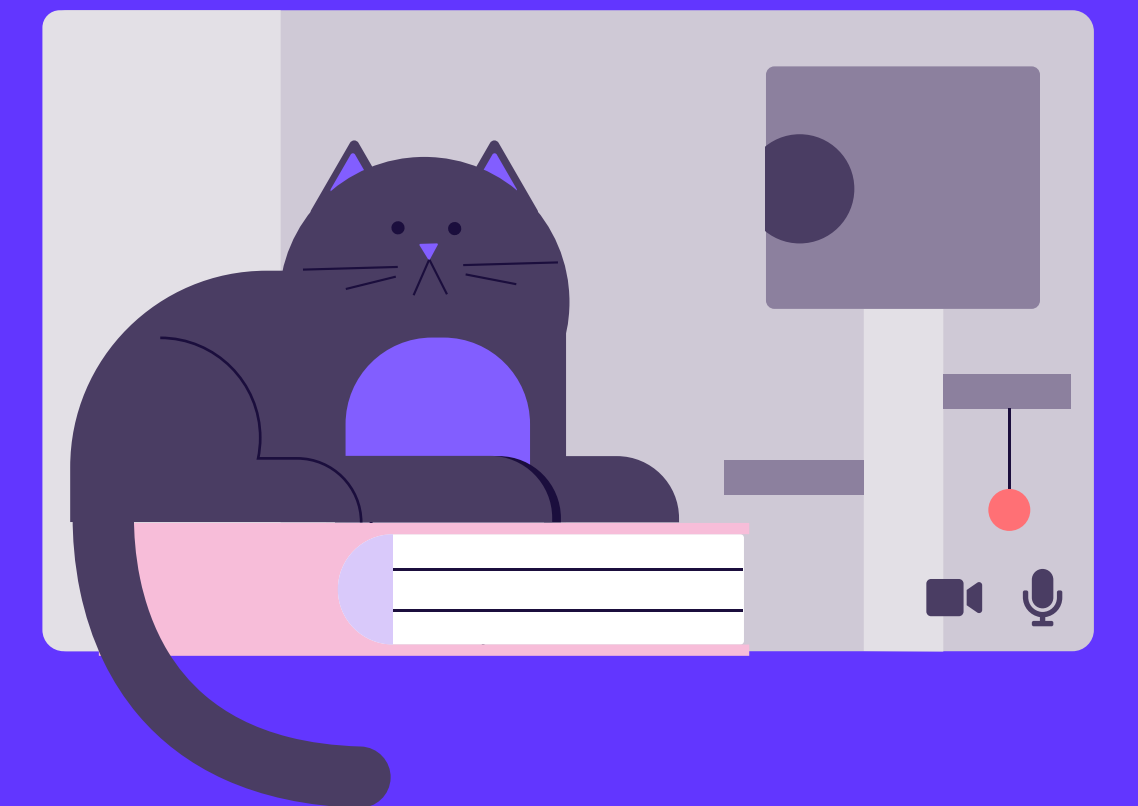


The Legacy of Lockdown

UK Youth Economy Report



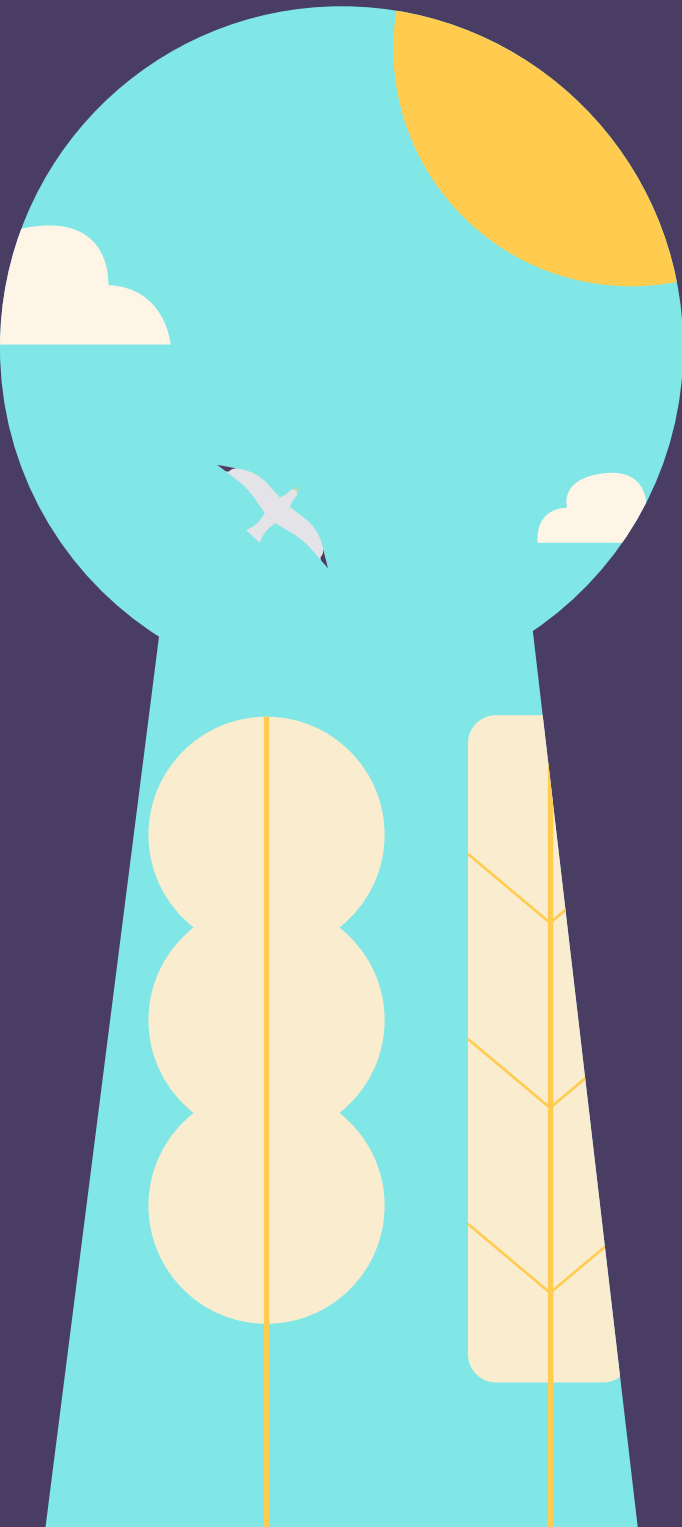
"This year, our Youth Economy Report gives unique insight into the various ways in which the youth economy has been impacted by the COVID-19 pandemic. Remarkably, at a time when the UK economy experienced a significant shock, the youth economy remained buoyant, bolstered by income from socially-distant gifts, and paid tasks completed during, and between, lockdowns.

Our data shows that, between January and December 2020, British children contributed a staggering £95.7 million to the economy. They also prioritised saving and giving, which suggests that the lasting legacy of COVID-19 could be a more considered attitude to money management, with Generation Alpha (born since 2010) and Generation Z (born between 1999 and 2009) leading the way."

Louise Hill, COO and co-founder of gohenry



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Introduction

2020 was a year like no other, and we're still living with the prolonged disruption caused by the pandemic. As we navigated lockdowns, social distancing, self isolation and quarantines, children and teenagers faced huge upheaval – not least because schools were closed, exams were cancelled and social contact with friends and extended family was strictly limited.

For all these reasons, we know that living through COVID-19 has had a significant impact on British children and teenagers. In fact, our data on children and teenagers' earning, saving, spending and giving habits – which is based on 400,000 gohenry kids – indicates that the events of 2020 are likely to have caused an attitudinal shift and behavioural change, which will continue through 2021 and beyond.

Generational expert and report contributor Dr Eliza Filby says, "This has been a pivotal moment for British children and teenagers, because it's the first time in history when all kids have been off school, all at the same time. COVID-19 has impacted their education, as well as their entry into the workplace. It's going to have a lasting legacy."

Multiple news reports have detailed the ways in which COVID-19 has ravaged the economy. According to The Office for National Statistics (ONS), at the end of December, 2020, consumer spending was about 27% below its pre-crisis levels. The economy shrank by 19.5% in April 2020, during the first lockdown, although it rebounded from recession between July and September, 2020 (between lockdowns one and two) – with record growth of 15.5%¹.

ELSA AGE 6

I like to use my gohenry card for my pocket money and chore money. It feels safer to use my card when there is covid around. I don't want to use coins that other people have touched as I could get germs on my hands. My gohenry card is mine and I love to use it online and in shops with my mum and dad. I do my chores and get pocket money that I can save or spend!





The Youth Economy also rebounded in the third quarter of the year: when the first lockdown was lifted, children's earnings increased by 13%. However, unlike adults, gohenry kids saw their earnings increase during lockdown one, thanks to a 9% rise in earnings from paid tasks, plus a 60% uplift in socially-distant gifting, via Giftlinks, which make it possible for family and friends to send money, as a gift, directly to a child's gohenry account.

We already knew that Gen Z's 'cashless natives' were well prepared for the shift to a digital economy; they have long favoured card and contactless payments. COVID-19 has accelerated this process across all age groups, with more customers spending online, most bricks and mortar stores forced to close during lockdowns one and two (plus some regional tier restrictions), and some shopkeepers refusing to accept cash.

Data from Link, which runs the UK's cash machine network, shows that ATM transaction volumes fell by up to 62% year-on-year, with the amount withdrawn totalling around half of what was withdrawn in 2019². Our research reveals that just over half (51%) of British children and teenagers are more concerned about using cash since the start of the pandemic and; in 2020, ATM withdrawals accounted for just 9% of their total spending, compared to 14% in 2018.

With schools shut for weeks on end, holidays cancelled and their favourite shops, cafés, sports facilities and cinemas closed, British children and teens had to look elsewhere for entertainment – and many turned to gaming and streaming services. In total, gohenry kids spent over £16 million on gaming in 2020 – with an increased gaming spend of 66% during the first lockdown.

¹ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/september2020>

² <https://www.ft.com/content/9e7b6428-e357-4547-9379-6c9d48035768>

“This generation was already well equipped for a digital, remote existence – and they were better prepared for this than any other age group. For some time, their learning, their friendship, their communication has all been coexistent online and offline, so the shift has been much easier for them.”

Dr Eliza Filby

Although young people continued to earn and spend as we moved in and out of lockdowns, COVID-19 has made them increasingly anxious about money. Our research³ shows that just over half of children (51%) surveyed worry about money – with 66% admitting they worry more since the start of the pandemic, perhaps due to an increased awareness of how they, and their family spend money.



ETHAN AGE 13

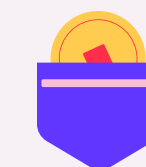
Before I got my gohenry card I always used cash. But, since the start of the pandemic, not everywhere recommends paying with coins or notes – so having a card has been really useful.

In addition, widespread awareness of initiatives like Marcus Rashford’s campaign for free school meals during holidays, has also heightened young people’s understanding of the power of their pound – and the different ways they can be good (and do good) with money.

Children and teenagers have clearly responded to this message about helping those in need. gohenry kids gave 59% more than usual to charities during the first lockdown and, over the course of the year, donated over £66,800 to our charity partner, the NSPCC.

