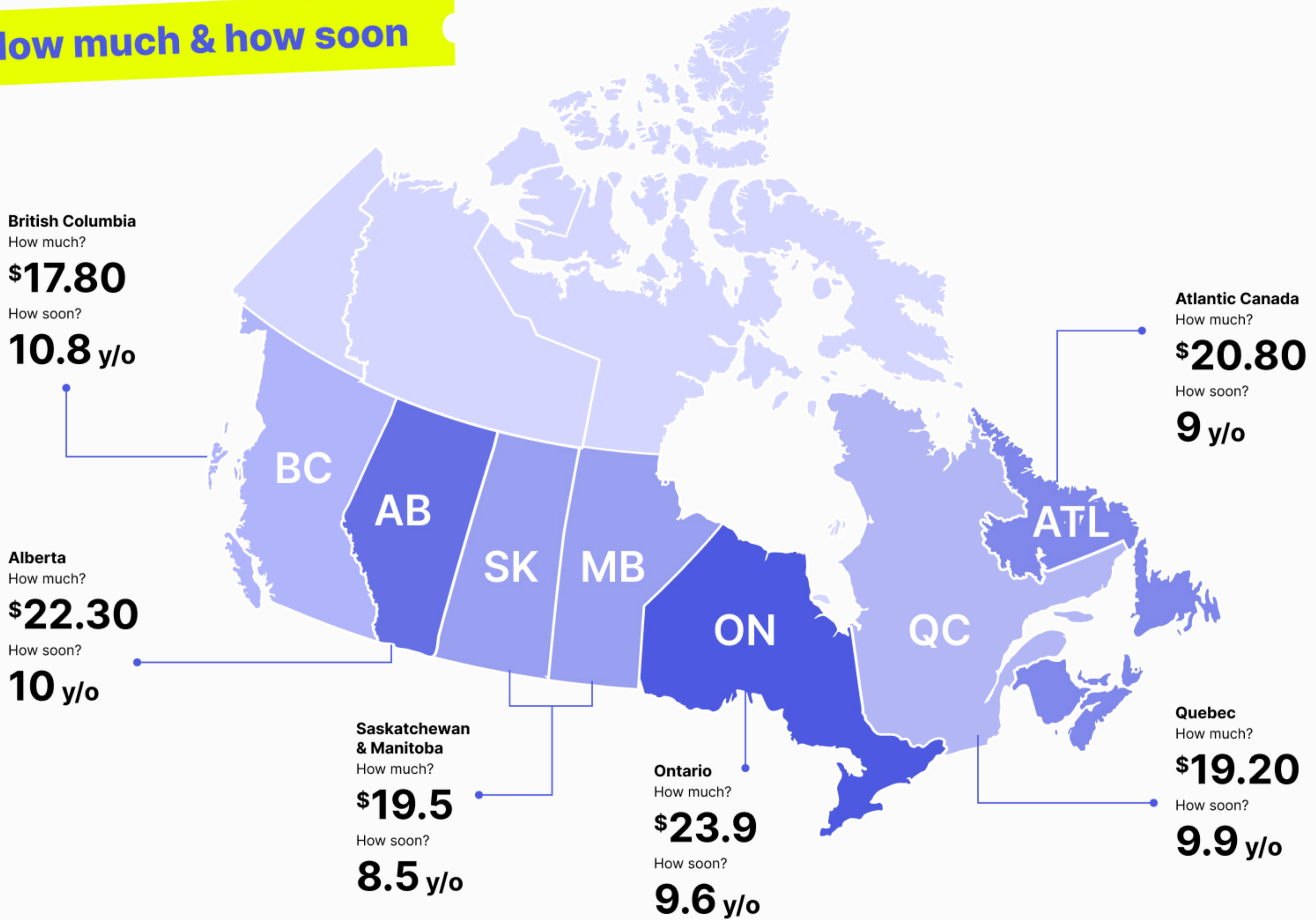


# Allowance in Canada

Do you give your kids a regular allowance? Parents say...

