



Parents & Finances

*New research from
Ameriprise Financial*

A study that explores how parents approach money matters, instill financial values and balance competing priorities.

Parents are balancing numerous financial priorities – both in the short- and long-term – vying for their hard-earned dollars.

Ameriprise Financial set out to explore the unique financial decisions and competing priorities parents face throughout their children's lives in the new research study: *Parents & Finances*.

The study, fielded in January 2025, **surveyed more than 3,000 American parents** over the age of 25 with at least one child age newborn to 30.

To understand parents' goals, concerns and perspectives, Ameriprise asked respondents questions like:

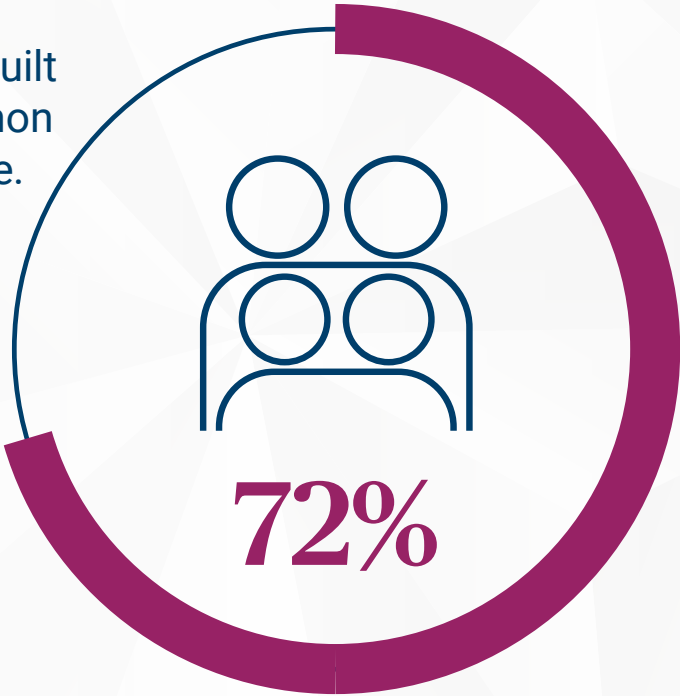
- Are you confident that you will reach your financial goals?
- Do you involve your children in money matters?
- How do you alleviate financial stress?
- When did you start investing for your children's future?
- How do you want your children to feel about their relationship with money?

The research reveals that parents find joy in parenthood and strive to give their children the best in life, however they're concerned the tradeoff decisions they make today will impact their financial future.

Pressure to be the “*perfect parent*”

Over four in 10 parents (**44%**) report their biggest financial stress is the pressure they feel to give their children the best today and over the long-term.

Parental guilt is a common experience.



Parents put pressure on themselves to be the perfect parent (**35%**), which led to increased spending.

Among parents who experience parental guilt:

52% More than half offered children treats or perks.

43% Four in 10 overspent on an item or experience.

33% A third did something that was beyond their original budget.

Most parents (**80%**) shore up their finances before having children – and have ways they can continue to be fiscally responsible:



Top actions before baby is born include creating a budget (**52%**), investing for the long-term (**50%**) and establishing an emergency fund (**46%**).



Nearly half (**47%**) have yet to create a will, a third (**31%**) still need to identify a legal guardian and one-fifth (**21%**) don't have updated beneficiaries on their accounts.



FUN FACT:

Top financial regret of parents with kids age 15 and older is **spending too much on toys & technology (24%)**.