3,4,5,6 The research was conducted by Censuswide, based on a sample of 2,009 children aged 6-18 in the UK (excluding Northern Ireland)

Key highlights



A detailed breakdown of how much children receive in pocket money by age, gender and location



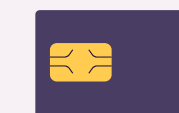
How two-thirds of children say that money worries have affected their mental wellbeing since the start of the pandemic ⁵



The 59% increase in charitable giving during lockdown one, as young people recognised that they could use their money to help others



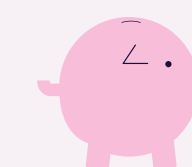
The lucrative, lockdown-specific paid tasks, including gardening, car washing and daily exercise, which boosted kids’ earnings by 9% during the first lockdown



The shift to a cashless economy, as over half of children admit that they’re wary of handling cash since the outbreak of COVID-19 ⁶



How 52% of children’s spending now takes place online, driven by a 66% increase in gaming spend during the first lockdown



How kids and teens save 12% of their income, as just over half admit that they worry about money ⁴



The 432% increase in spending in cafes and restaurants in July, August and September, partly driven by the Eat Out to Help Out scheme



No furlough for kids: young people’s overall average earnings increased by 20% during 2020

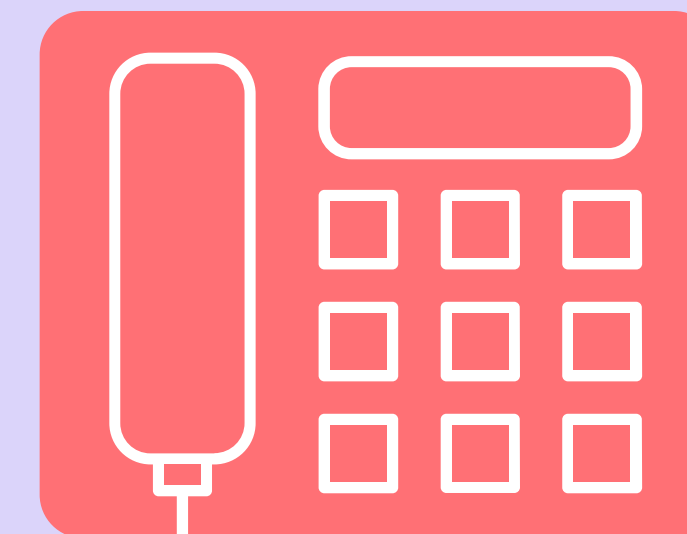
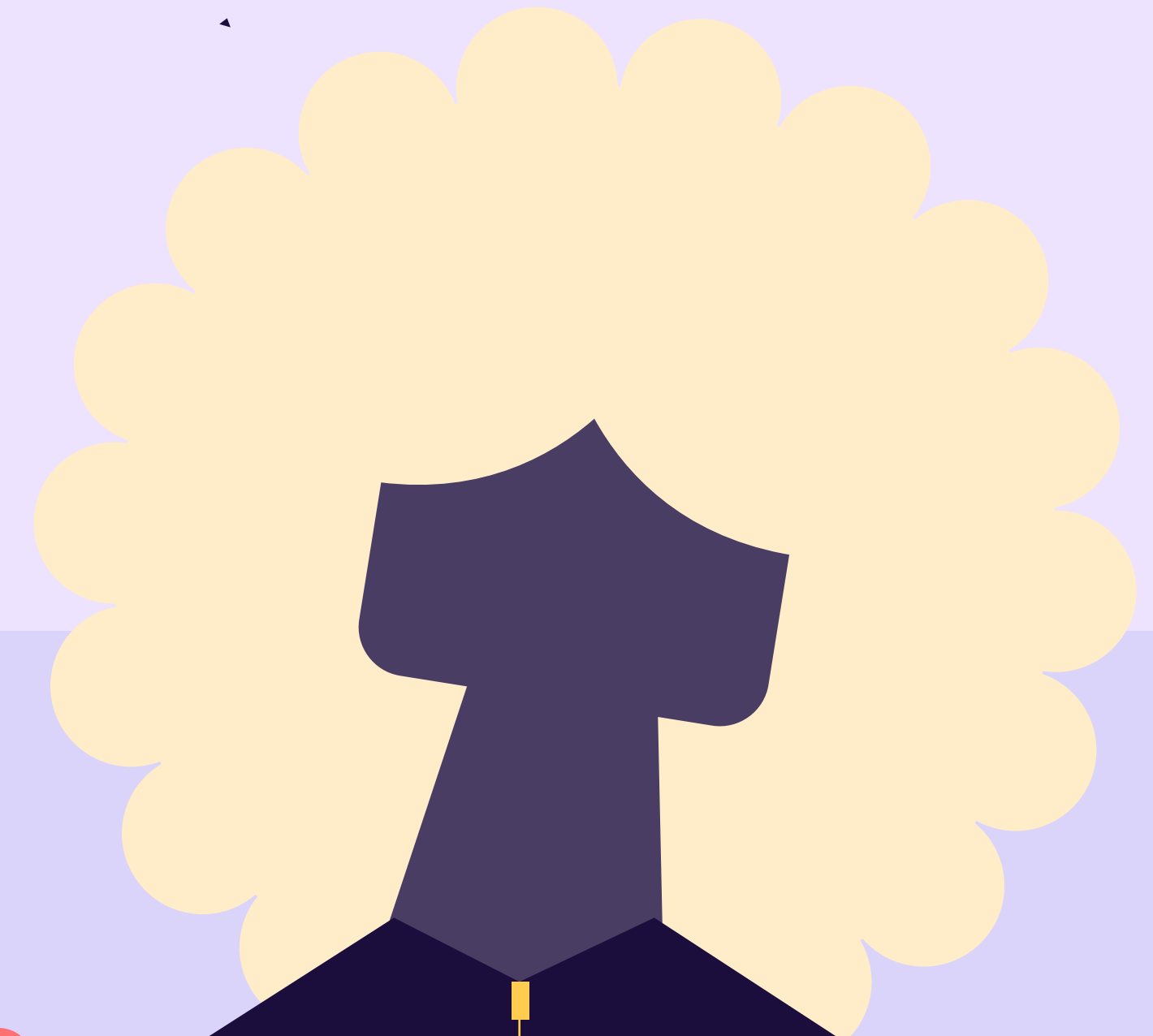
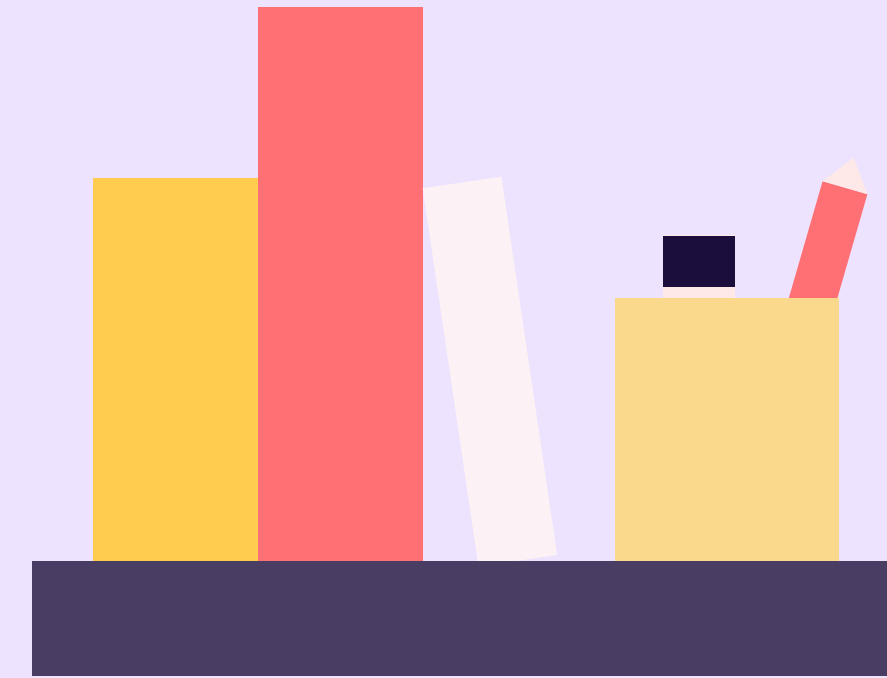
This, our second annual Youth Economy Report, is based on data taken from the transactions of 400,000 children and teenagers who used their gohenry card through the whole of 2020.

We've combined this with a survey conducted by Censuswide, based on a sample of 2,009 British children, to give additional qualitative data. This has given us a unique insight into children and teenagers' changing lifestyle and shifting priorities – and the ways that this could influence the post-pandemic economy.