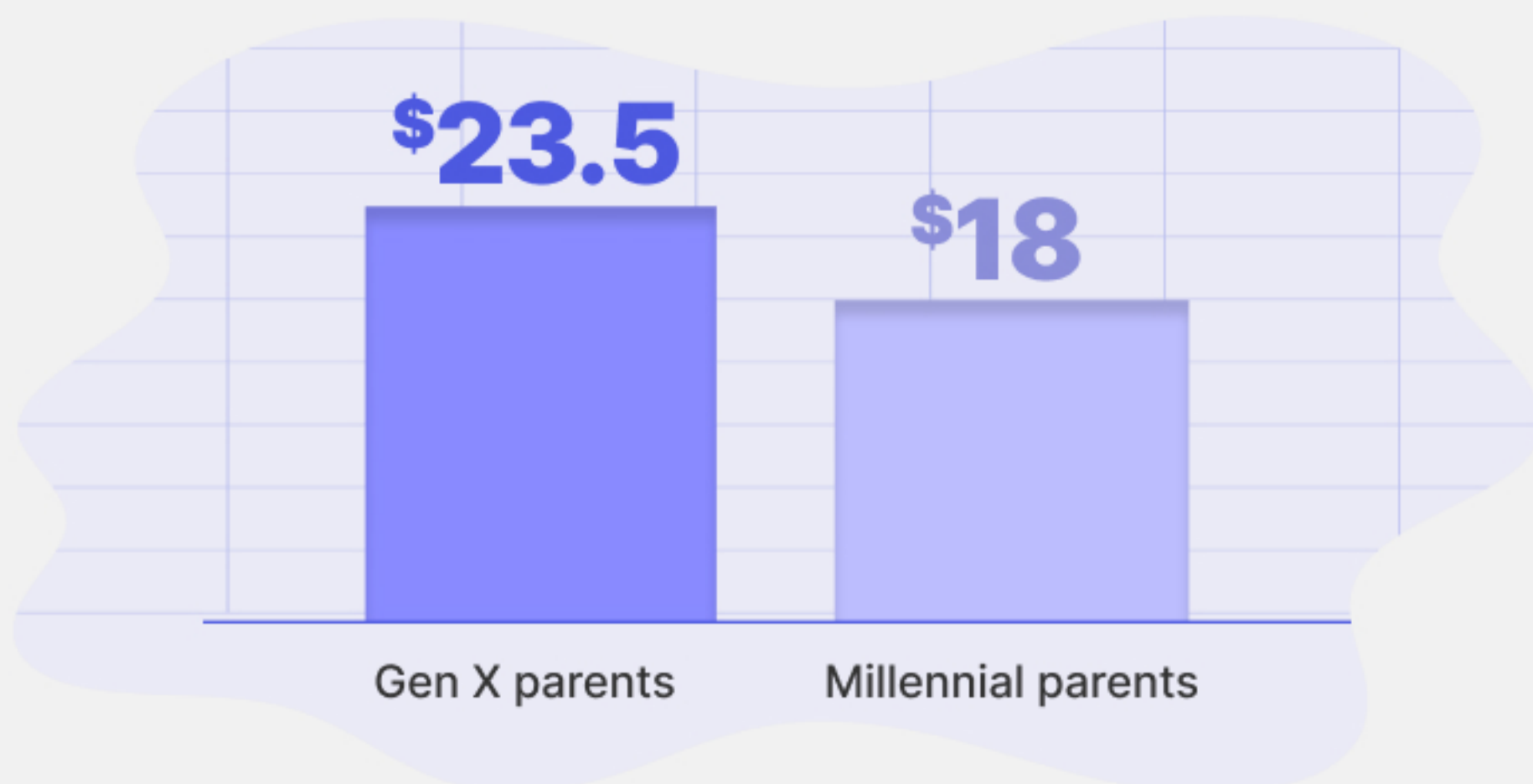


## How much & how soon

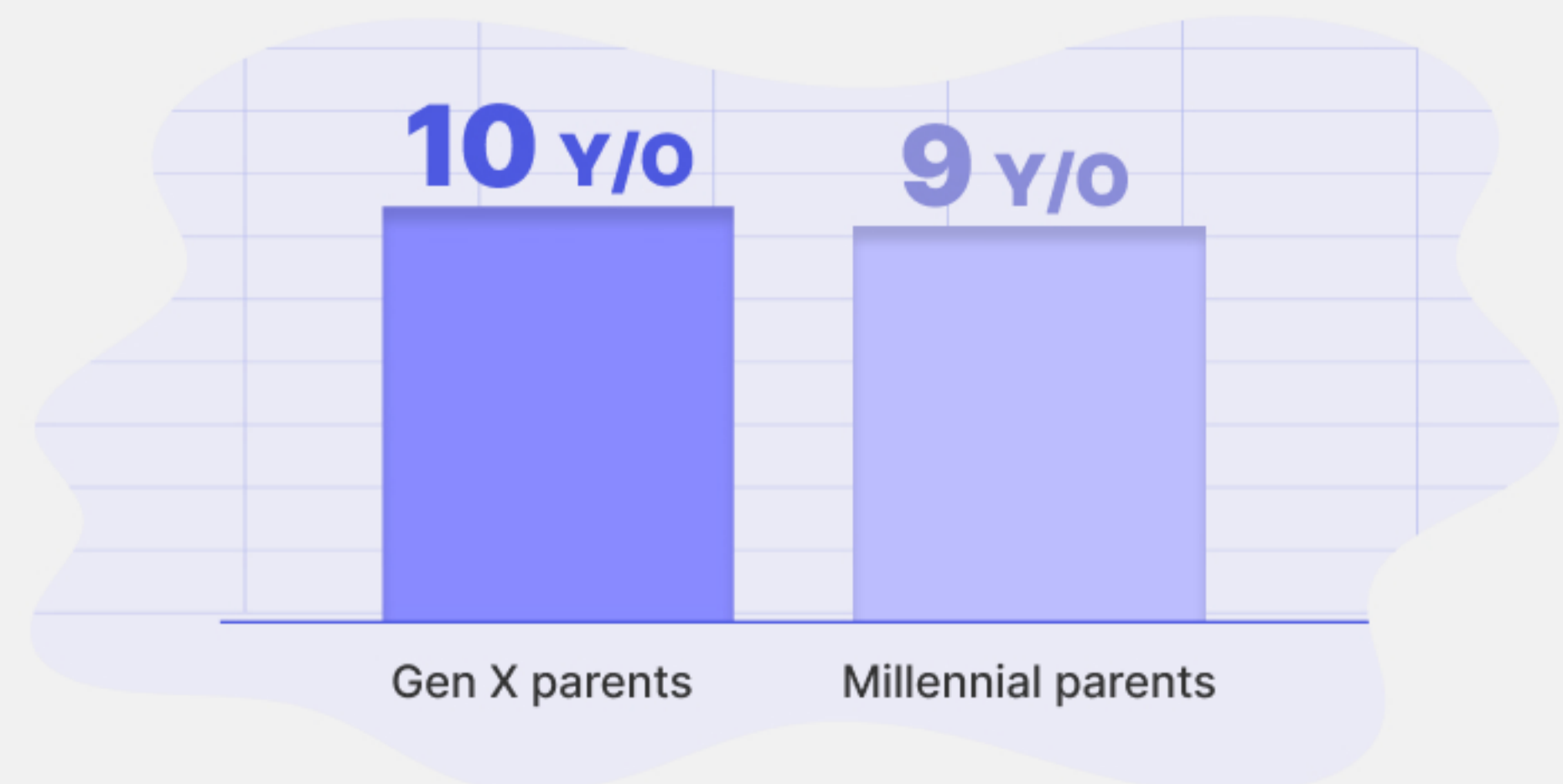


## By generation

Compared to Millennials, Gen X pay a higher allowance to their kids  
Weekly allowance rates parents give their kids