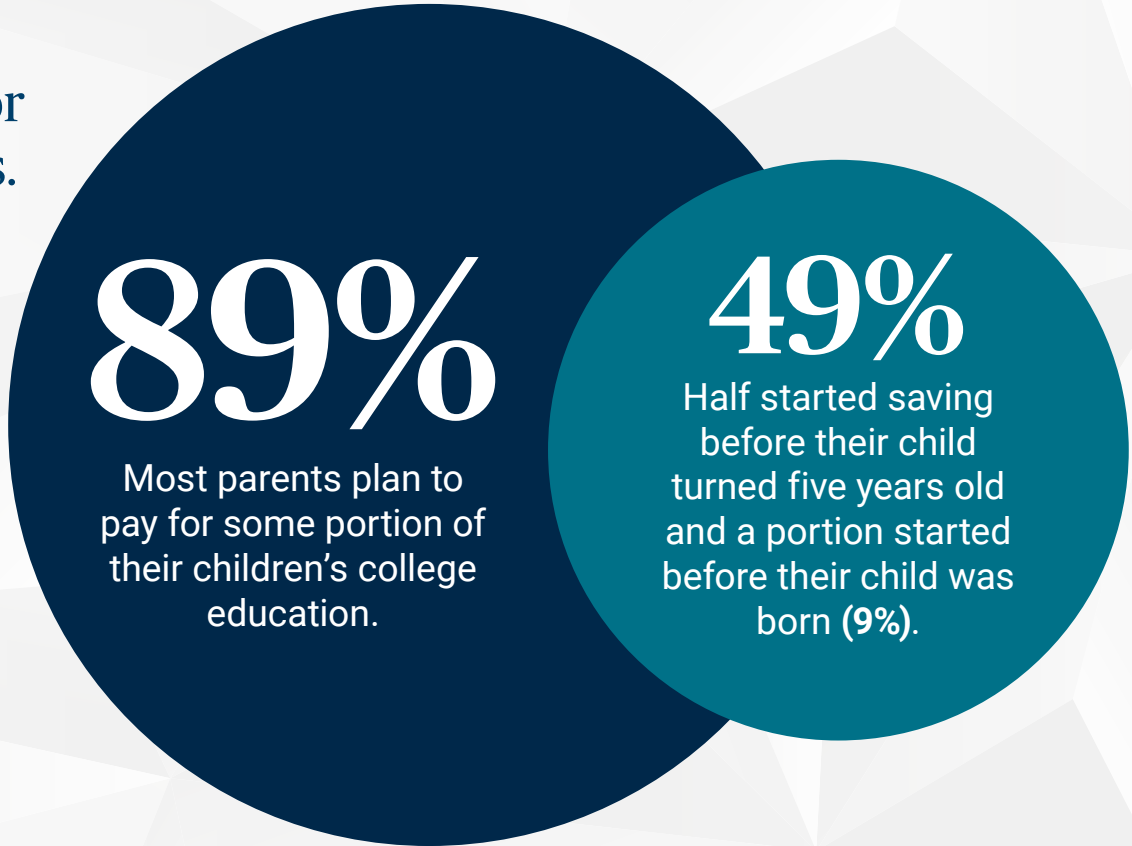
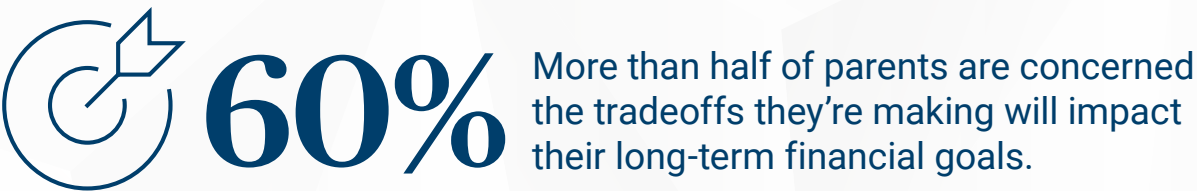
Balancing *shifting financial and personal priorities*

Parents are balancing numerous financial priorities – both in the near term and distant future – vying for their hard-earned dollars.