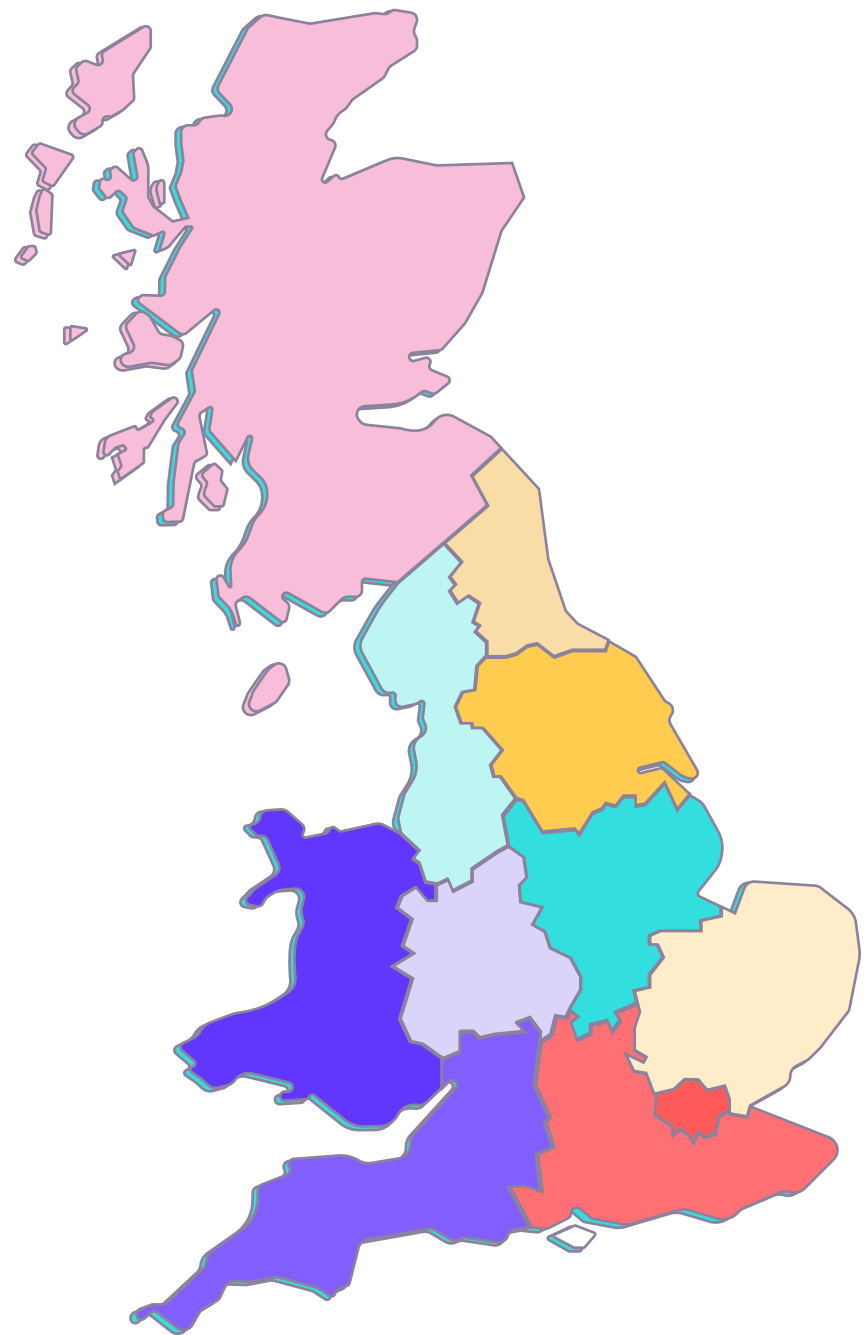


LULU AGE 14

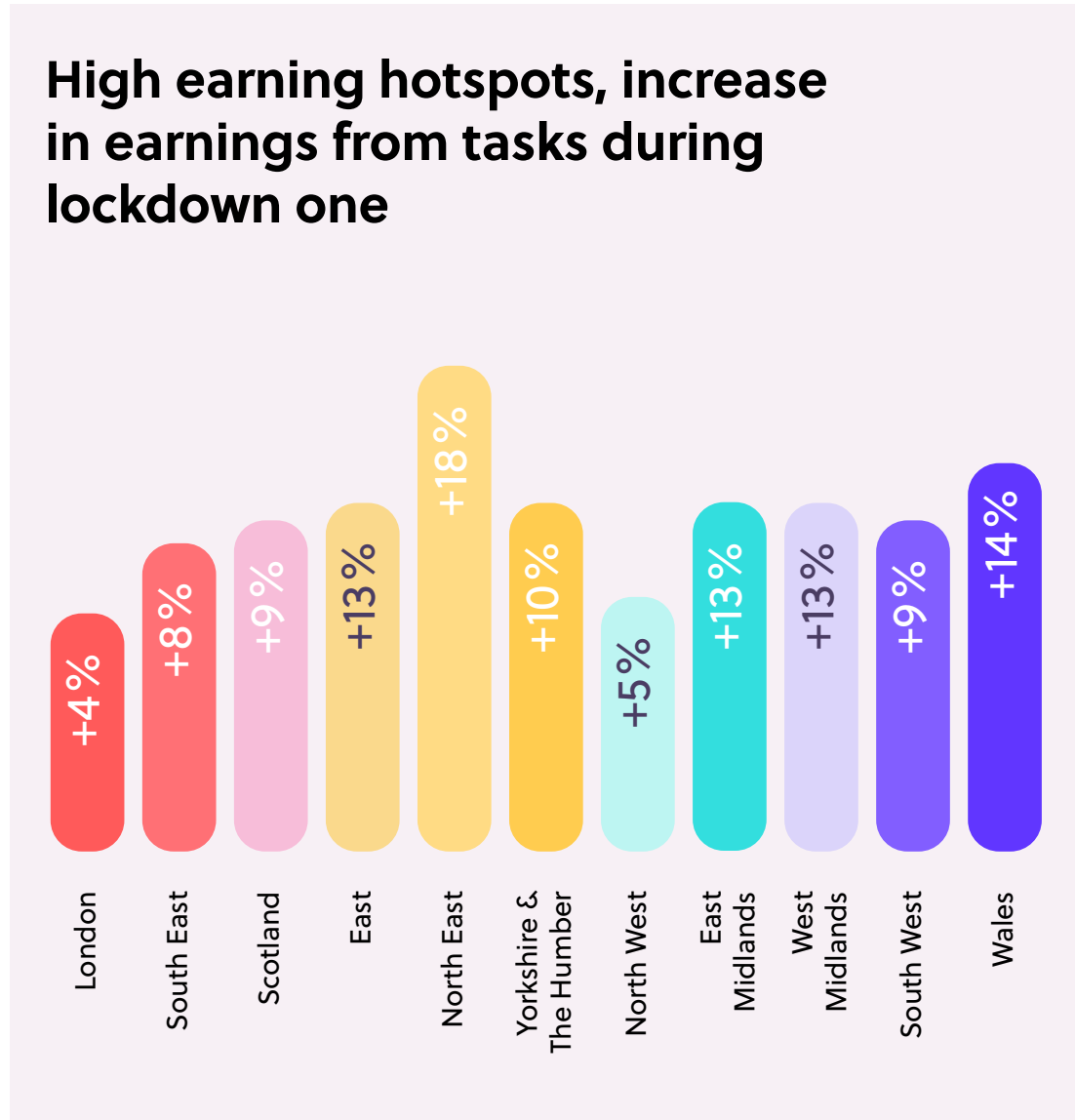
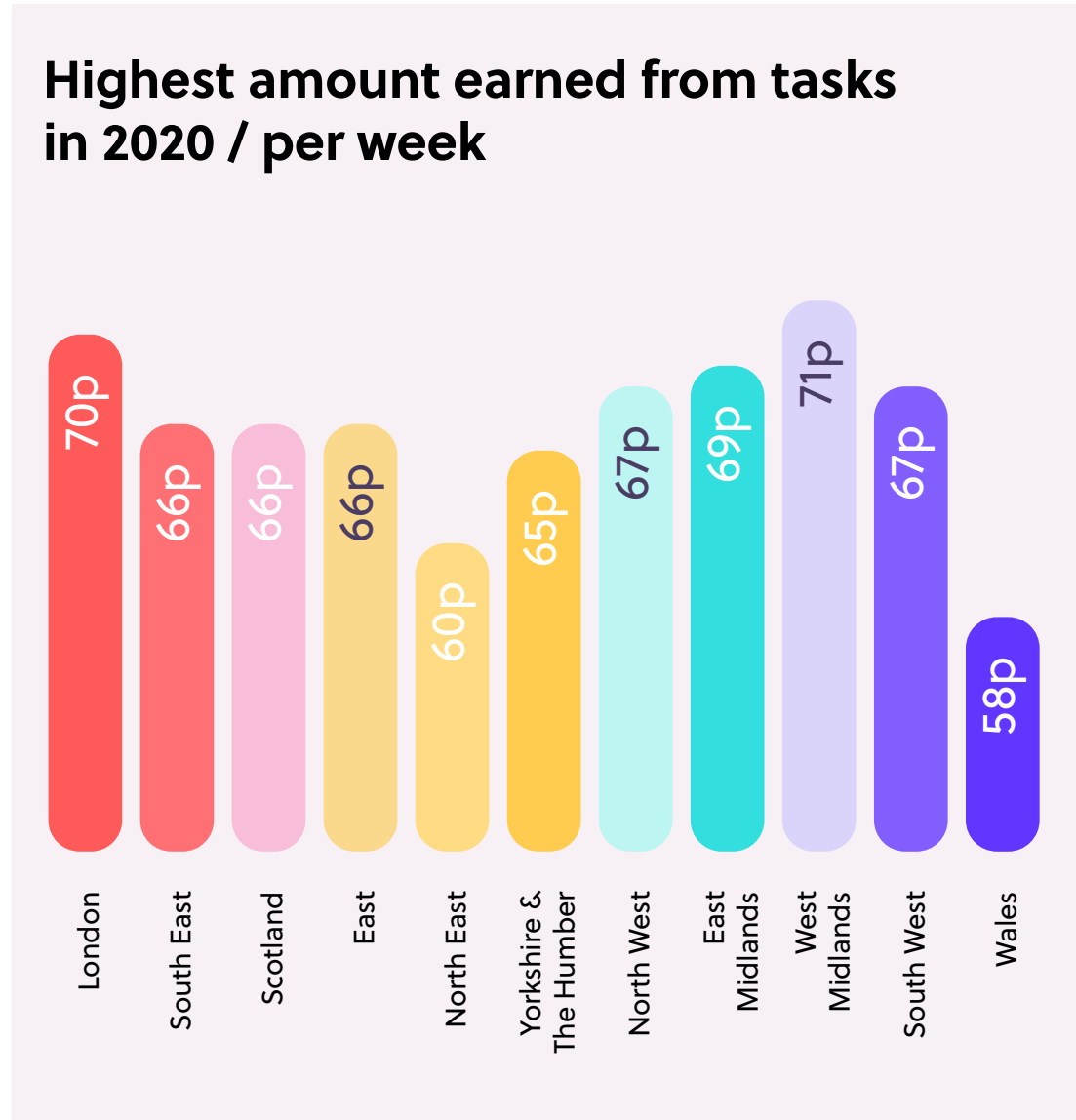
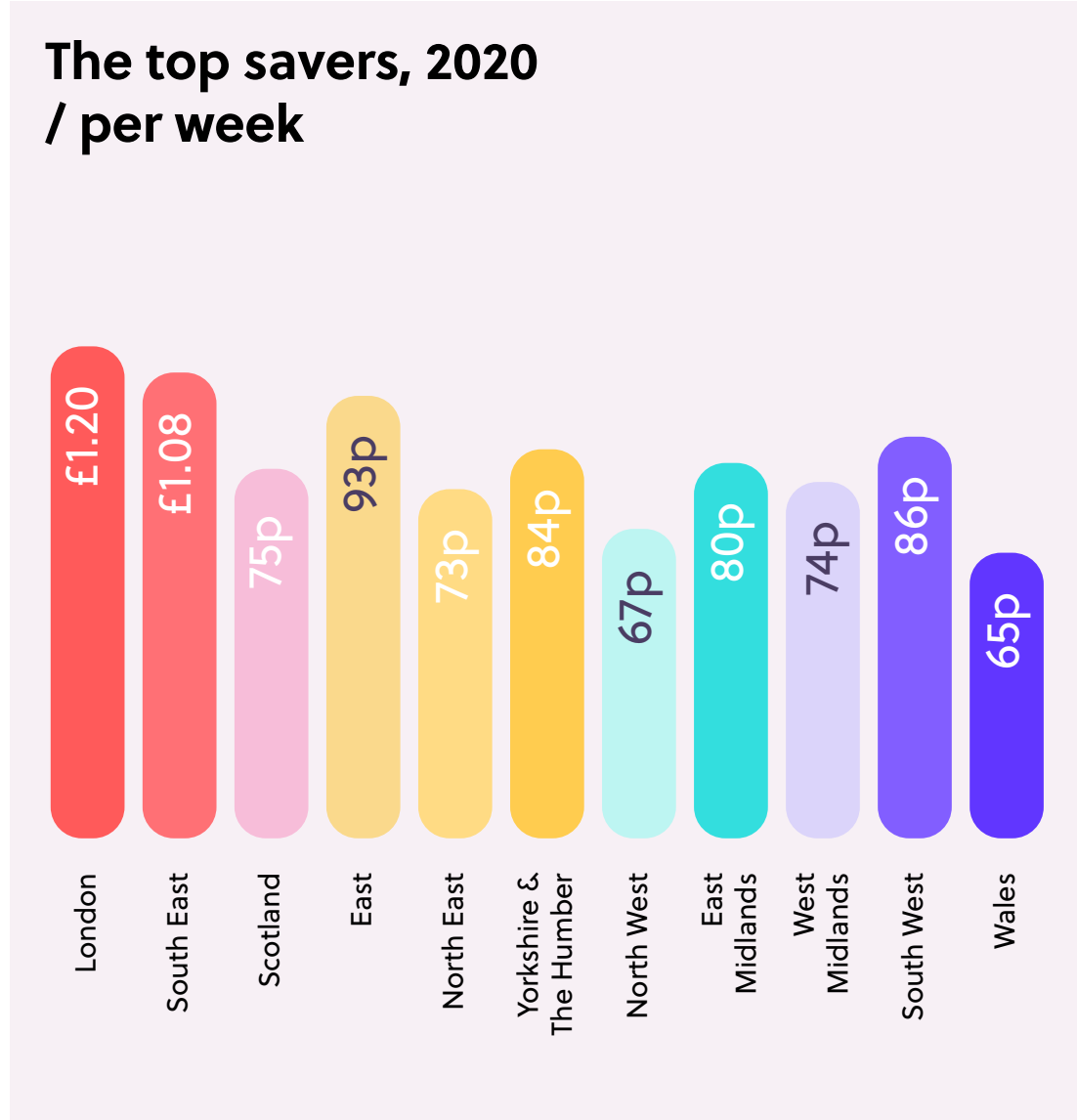
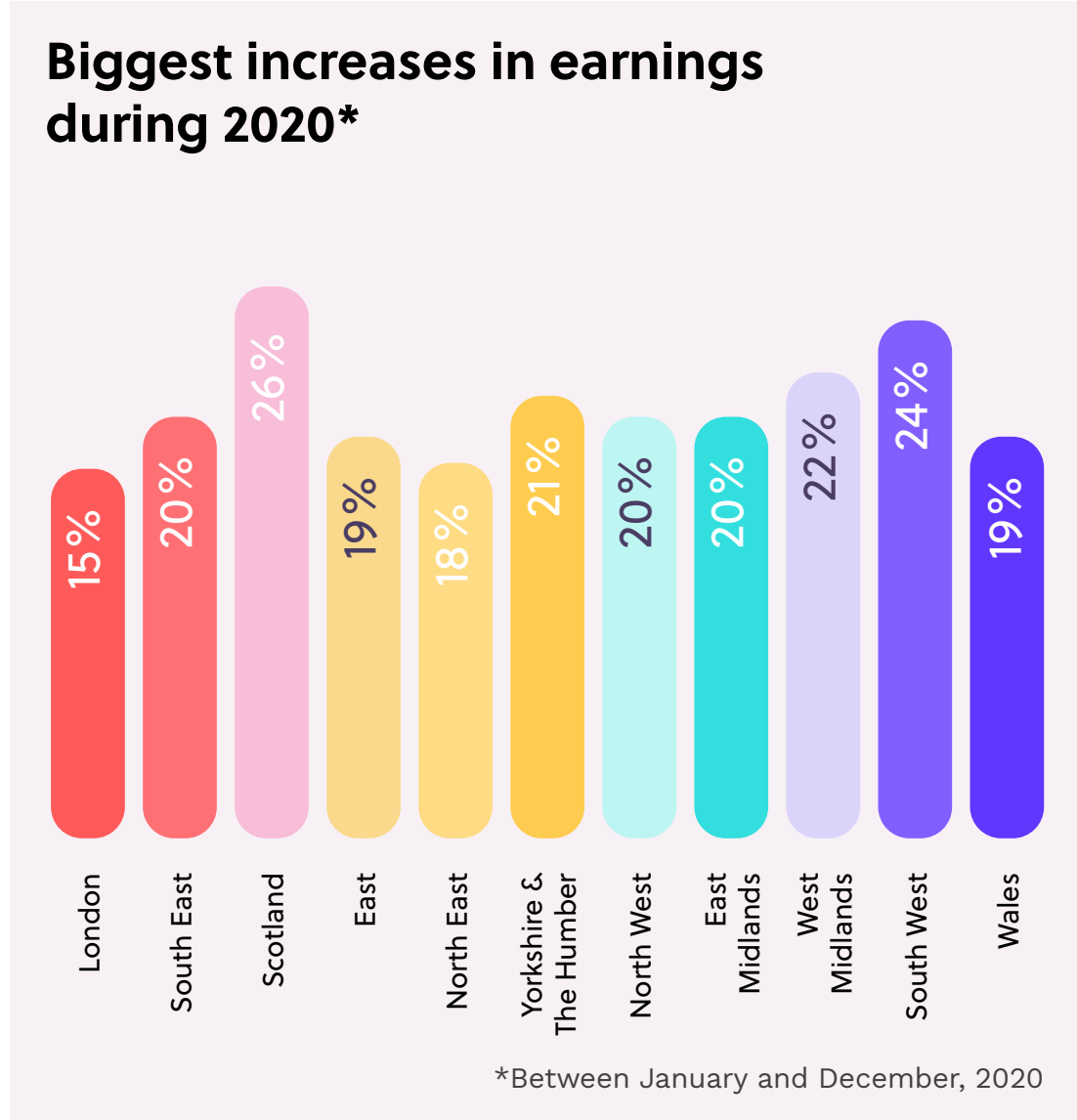
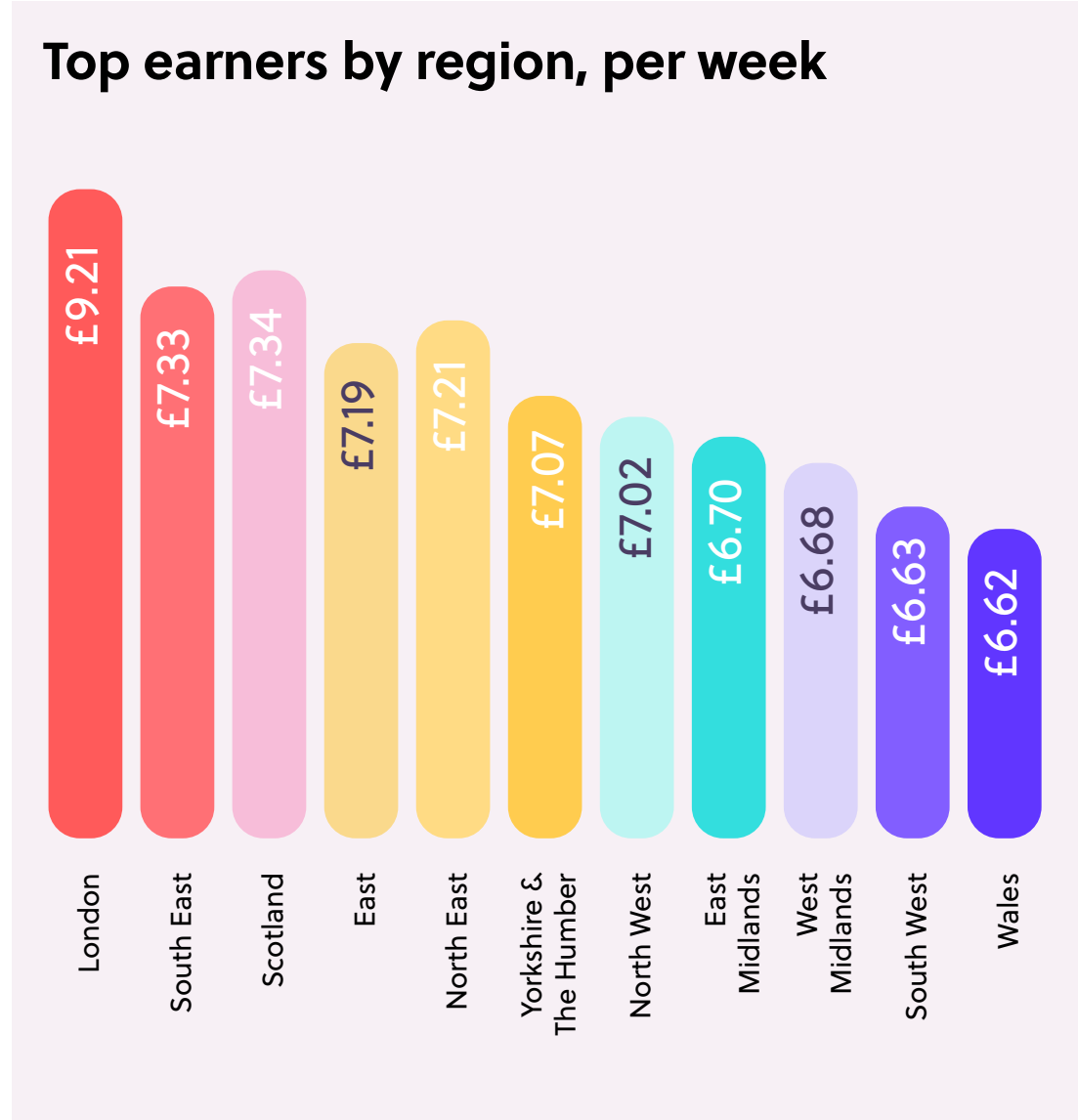
I automatically donate 5p every week via the giving feature. I've been doing this for over two years now and it's built up to be nearly £6! It's so cool to see how a little every week can turn into a lot. I think it's important to donate to charity, even if it's just a little, because even the tiniest amount can make a massive difference.