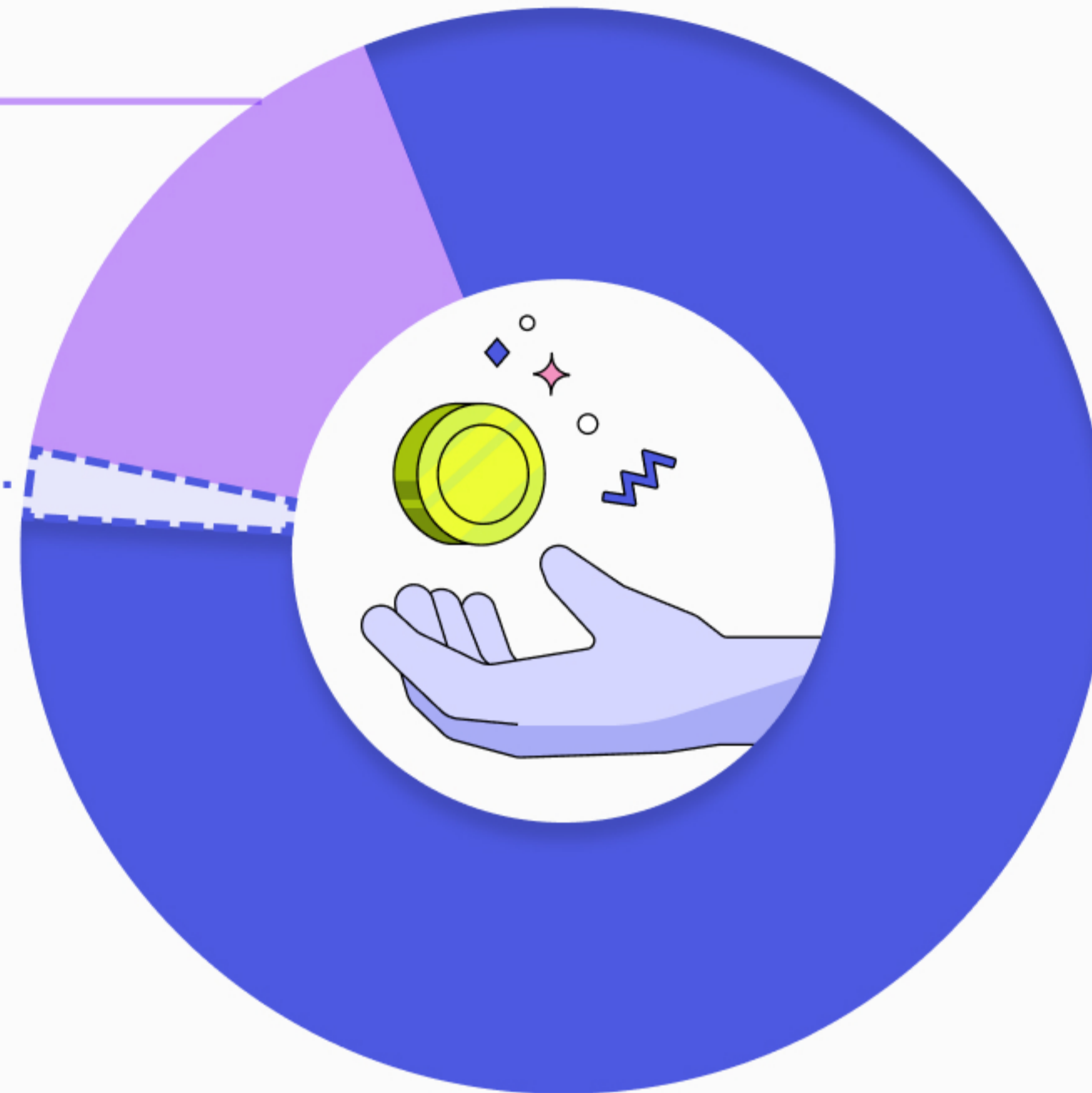
But Millennials start paying allowance a year earlier than Gen X  
Age at which parents start giving their kids allowance



# Payment Methods

**16%**  
E-transfer

**1%**  
Allowance  
apps or digital  
platforms



**83%**  
Cash

**26%** "I don't have cash on hand to pay the weekly allowance."

With Mydoh, you can skip the ATM. Automate your kid's weekly allowance in just a few taps.

# Allowance Barriers



## Why don't parents give their kids a regular allowance?

### Necessity

"I buy my kids what they need."



### Age

"I think my kids are too young to receive an allowance."



### Cost

"It's not in my family's budget"



### Value

"I am afraid my kids will waste the money I give them."



### Logistics

"It's too complicated and too much work to manage every week."