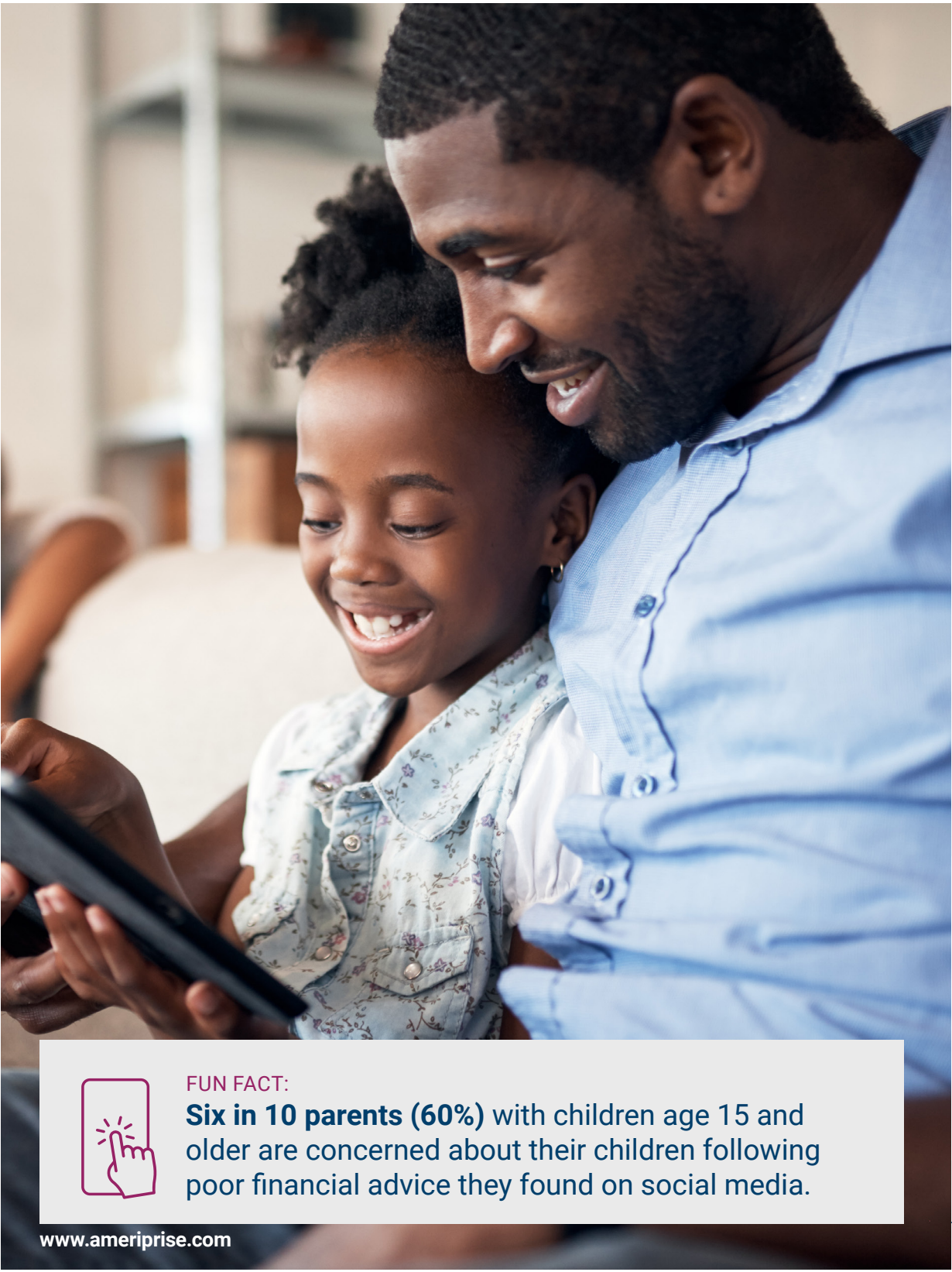
Parents’ top financial goals are:



Parents want to set their children up for future success.