Britain's pocket money hotspots



- London
- South East
- Scotland
- East
- North East
- Yorkshire & The Humber
- North West
- East Midlands
- West Midlands
- South West
- Wales



Making money



Between January and December 2020, gohenry children and teenagers aged 6-18 collectively earned £108.4 million. This income comes from a combination of regular pocket money payments, paid tasks, and gifts – some of which were sent directly to the child’s gohenry account via Giftlinks.

Surprisingly, at a time when many adult’s earnings were reduced by 20% due to furlough, young people’s overall earnings increased by 20% over the course of the year.

KAYA AGE 9

Before we got gohenry cards we’d got money for Christmas and birthdays, but we didn’t get pocket money every week. Now we get £2 every week for tidying our rooms and doing some housework.



“There’s no furlough for kids – their earnings increased by 20% during 2020”

The bulk of these earnings (£103.8 million) come from regular pocket money payments. The most popular days to receive pocket money are Friday (37%) and Saturday (33%), and the average amount received is £7.33 per week, although this does vary considerably, according to age and location. For example, children who live in London are the highest earners, with average weekly pocket money of £9.21, followed by those in Scotland who earn £7.34, and those in the South East, who earn £7.33. The lowest earners are to be found in Wales (£6.62), the South West (£6.63) and the West Midlands (£6.68).

Pocket money: The going rate

Paying regular pocket money helps children get used to managing a regular income. It’s not important how much you pay, but here’s a guide to 2020’s national weekly averages.



Working from home

By the end of December 2020, 9.9 million employees had been furloughed as part of the UK's Coronavirus Job Retention Scheme⁶. However, a combination of school closures, lockdown, the pressures of home working (and homeschooling), along with self isolation and quarantine, meant that British children were working harder – and earning more – than ever.

NOAH AGE 13

I used to help around the house before I got my goheny card, but it was very demoralising as I didn't get paid for it. Now I get paid 50p for vacuuming and £2.50 for washing the car.



With playgrounds closed, playdates banned, and childcare options limited, parents were looking for new ways to keep their children occupied, incentivised and entertained. So it seems that many

decided to distract their children and teens with household chores, or motivate and reward them for getting through another week of homeschool. During the first lockdown, earnings from tasks increased by 9% – these earnings then dropped by 9% when lockdown one lifted, and children and teenagers were able to leave their homes.

"In financial terms, kids have done well out of lockdown. They've had an increase in their wages because parents are outsourcing household chores to their kids. Parents had to keep the household running, so it's no surprise that they lent on their children to help them achieve this."

Dr Eliza Filby

⁶ <https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics>



TAMZIN & KAYA AGE 9

Our dad set us a challenge to read all the Harry Potter books in three months. When we finished them all we earned £5.



Overall, gohenry kids earned £2.3 million from tasks in 2020, with each task paying an average of £1.13. This works out at £34.81 per child, per year, or 67p per child, per week. However, earnings increased during the first lockdown, resulting in average weekly earnings of 74p per child.

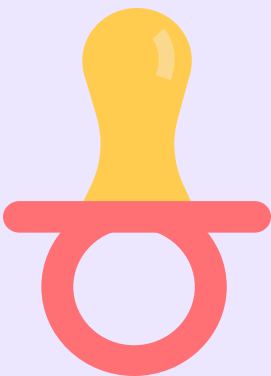
Older teenagers saw the biggest increase in their earnings for completing paid tasks: 16 year-olds earned 22% more and 17 year-olds earned 18% more during the first lockdown.

Although tidying their room is the most popular task across all age groups, savvy school children can give their earnings an extra boost by focusing their efforts on the most lucrative tasks: babysitting (£6.01), washing the car (£3.10), gardening (£1.98) and dog walking (£1.48). In fact, earnings from gardening tasks increased by a whopping 239% during the first

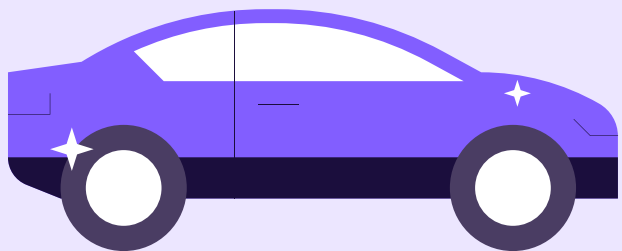
lockdown, and kids also kept busy by washing the car – there was a 77% increase in earnings for this. There was also a significant increase in earnings from lockdown-specific activities. Whether they were doing PE with Joe Wicks, going on a family bike ride or taking a walk around the block, gohenry kids enjoyed a 172% rise in earnings for taking exercise during lockdown one. Obviously they needed an extra incentive to step away from screens, leave the sofa, and get active.

Lockdown money spinners

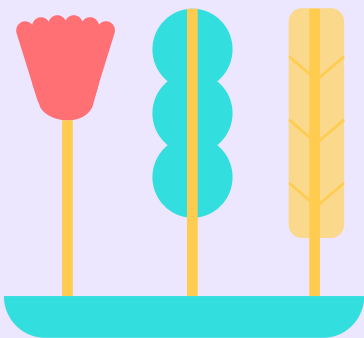
gohenry kids and teens boosted their earnings by completing these lucrative lockdown tasks:



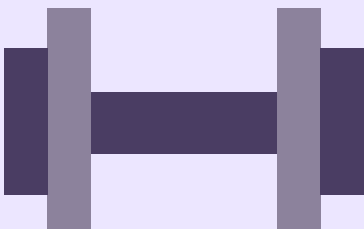
Babysitting:
£6.01 / task
dropped in lockdown one by:
- 52%



Washing the car
£3.10 / task
increased in lockdown one by:
+ 77%



Gardening
£1.98 / task
increased in lockdown one by:
+ 239%



Exercise
£1.34 / task
increased in lockdown one by:
+ 172%

Top of the tasks

In 2020, children and teenagers boosted their income by helping out with paid tasks around the home. Girls are most likely to complete tasks relating to babysitting, cleaning and tidying, while boys are more likely to be paid for gardening, washing the car, doing their homework, and emptying bins. Here's our rundown of the top ten tasks:



Socially-distant gifting

Christmas, birthdays and other celebrations, including Easter, Eid, exam results day, Halloween and Diwali, looked different in 2020. Lockdown, social distancing, shielding, quarantine and the rule of six meant that parties were cancelled and plans were changed. Extended families were unable to celebrate together, and some of children's favourite seasonal celebrations, from Christmas Day to Easter egg hunts and trick or treat, were unable to go ahead as usual.

As a result, many families found new ways to celebrate. For some, this meant sending money for Christmas, birthdays or special events, so that children could add to their savings or enjoy an online treat.

During the second quarter of the year (lockdown one), almost 46,000 gifts from gohenry Giftlinks (which enable family or friends to send money directly to a child's gohenry account) were gratefully received. This is an increase of 60% compared to the first quarter of 2020. The socially-distant gifting trend continued in the final quarter of the year, towards Christmas (and lockdown two), when 50% more Giftlinks were sent than in the previous three months.