## Top pain points

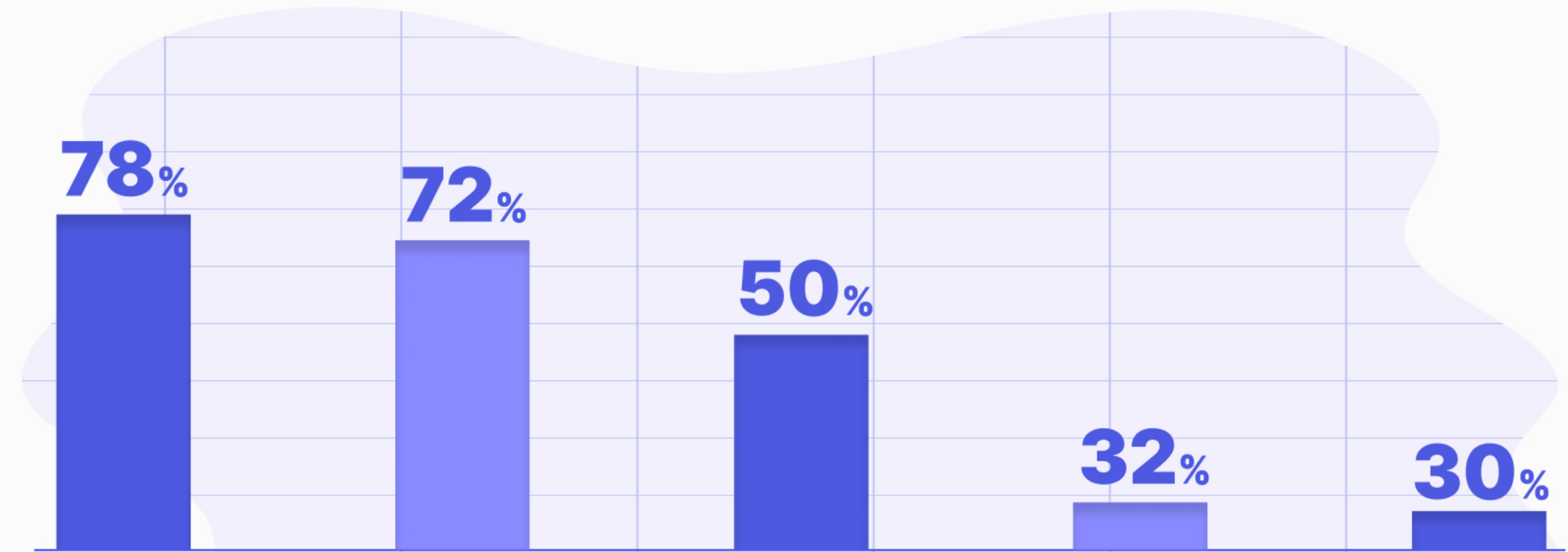
**22%** "I am unsure if I am using allowance as an effective teaching tool."

**13%** "I don't feel confident about how much allowance I should give."

# Allowance POV



How likely are Canadian parents to agree that...



Kids should be required to **save a specific percentage of their allowance**

Allowance should be directly **tied to household chores**.

Withholding allowance is an **effective tool for discipline or punishment**.

Kids should be required to **give** a certain percentage of their allowance to a **cause or charity**.

I often **forget to pay** my kids their allowance.



# The ABCs of Allowance



**"Allowance is a safe way to teach kids about financial independence."**

Jessica Moorhouse

## A is for Autonomy

**78%**

of parents say kids should be required to **save a specific percentage of their allowance**



**"Your child may impulsively spend a month's worth of allowance at the candy store, but it's a powerful opportunity to teach a lesson about saving." The more parents dictate what happens with their kids' allowance, the less kids have an opportunity for active learning.**

According to financial expert and Accredited Financial Counsellor Jessica Moorhouse, experience is the best teacher. Although 78 per cent of parents say kids should be required to save a specific percentage of their allowance, Moorhouse cautions against parents making too many of the decisions around how allowance is used or spent.

## B is for Buy-In

**"If a child has a choice and is actively involved with the terms of their allowance – even having the ability to opt-out if they want to – they're more likely to feel engaged, leading to positive associations with money in the long run."**

Key decisions like how much and how often to give allowance should be made by each family based on their individual financial situation and their child's needs. Once those decisions are made, parents should ensure kids understand the rules and guidelines.