FUN FACT: Most parents (91%) have a family “bucket list” with taking **vacations together as the top item (80%).**



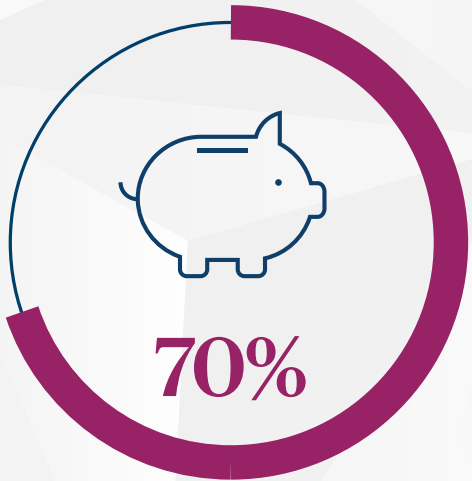
Raising *financially savvy* children

The majority (**72%**) of parents take on the responsibility for teaching their children about money.

The top emotions parents want their children to feel about their financial situation are:

- 43%** Responsible
- 28%** Secure
- 26%** In-control

Most parents involve their children (age 11 and older) in family financial decisions to help instill values and principles.



Leading ways parents encourage their children to make smart financial decisions:

- 76%** Open a savings account for them
- 68%** Encourage them to save for a short-term goal
- 61%** Stop them from spending money unwisely

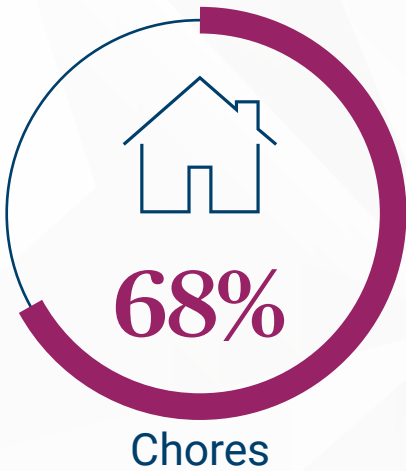
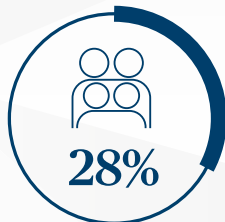
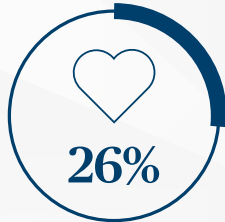


FUN FACT:
Six in 10 parents (60%) with children age 15 and older are concerned about their children following poor financial advice they found on social media.