"Kids are not only telling parents that they want to spend their money digitally, they're now telling them that they also want to receive it digitally"

Dr Eliza Filby

Looking at the year as a whole, the number of Giftlinks sent increased by more than a third (38%) between the first and last quarters of the year, with the average value of each gift standing at £30 overall. In fact, these gifts became increasingly generous as the year progressed, starting with an average of £24 in January, and increasing to an average of £37 in December.



MAL'ACHAI AGE 10

My birthday is in March, and the first lockdown started a couple of days before my party so we had to cancel it. I was sad about it at first, but it ended up being the best birthday ever.



I got eight birthday Giftlinks - it was awesome! I couldn't believe it when I saw the amounts as one of them was for £40. They kept arriving all through the day and it was exciting to see the different pictures and messages on each one.



I saved some of the money, and used some to buy VBucks and the Sonic game for Xbox.



Money Worries



The COVID-19 pandemic has made British children and teenagers acutely aware of money, and the impact it has on people's lives. Two-thirds of children and teenagers (66%) surveyed say that they worry more about money since the start of the pandemic, and admit that this has affected their wellbeing⁷.

This is particularly true for young children: 71% of 6-10 year-olds say this, compared to 59% of 11-15 year-olds and 68% of 16-18 year-olds. As a result of these anxieties, 44% of young people say that they worry about how they'll save for things like Christmas presents or expensive items⁸.

This could have a lasting impact on how children and teenagers spend money: 61% of respondents say that, due to COVID-19, they think more carefully about how they, or their family, spend money. This sense of caution increases with age: 52% of 6-10 year-olds say this, along with 59% of 11-15 year-olds and 73% of 16-18 year-olds⁹.

Dr Eliza Filby says: "I think this is a unique generation because they've come into the world at a time of economic uncertainty, in the wake of the financial crisis, debt and austerity, coupled with political uncertainty and upheaval due to Brexit. As a result, they are a much more cautious, serious and sensible generation when it comes to money."

She adds: "In the last year they might have seen their parents on furlough, and know that they're worrying about their job prospects or taking a mortgage holiday. Kids are becoming much more aware of these conversations because they're at home more. As a result, kids are now worrying about everything from saving the planet to their individual household financial woes – and, inevitably, this has an impact."

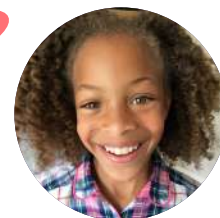


With this in mind, it's significant that, in 2020, children and teenagers saved £12.7 million, which equates to 12% of their total income. This is the equivalent of £46.70 for every child who has earned over the course of a year, or 90p per week.

During the first lockdown, British children's average monthly savings increased by 77%. This is over two-and-a-half times the UK's Household Saving Rate¹⁰, which increased to a record high of 29.1% in the second quarter of 2020, up from 9.6% in the previous quarter. Older boys saw the biggest rise in savings (17 year-olds boys saved 260% more during lockdown one), and so did children from the North East, who saved 117% more during lockdown – more than any other region.

TAMZIN AGE 9

During lockdown we weren't allowed to go to the shops, so that made it much easier to save.



While it's true that a lack of opportunity to spend money has probably contributed to this increase in savings (the amount they saved dropped by 66% in July, August and September, when the first lockdown ended), gohenry savings goals indicate that kids are actively putting money away for a brighter future, whether that's summer, Christmas, a holiday or a shopping trip.



MAL'ACHAI AGE 10

I'm saving to go to Disneyland Paris in 2024. I've got up to £104, and my goal is £200.

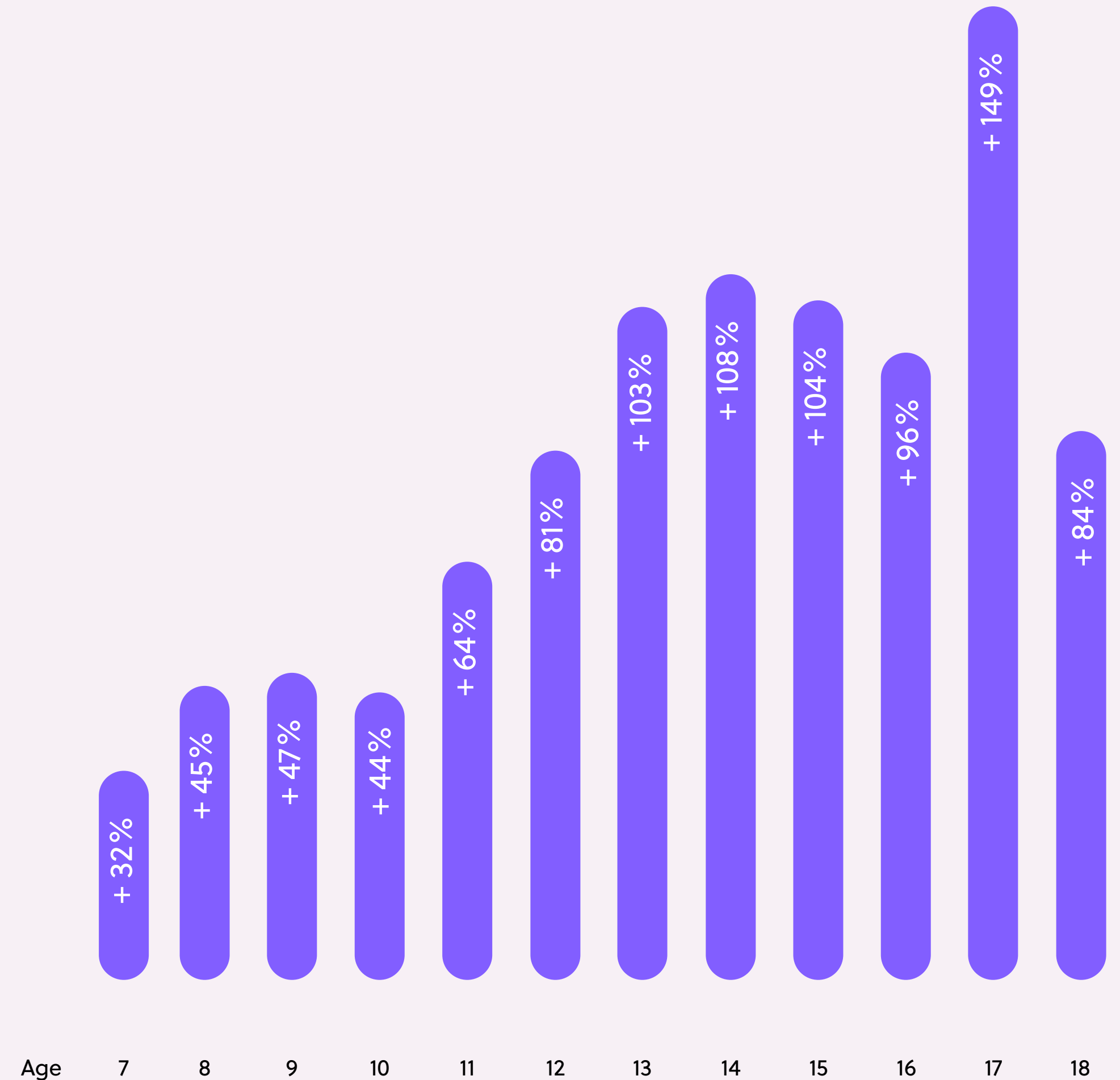
71% of 6-10 year-olds say that worrying about money has affected their wellbeing

7, 8, 9 The research was conducted by Censuswide, based on a sample of 2,009 children aged 6-18 in the UK (excluding Northern Ireland)

10 <https://tradingeconomics.com/united-kingdom/personal-savings>

Soaring savings

During the first lockdown, children saved much more than usual, especially older teenagers.



2020 saving goals

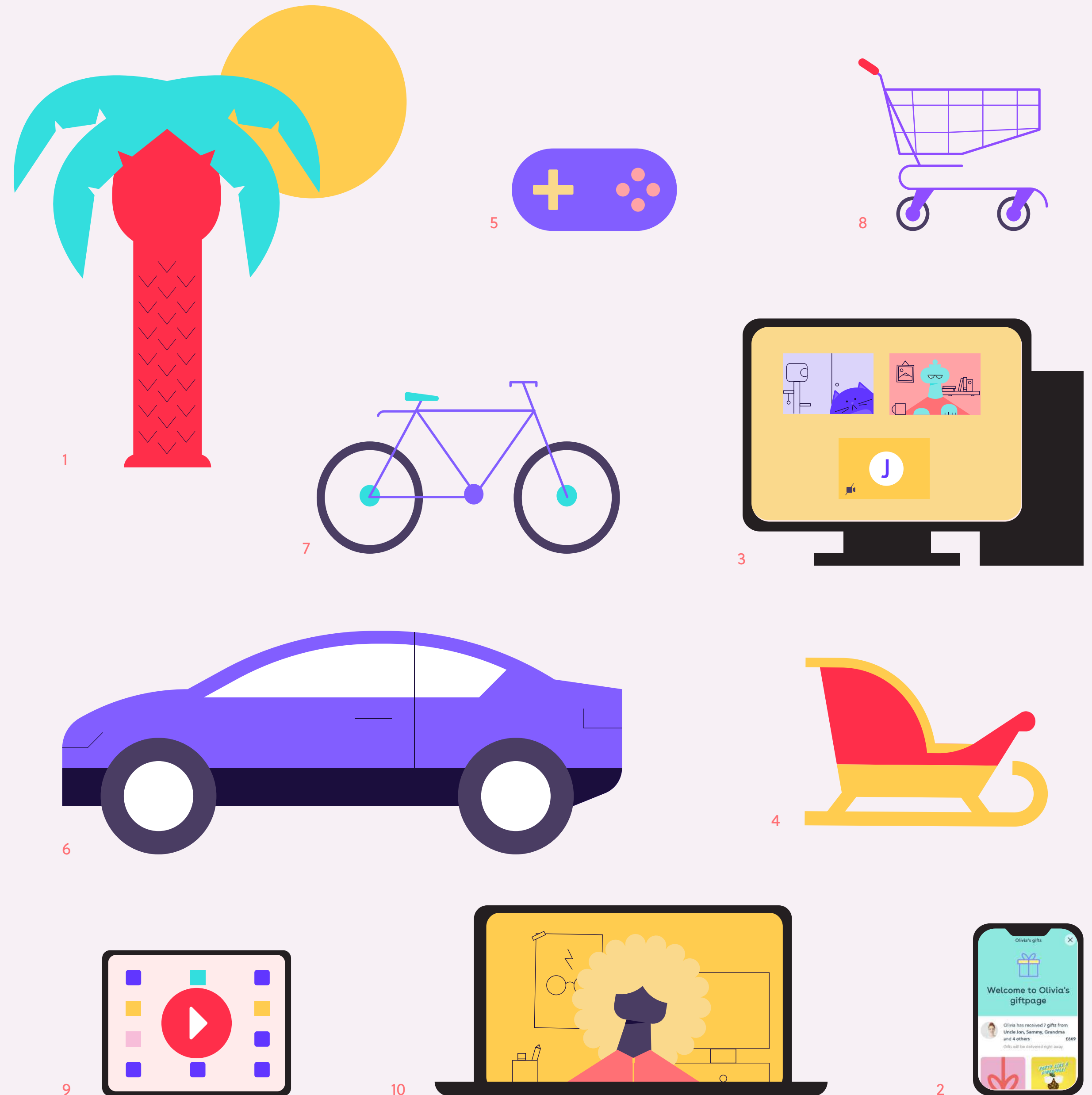
British children and teenagers have spent much of 2020 saving for life after lockdown, whether that's a holiday in the sun or a family Christmas. But they're also saving for items that will help them cope with ongoing COVID-19 restrictions, like big ticket tech equipment to keep them connected, and a car or bike so that they can avoid public transport.

"Kids are saving for the things that will make their life easier when they're living so much of their lives online. So as well as saving for tech, they're also saving for bikes. They've realised how much freedom comes from owning a bike, especially if their parents don't want them using public transport, or they're reluctant to use it themselves."

Dr Eliza Filby

1. Holiday
2. Phone
3. PC
4. Christmas
5. Gaming

6. Car
7. Bike
8. Shopping
9. iPad
10. Laptop



Lockdown life



The way that British children and teenagers spend money gives us a unique insight into their lifestyle and priorities. But even though their spending habits changed during the first lockdown, this doesn't mean that they spent significantly less.