Moorhouse encourages families to think of allowance as an agreement, with kids having a say in how it works.



**1 out of 4**

said although their kids receive an allowance, there isn't a clear understanding of what kids are responsible for buying themselves. Will you still pay for a new pack of trading cards if your kids get an allowance? What about a cool new pair of running shoes? Make sure kids know what is and isn't expected of them financially and keep the conversation going, using open-ended questions to get kids to talk about their financial goals.





## C is for Consistency

Almost 40 per cent of parents who give their kids allowance say they forget to give allowance regularly.

**“While missing a week of allowance may seem inconsequential to you, it could lead to confusion and cause long-term negative associations for kids,” says Moorhouse.**

Similarly, withholding allowance as a form of punishment is a financial no-no, says Moorhouse. Instead, parents can use allowance as a tool for teaching and learning about money management, budgeting and saving in a positive and supportive manner.

Automating the allowance process can help create simple, yet effective routines for parents and kids. In an increasingly cashless world, it’s unsurprising that 26 per cent of parents say they often don’t have the cash on hand to pay the week’s allowance.



40%

say they forget to give allowance regularly



### The Fine Print

These are some of the findings of an Ipsos poll conducted between April 5th to April 8th, 2024, on behalf of Mydoh. For this survey, a sample of n=700 parents ages 18+ with children ages 6 to 17 in Canada were collected. Quotas and weighting were employed to ensure that the sample’s composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within  $\pm 4.2$  percentage points, 19 times out of 20, had all Canadian parents aged 18+ with children ages 6 to 17 been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to, coverage error, and measurement error.

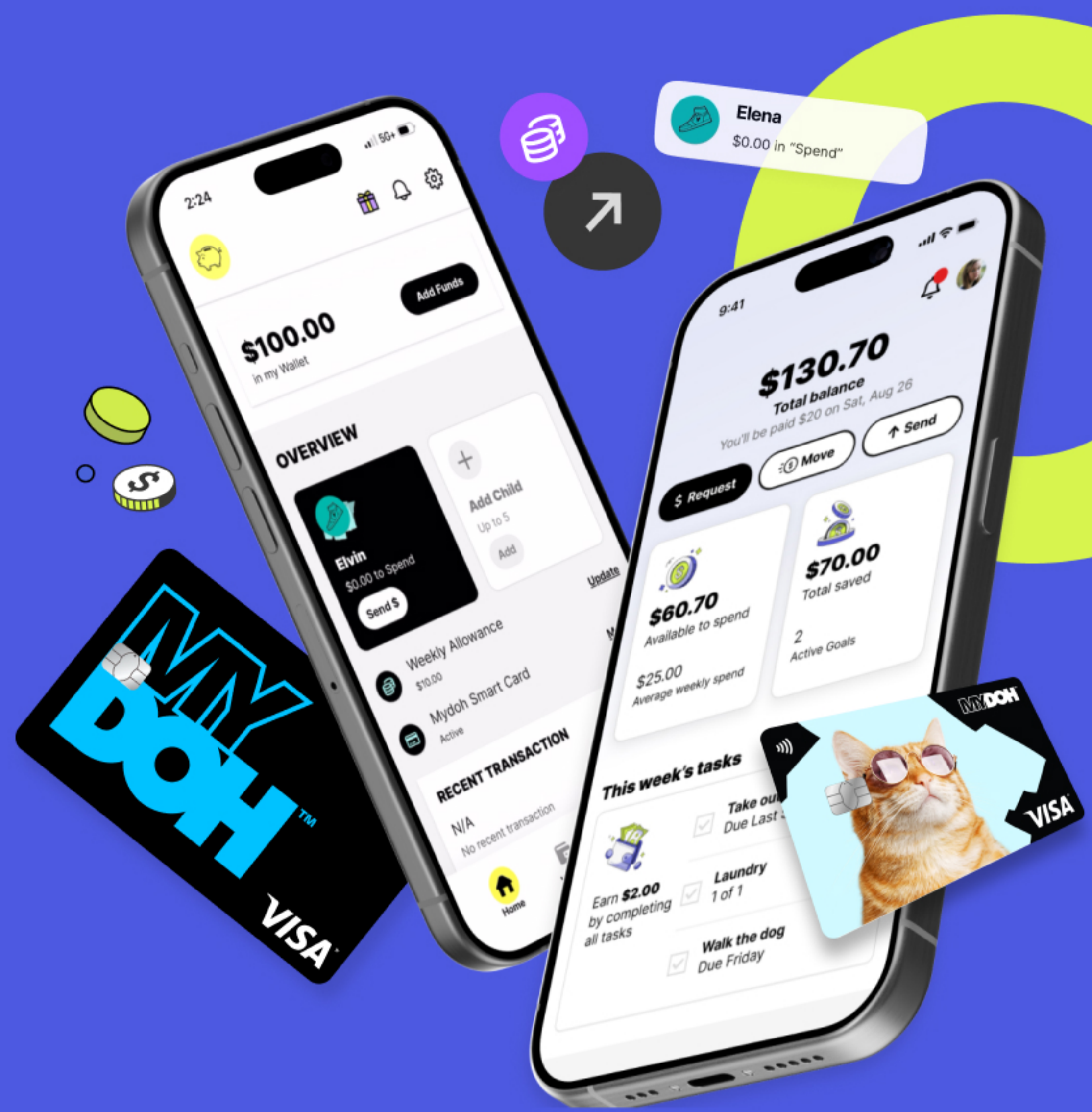
\*This article is intended as general information only and is not to be relied upon as constituting legal, financial or other professional advice. A professional advisor should be consulted regarding your specific situation. The information presented is believed to be factual and up-to-date but we do not guarantee its accuracy and it should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change. No endorsement of any third parties or their advice, opinions, information, products or services is expressly given or implied by Royal Bank of Canada or any of its affiliates.