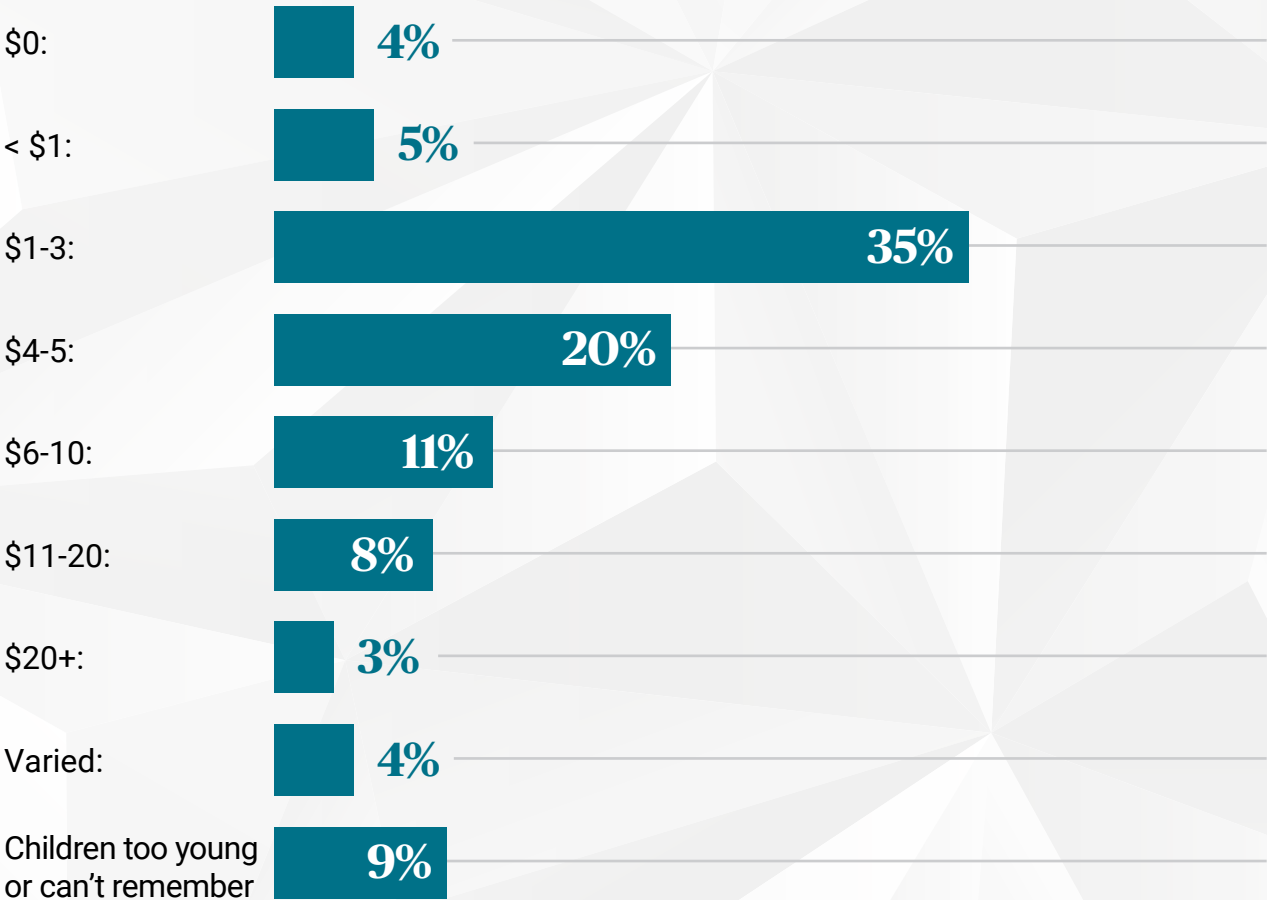
Paying children for *actions and achievements*

The majority of parents (88%) give their children an opportunity to practice financial lessons by paying them for actions and achievements.

Parents pay their child for...



Losing teeth pays well these days!
The average “Tooth Fairy” leaves \$5 per tooth.



Graph bar full length represents a value of 50%



FUN FACT:
More than half (55%) of parents provide their children with an allowance.

Words of wisdom *for new parents*

Respondents were asked to share their top financial advice for new parents – *here's what they said:*

"Save, save, SAVE!"

"It is never too early to teach children about money."

"Above all, balance providing for them with preparing them for independence."

"Let them know the value of money and how to save in a positive way."

"You will never have enough money, so budget for the things that you truly want your children to have and value your time with them the most, because that is what they will remember."

"Planning is key."

"Take it easy, none of us know what we are doing."

"Make sure you teach them financial responsibility and don't be afraid to say 'no' to things that will impact your own future financial health."

"I would advise new parents to communicate clear financial expectations early with their children and model sound spending habits."



Seek *professional guidance*

Working with a financial advisor can help parents feel empowered and in control financially, so they can spend more time on what truly matters: their children.

Parents recognize the integral role a financial advisor plays:

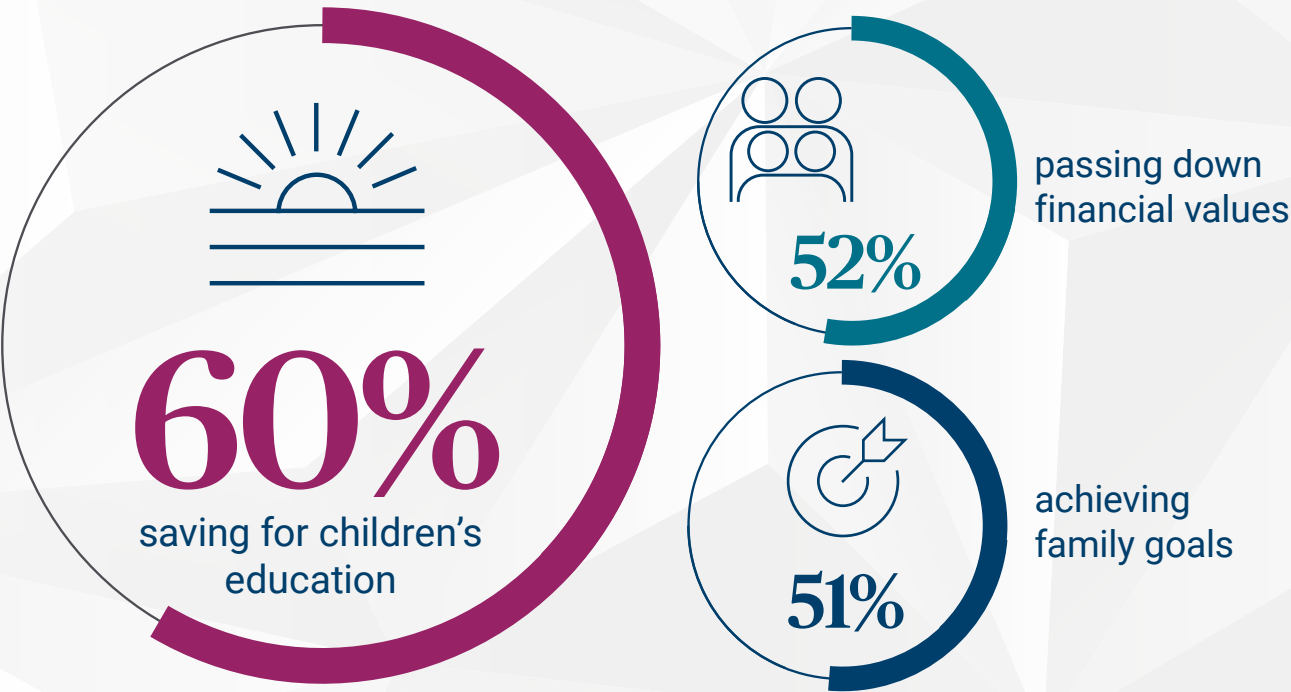


Over seven in 10
(74%) say it's important to seek professional advice when planning for their children's future.



Nearly nine out of 10
(88%) say their advisor was helpful in making financial decisions related to their children.

Among parents who use an advisor, the most discussed topics are...



 **FUN FACT:** Over half (56%) of parents have introduced their children to their advisor.

About the research

The *Parents & Finances* research was created by Ameriprise Financial and conducted online by Artemis Strategy Group from January 3-31, 2025, among 3,010 American parents with children ages newborn to 30. Parents who are between ages 25-29 have \$50,000 or more in investable assets, while parents ages 30+ have \$100,000 or more. For further information, including verification of data that may not be published as part of this report, contact Ameriprise or go to ameriprise.com/parents.

About Artemis Strategy Group

Artemis Strategy Group (www.Artemissg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for more than 130 years. With extensive investment advice, asset management and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs.

Artemis Strategy Group is not affiliated with Ameriprise Financial, Inc.

Ameriprise Financial and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Ameriprise Financial Planning Services are optional, offered separately, and priced according to the complexity of your case and your financial advisor's practice fee schedule. Your fees and financial advisor may be subject to change.

Financial planning is generally appropriate if you have financial goals, sufficient assets and income to address your financial goals, and are willing to pay an investment advisory fee for recommendations to help you achieve those goals. Please review the Ameriprise Financial Planning Client Disclosure Brochure or, for a consolidated advisory relationship, the Ameriprise Managed Accounts and Financial Planning Service Disclosure Brochure, for a full description of services offered, including fees and expenses.

Investment Advisory products and services are made available through Ameriprise Financial Services, LLC a registered investment advisor.

Securities offered by Ameriprise Financial Services, LLC. Member FINRA and SIPC.

© 2025 Ameriprise Financial, Inc. All rights reserved.