In 2020, British children and teenagers spent a total of £95.7 million, which equates to £367 per child, or £7.00 per child, per week. During the second quarter of the year (lockdown one), children's spend dropped by just 10%, while the value of their average transaction increased to £10, compared to an average spend of £7 during January, February and March.

But according to the Mintel British Lifestyles Report¹¹, over the course of the year, children's spending remained more buoyant than adults'. Their data indicates that total UK consumer spending fell by an estimated 14.9% in 2020, due to

COVID-induced lockdowns, which equates to a drop in spending of around £6,600 per household.

Although the weekend is still the most popular time to spend (16% of British children spend money on Saturday or Sunday), their purchases are now spread fairly evenly throughout the week: 14% spend on Monday and Wednesday, and 13% spend on Tuesday, Thursday and Friday, presumably because they are spending more online where shops are open all hours and lockdowns have created less distinction between the week and weekends.

Overall, girls spend more than boys (£7.07 per week, compared to £7.02 for boys), and the biggest spenders are to be found in London (£8.74 per week), Scotland (£7.18 per week) and the North East (£7.02 per week).

Age

6

£125.06

7

£158.98

8

£179.77

9

£192.12

10

£225.21

11

£253.83

12

£310.83

13

£380.16

14

£458.36

15

£542.79

16

£652.64

17

£704.98

18

£726.04

Hey big spender!

The average amount that each British child spent in 2020, increases in line with their age.

However, London and Scotland also saw the biggest overall drops in spending during lockdown one: 21% drop in London and 12% drop in Scotland. They were also the fastest regions to recover, with dramatic increases in spending when restrictions were lifted in July, August and September: there was a 50% increase in London, and a 40% increase in Scotland.

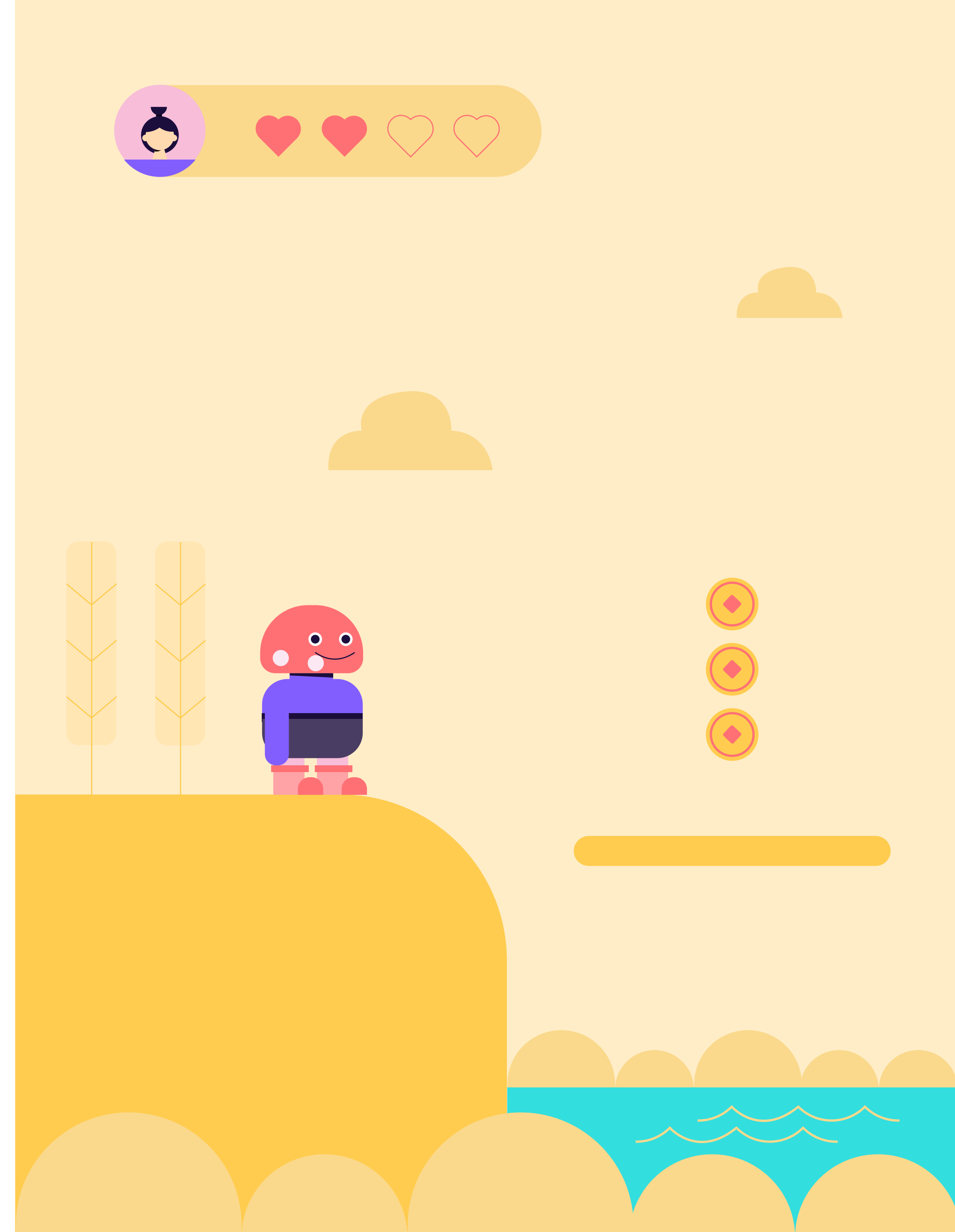
The biggest shifts in children's spending habits are indicative of the restrictions imposed by lockdown life. With schools closed, and their social life curtailed, children and teenagers turned to their screens. Consequently, the amount spent on gaming increased by 66% during the first lockdown, from a total spend of £3 million in the first quarter of the year, to £5 million in the second quarter. In the first quarter of the year, gaming accounted for 14% of children's overall spend; in the second quarter

(during the first lockdown) this increased to 19%. In fact, gaming continued to dominate spending throughout the year. Between January and December 2020, boys spent over £14.3 million on gaming (girls spent £1.6 million), and 12 year-old boys were the biggest spenders of all: they spent £2.3 million over the course of the year.

During the first lockdown, kids also spent 46% more on technology, 53% more at the App Store, and 89% more at marketplace stores (such as Amazon, eBay and Etsy), which continued to sell a wide range of products, many of which were hard to find elsewhere. This particular trend also continued all year, with the spend at marketplace stores increasing by 117% between the first and last quarter of the year.

During the first lockdown, the amount spent on toys and hobbies also increased by 16%.

11 <https://www.mintel.com/press-centre/social-and-lifestyle/mintel-british-lifestyles-report-uk-consumer-spending-to-fall-by-nearly-200-billion-in-2020>



"At a time when many parents were working from home, and children had long periods of homeschooling, we were all spending the bulk of our days staring at a screen. So it's no surprise that families were keen to find new ways to spend time together, without relying on a digital device. I suspect this is why simple pleasures, like art and craft projects, LEGO, jigsaw puzzles and board games have become more popular."

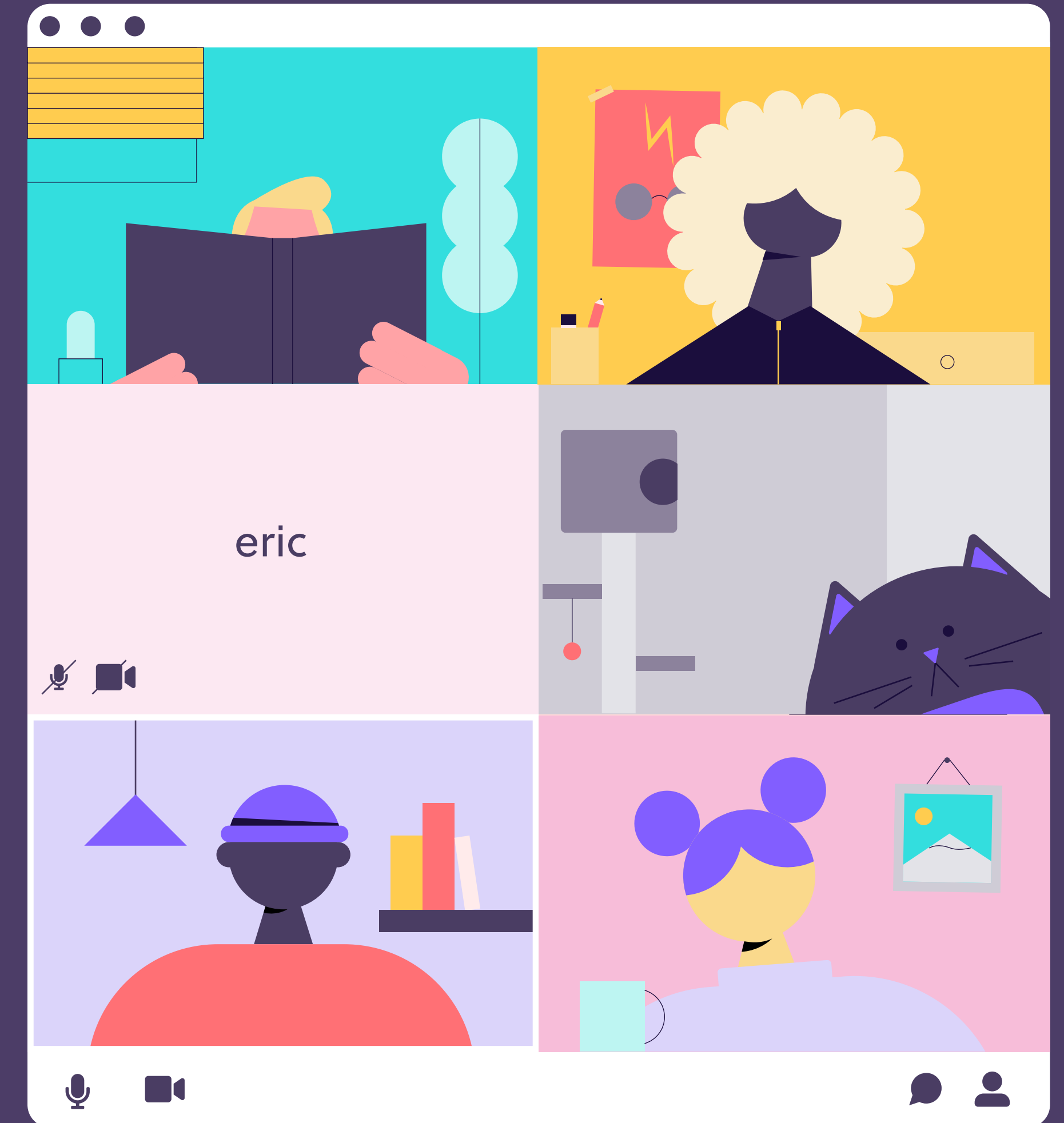
Louise Hill, COO and Co-founder

Thanks to lockdowns and local restrictions, the amount spent on food delivery services, such as Deliveroo, Uber Eats and Just Eat, increased by 70% between the first and second quarter of the year, with an average monthly spend of £129,400 – or £14.99 per transaction.

But even when they weren't leaving the house, gohenry kids continued to care about fashion, perhaps so they could

look their best for Zoom and FaceTime calls and lessons via Google Classroom. After all, this was the first time that many kids were 'going' to school, but not wearing uniform. Over the course of the year, kids and teens spent £8.7 million on fashion, with girls spending over three times as much as boys: girls spent £6.9 million, and boys spent £1.8 million.

In fact, girls spent more than usual on clothes during the first lockdown, when their spend increased by 26%. When lockdown eased and the shops reopened, this resulted in a spending increase of 47% in July, August and September. Although boys' spending dropped by 22% during lockdown one, they spent 87% more in the third quarter of the year, which resulted in an overall increase in spending of 29% between the first and last quarter of the year.



This is a very different behaviour to adults, who spent significantly less on fashion in 2020 and, when they did buy clothes, favoured loungewear and pyjamas. New figures from the ONS show that, in 2020, clothing sales dropped by 25% – the biggest drop in 23 years¹². Amongst adults, sales of sweatpants soared by 36% in the first lockdown, suggesting that they weren't dressing to impress but were opting for comfort instead¹³.

“Even if girls weren't able to buy a new outfit to wear on a night out with friends, they could still take photographs of their latest look and share them on Instagram. There was a lot of pressure on youngsters to look good during lockdown – they wanted to be seen wearing new, fashionable things on social media.”