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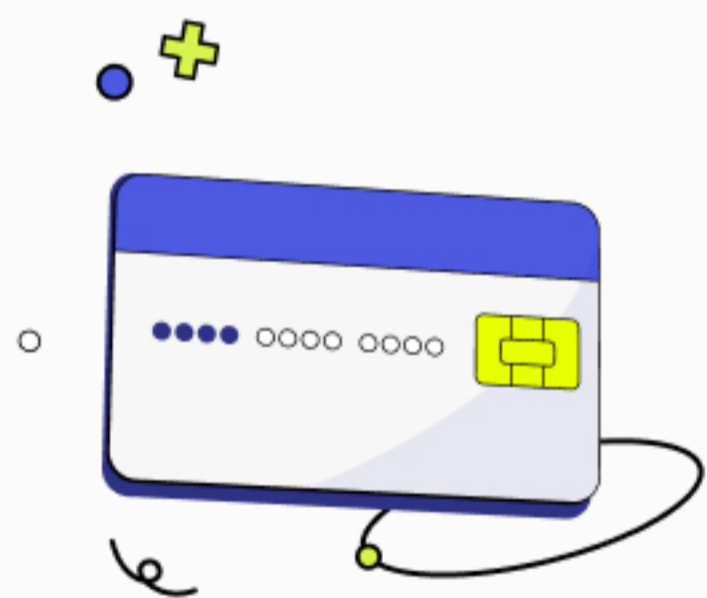
## Meet Mydoh

Mydoh is the money management app designed to help parents help their kids learn money values and skills. It's simple, safe and secure - all with no monthly fees.



### Automate Allowance

Through the app, parents can automatically pay their kids a weekly allowance. Plus, with Mydoh Tasks, you can easily assign chores and get your kids involved.



### Kids Spend Smarter with the Mydoh Smart Cash Card

The Mydoh Smart Cash Card is a safe, secure way to spend. With this reloadable, prepaid VISA card, kids can only spend the money that's available on their card's balance - and all purchases are subject to allowable limits.



### Oversight for Parents

The Mydoh app gives parents complete oversight with instant notifications about their child's transactions, as well as a full transaction history. Plus, parents can lock or unlock the Smart Cash Card at any time from right within the app.

Visit [mydoh.ca](https://mydoh.ca) to learn more!