Dr Eliza Filby

Girls' favourite retailers include Primark and Shein: they spent a total of £1.2 million at each retailer in 2020. As Primark doesn't have an online presence, gohenry girls spent 61% less during the first lockdown than they had in the first quarter of the year. But, as soon as the shops reopened, their Primark spend increased by 479%.

Girls also spent significantly more on health and beauty. Over the course of 2020, girls spent £1.6 million, compared to £140,000 for boys. Their favourite retailer is Superdrug, where they spent £585,000 between January and December. And even though their spend dropped by 38% during lockdown one, it increased by 142% in July, August and September. Girls aged 13 and 14 were most enthusiastic about spending on health and beauty products after lockdown one: their spend increased by 158% and 149%, respectively.

ELLIE-ROSE AGE 10

Before lockdown, I used to go to the shops every weekend – usually Bluewater or Lakeside shopping centres.



When we couldn't do that I started spending more money online, but I went running back to the shops as soon as I could!

I like to take my time and walk around the whole place before I decide what to buy, and it's disappointing when I can't try things and check if they fit.

¹² <https://commonslibrary.parliament.uk/research-briefings/cbp-9060>

¹³ <https://www.mintel.com/press-centre/social-and-lifestyle/mintel-british-lifestyles-report-uk-consumer-spending-to-fall-by-nearly-200-billion-in-2020>

Shein, which operates solely online, fast became a lockdown favourite. Girls spent 798% more during April, May and June than they did at the start of the year – and continued to shop there when restrictions were lifted. Between January and December, girls’ spend at Shein increased by 563%. It’s most popular among 12 year-old girls, who spent 1039% more during lockdown one, but older teenagers were also keen to shop there: 17 year-old girls spent 977% more during lockdown one, and 16 year-olds spent 977% more.

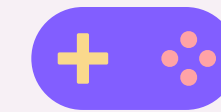
Despite their new enthusiasm for online fashion, *Dr Eliza Filby* is confident that teenage girls will continue to favour the in-store experience. She says: “Shopping on the high street is a pivotal social experience. In 2020 this was obviously completely curtailed, which is why we’ve seen a shift from shopping at Primark to shopping at Shein. But I do think this generation will

return to the shops. I think the high street can still rely on teenagers to be there, even if older generations have been seduced by online shopping and are less likely to return.”

In 2020, girls spent more than four times as much as boys on fashion, with an overall spend of £6.9 million

2020 spending trends

Here’s how British children and teenagers spent their money in 2020:



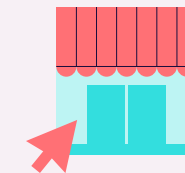
£16 million
Gaming



£11 million
Supermarkets, groceries and convenience stores



£8.7 million
Fashion



£6 million
Marketplace



£4.6 million
Restaurants & takeaways



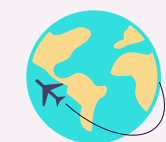
£3.5 million
Technology



£1.7 million
Health & Beauty



£1.6 million
Food delivery



£1.5 million
Travel



£972,000
Newsagents, cards & stationery:

In 2020, boys spent in excess of £14.3 million on gaming

The shop 10

As high street shops were closed for months during the first and second national lockdowns, not to mention regional restrictions, most of kids’ and teens’ top retailers traded online. And when they spent money in a bricks and mortar store, it was most likely to be at their local supermarket.

Microsoft	£6.9 million	+63%
Amazon	£5.6 million	+85%
PlayStation	£4.8 million	+60%
Tesco	£3.8 million	- 43%
Apple	£2.2 million	+53%
Sainsbury’s	£1.7 million	- 55%
McDonald’s	£1.6 million 1129% up in Q2-Q3	- 93%
Google	£1.5 million	+53%
Asda	£1.4 million	- 36%
Nintendo	£1.4 million	+84%

Life between lockdowns



As the first lockdown restrictions began to ease in July 2020, children and teenagers were keen to get back to normal life – and gohenry data shows how their habits changed as they gradually regained some freedom. After months at home, the amount they spent on entertainment (cinemas, theme parks) increased by 9607%, from £900 to £88,000, in July, August and September.

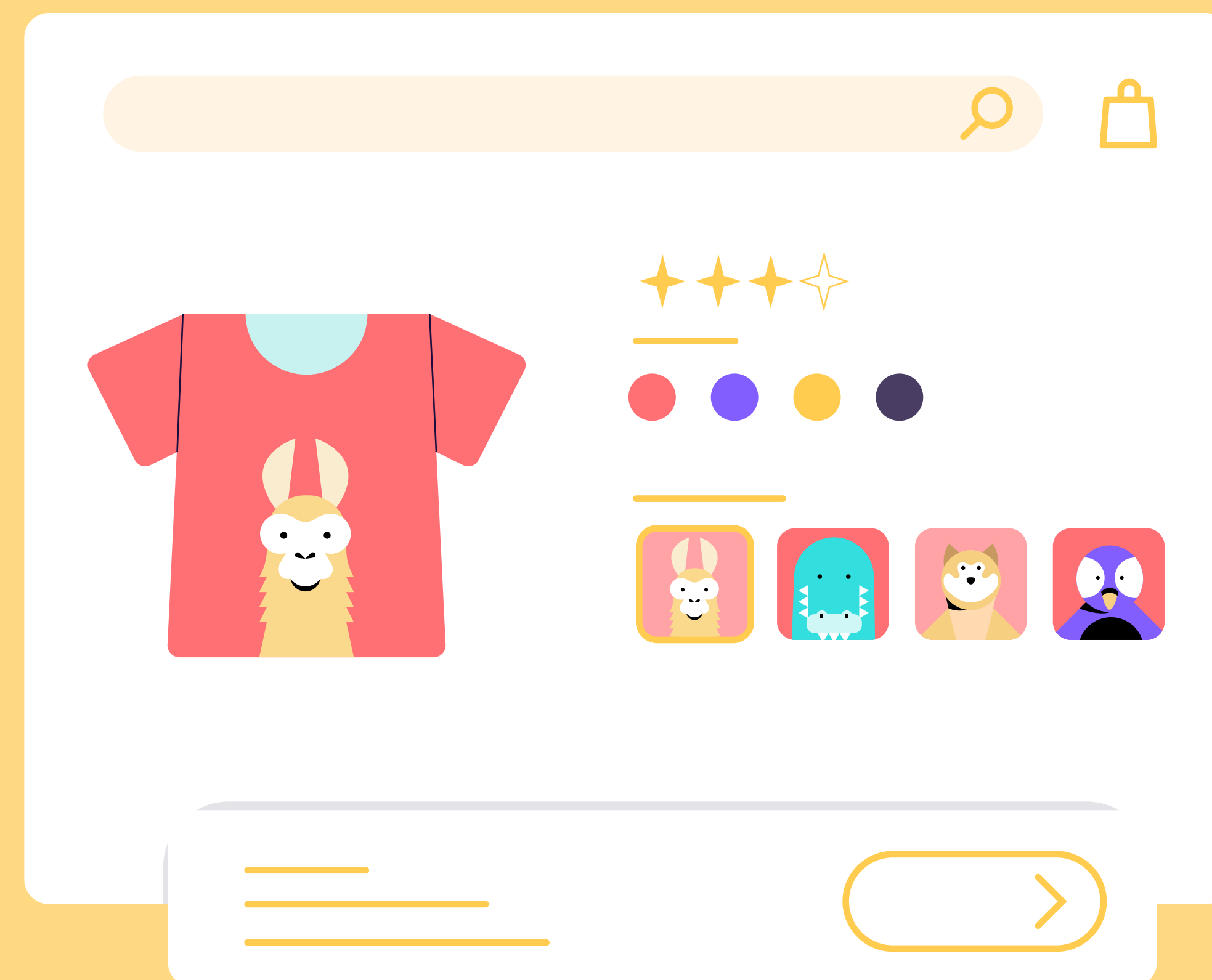
gohenry data also reveals that young people were keen to regain their independence after spending months at home with their families. After lockdown one, their spend on travel increased by 404% in July, August and September. Although this is partly a consequence of children returning to school in September, it also represents young people's need to spread their wings and reconnect with family and friends. Over the course of the year, girls spent more than boys on travel (£816,000, compared to £666,000) and

this increased spend is most pronounced among teenagers: 13 year-old girls spent 602% more on travel in the second quarter of the year, and 17 year-old boys spent 510% more.

Spending online

In 2020, over half (52%) of children and teenagers' spending took place online, which is a significant shift from 2018, when just a third of their transactions took place on e-commerce websites¹⁴. During the first lockdown this was driven by necessity, as high street shops were closed.

As a result, British children and teenagers' online spend represented 74% of their total spending during lockdown one, but they did shift back to spending in store (45% in store and 45% online, plus 9% at ATMs) when lockdown restrictions eased in most regions during July, August and September. However, this still represents

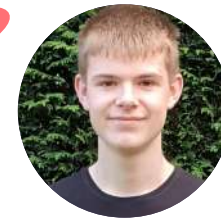


an overall shift to online spending when compared to 2018, when British children spent 53% of their earnings via card payments in store.

In 2020, young children were most likely to spend in store (49% of seven year-olds do this), while 15 and 16 year-olds were most inclined to make online transactions (54%). Overall, boys were more likely to spend online than girls (60%, compared to 44%), largely due to their increased spend on gaming.

NOAH AGE 13

I went out to restaurants a lot more during Eat Out to Help Out, because I could do it without spending as much money as usual. When I go out with my mates we like to go to Nandos, McDonalds or KFC as they are cheap and tasty.



Eat Out to Help Out

When the Eat Out to Help Out Scheme (EOTHO) launched on 7 August, 2020, more than 80,000 restaurants registered to take part. During the course of the month, the government received 130,000 claims, totalling £522 million¹⁵. gohenry data indicates that British children and teenagers were keen to benefit from the 50% discount available through EOTHO: in the third quarter of 2020, the amount spent in cafes and restaurants increased by 432%, from £280,400 in April, May and June, to £1.5 million in July, August and September.



ETHAN AGE 13

I usually spend a lot of my pocket money on food. I enjoy going out with friends and getting something to eat.



Dr Eliza Filby isn't surprised that kids and teenagers are spending more on food. She says: "These kids are interested in all aspects of food: experimenting with food, the social aspect, talking about it, reading about it, being vegans and understanding food production and its impact on the environment. I think it's partly because their parents were the first generation to really start watching cookery shows and following writers like Nigel Slater and Nigella Lawson."

Throughout the year, girls spent more at restaurants and takeaways than boys (£2.7 million, compared to £1.9 million), with 14 and 15 year-olds spending the most: 14 year-old girls spent £513,800 and 15 year-old boys spent £330,500. However, when lockdown one ended, it was younger teens whose expenditure

rose the most sharply: 13 year-old boys spent 491% more than they did in the previous quarter, and 12 year-old girls spent 559% more.

"The enthusiasm with which kids started spending on food shows that they'd had enough of lockdown and they just wanted to get out and about. As you'd expect with their age group, there wasn't the level of caution you'd see in an older age group – they just embraced the opportunity."

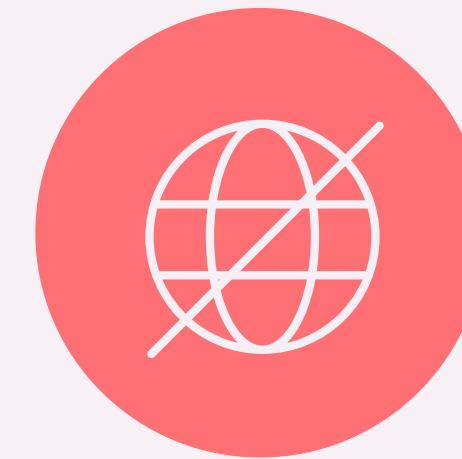
Dr Eliza Filby

When eating out, kids and teens favour McDonalds: their spend increased by 1129% after lockdown one and, over the course of the year they spent a total of £1.6 million – that's enough for 501,567 Big Macs¹⁶.

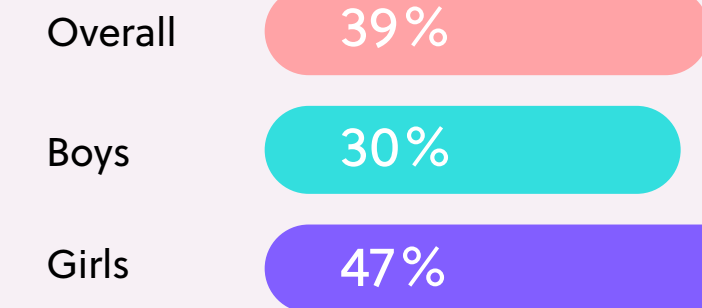
16 Based on a Big Mac costing £3.19

Spending habits

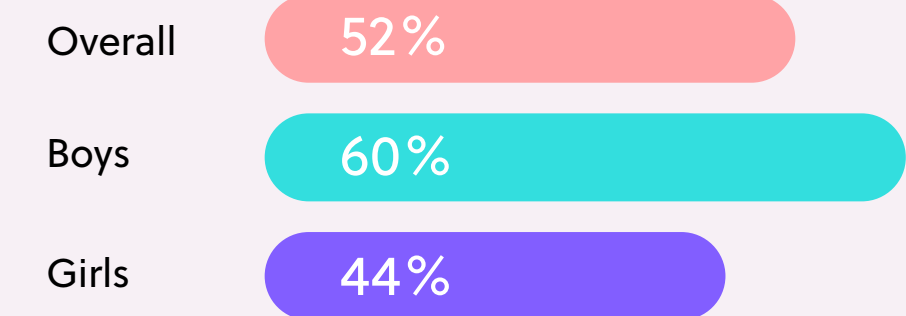
Here's how British children and teenagers spent their money in 2020:



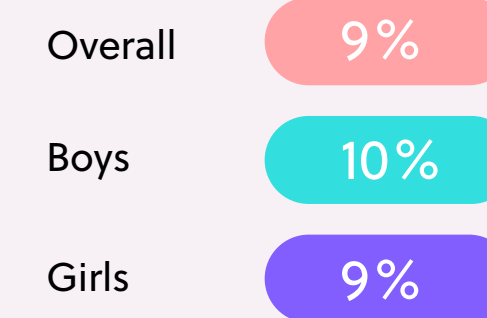
OFFLINE



ONLINE



ATM



Dirty cash

Since the start of the pandemic, and the need to be more careful about hand hygiene, over half (51%) of British children and teenagers surveyed admitted to being more concerned about using cash. Our research found that older teens are most likely to prefer not to use cash at all due to concerns about hand hygiene.

In fact, 57% of the 16-18 year-olds surveyed worry, compared to 46% of 6-10 year-olds and 47% of 11-16 year-olds).

Of those surveyed, boys aged 16-18 are the most concerned group (60%). Kids (aged 6-18) surveyed in Edinburgh are most worried about using cash (64%), and, regionally, those in Scotland (55%), North East and North West (both 54%) feel most concerned compared to the

rest of the UK¹⁷.

In light of this, it's significant that ATM withdrawals accounted for just 9% of spending in 2020 – down from 14% in 2018. Despite this, cash point usage was highest in the North East (12%), North West (11%), Scotland (11%), and Yorkshire & The Humber (11%), which, curiously, are some of the areas where children and teenagers are most concerned about handling cash.

NOAH AGE 13



It makes me feel a lot safer to use my card and pay with contactless as it reduces the need for social contact. I prefer to use my card rather than cash, mainly because I feel worried for other people rather than myself – there's a risk of spreading COVID-19. I don't think I will touch cash again after the pandemic because using my card has made me feel safer. It just feels so much nicer to know I'm safe and secure.

¹⁷ The research was conducted by Censuswide, based on a sample of 2,009 children aged 6-18 in the UK (excluding Northern Ireland)



Giving back

According to the Charities Aid Foundation (CAF) during the first lockdown in spring 2020, Britons donated £800 million more to charity than usual, despite anxieties about household finances¹⁸. Our data reveals that the same is true for gohenry kids, who donated £66,800 to our charity partner, the NSPCC, during 2020. This is incredible considering that the average amount donated is 13p, with a weekly average of 7p.



¹⁸ <https://www.cafonline.org/about-us/media-office-news/britons-gave-800-million-more-to-charity-as-pandemic-hit>

"We are delighted that gohenry's young customers are choosing to help other children and young people, and it's inspiring to see that donations increased during the lockdown. This is an incredible amount of money raised by young people, who are learning how their money can make a difference. Each £30,000 donated is enough to fund our Childline service for an entire day, and we are grateful for every donation made."

Mike McGrath, NSPCC Head of Partnerships

In fact, British kids donated much more widely than this. Between January and December, 2020 they gave an additional £82,200 to charity, and their donations increased by 59% during lockdown one, compared to the first quarter of the year.



Dr Eliza Filby says: "It doesn't surprise me that kids were donating to the NSPCC or being alert to appeals. This isn't like 9/11 or the 2008 financial crisis – kids were off school all over the world, not just in the UK. As a result, kids' sense of responsibility, camaraderie and community with their generation has been heightened."

British girls are more inclined to donate to charity than boys: their charitable donations increased by 95% to over £17,400 during lockdown one, while boys' increased by 19% to £9,300.

The biggest increase in donations during the first lockdown came from 16 year-old girls (375%), followed by 15 year-old girls (198%), 18 year-old girls (146%), and 17 year-old girls (131%). Among boys, the biggest increase in donations came from 16 year-olds (108%) and 17 and 18 year-olds (both 100%).

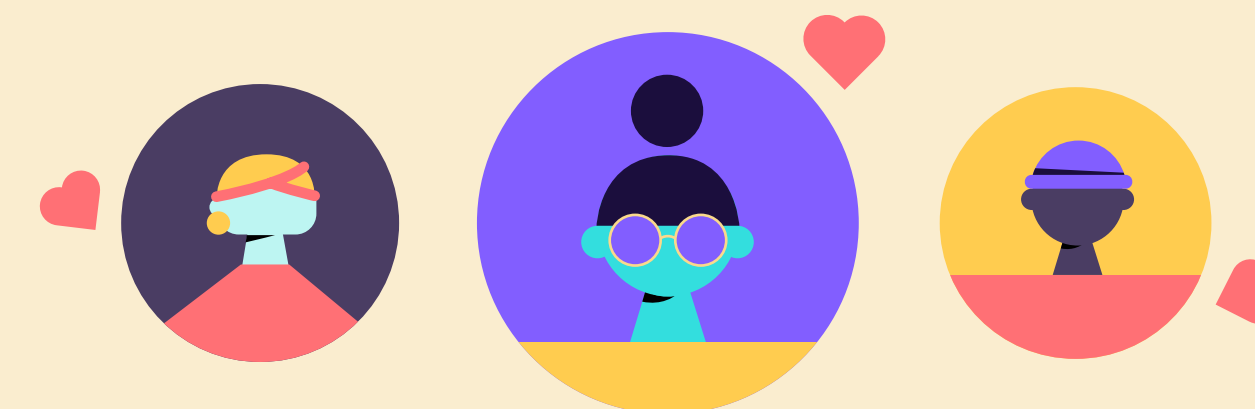
"This sharp increase in charitable giving also suggests an increasing awareness of all the ways it's possible to achieve gohenry's mission of being 'good with money'. After a challenging year, it's heartening to see that the lasting legacy of COVID-19 could be an increased focus on social responsibility and social good, with children and teenagers leading the way."

Louise Hill, COO and Co-founder



FINLAY AGE 13

I give 20p to the NSPCC each week using the gohenry giving feature. I looked up the charity and saw that it runs Childline, which I think is amazing, so I'm happy to support it. Children like me have had a stressful year, and some kids suffer with anxiety. Childline is an amazing way for them to talk about whatever is on their mind. It's way more important to donate at the moment because people need extra help now that we're in the middle of a serious pandemic.



Conclusion: The legacy of COVID-19

“The COVID-19 pandemic has had a seismic effect on the lives of British children and teenagers,” says Louise Hill. “Although it’s alarming to discover that changes to family finances have caused two-thirds of young people to admit that worries about money have affected their wellbeing, it’s heartening to see that they have already taken steps to improve their money management – and early indications suggest that these changes will continue post-COVID.”

Spending more time at home has alerted British children to the opportunities to boost their income by completing paid tasks. During the first lockdown, their average earnings from tasks were 9% higher than they were at the start of 2020, with overall task earnings for the year totalling £2.3 million. At a time when part-time work is hard, if not impossible,

to come by, this is an alternative way to introduce children and teenagers to the world of paid employment.

Although the first lockdown didn’t have a significant impact on the amount that kids spend (their overall spending dropped by just 10%), it does appear to have changed the way that they spend. Over half (51%) of British young people (aged 6-18) surveyed now prefer to avoid using cash¹⁹, and over half (52%) of their spending now takes place online. This is largely driven by the amount they spend on gaming, which increased by 66% during lockdown one, when schools were closed and kids spent more time on screen.

¹⁹ The research was conducted by Censuwide, based on a sample of 2,009 children aged 6-18 in the UK (excluding Northern Ireland)



But perhaps the biggest, and most gratifying, change is the huge increase in charitable giving.

"Generation Alpha and Generation Z are much more community minded, with a great sense of connection to others. They're collective in their emotions, and this has intensified over the weeks and months that we clapped for the NHS and for carers. In 2020, we showed national solidarity, and kids have picked up on that. They now understand that they can take action, and help those in need."

Dr Eliza Filby

We've long known that Generation Alpha and Generation Z are committed to driving social change, but the impressive increase in donations from young people indicates that they're ready to create change – and rewrite society's concept of exactly what it means to be good with money, especially with regard to helping others.



Methodology



gohenry insights are based on the behaviour of 398,140 UK child users aged 6-18 who were 'active' across all of 2020 (child users who activated their gohenry accounts before the start of 2020 and did not cancel at any point during the year).

We analysed behaviour during 2020 as a whole, and also looked at Q1 (pre-Covid), Q2 (lockdown 1), Q3 (easing of restrictions) and Q4 (regional restrictions and tiers).



The research was conducted by Censuswide, based on a sample of 2,009 children aged 6-18 in the UK (excluding Northern Ireland) and a minimum of: 33% aged 6-10, 33% aged 11-15 and 34% aged 16-18.

The fieldwork took place between 08.10.20 - 16.10.20. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

The Youth Economy Panel



Louise Hill

Louise is COO of [gohenry](#) which she co-founded in 2012 when she realised that her children needed to learn how to manage money in an increasingly digital world. Fast forward eight years and gohenry now has a community of over 1.5 million customers in the US & UK who fiercely believe that good money management is a vital life skill.

Louise has over 20 years experience in commerce and operations. Prior to gohenry, Louise was at the forefront of the retail industry's transition to digital, launching the first wave of ecommerce websites for some of the UK's biggest household names, including Next

Directory, John Lewis, The Innovations Group, Past Times and Debenhams.

Louise is an authority on financial education and the youth economy and has made regular appearances on radio and TV. She is a big advocate for the power of learning by doing and dedicates time talking to MBA groups at universities around the country.



Dr Eliza Filby

Dr Eliza Filby is a writer, speaker and consultant who specialises in 'Generational Intelligence', helping companies and services understand generational shifts within politics, society and the workplace. She is passionate about the cause of age diversity and bringing the generations together through greater empathy. Her research incorporates not simply Millennials and the new kids on the block, Gen Z, but all generations.

She recently co-authored Fueling Gender Diversity: Unlocking the impact of the next generation workplace on behalf of the Women's Network Forum,

and is currently writing her second book, a history of ageing in the 21st century.

Eliza received her PhD from the University of Warwick and subsequently taught at King's College, London and The University of Renmin in China. In 2014, she founded GradTrain, helping graduates make the transition from university to the workplace.

Her writings and research can be found on her website www.elizafilby.com, where you can also sign up for her fortnightly newsletter.

About gohenry

Launched in 2012, [gohenry](#) is a money app and prepaid debit card, in partnership with Visa in the U.K. and Mastercard in the U.S., with unique parent controls designed exclusively for 6-18 year-olds to help them learn good money habits in an increasingly cashless society.

gohenry's innovative app gives young people the freedom to learn and take charge of their own spending and saving in a safe environment, while the

app's parent version allows parents to guide kids through the early stages of digital finance.

gohenry is building a global community of over 1.5 million customers who fiercely believe that being good with money is a vital life skill.

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In the UK the gohenry card is issued by IDT Financial Services Limited a principal member of Visa Europe. IDT Financial Services Limited is a regulated bank, licensed by the Financial Services Commission, Gibraltar. Registered office: 57-63 Line Wall Road, Gibraltar. Registered No. 95716.

In the US the gohenry card is issued by Community Federal Saving Bank, member FDIC, pursuant to license by Mastercard International.

