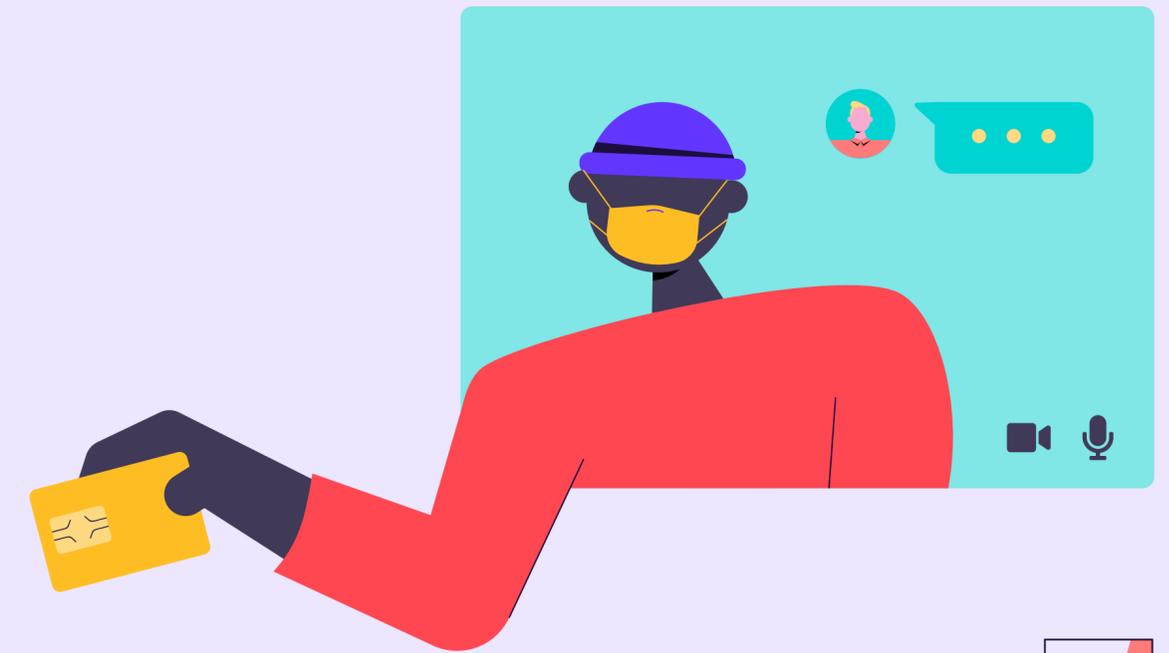




The Youth Economy Report: How COVID-19 Transformed Kids' Money Habits Forever

US Youth Economy Report



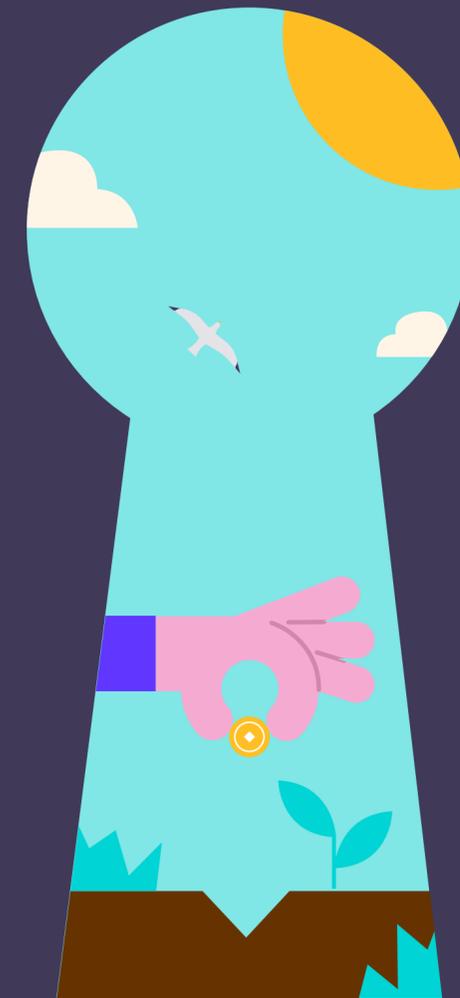
“This year, our Youth Economy Report gives a unique insight into the various ways in which the youth economy has been impacted by the COVID-19 pandemic. At a time when the US economy experienced a significant shock, the youth economy remained buoyant, bolstered by income from paid tasks completed when schools were closed. As a result, American kids and teenagers earned an impressive \$27.2* billion in 2020.

Our data also shows that, between January and December 2020, American kids contributed \$24.3 billion to the US economy*. They also prioritized saving, 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.”

Dean Brauer, co-founder and U.S. President of gohenry



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Introduction

2020 was a year unlike any other, and we're still living with the prolonged disruption caused by the pandemic. As the U.S. navigated lockdowns, school closures, stay at home and shelter in place orders, social distancing and quarantines, children and teenagers ages 6-18 faced huge upheaval – not least because schools were closed, state and college entrance exams were cancelled and social contact with friends and extended family was very limited.

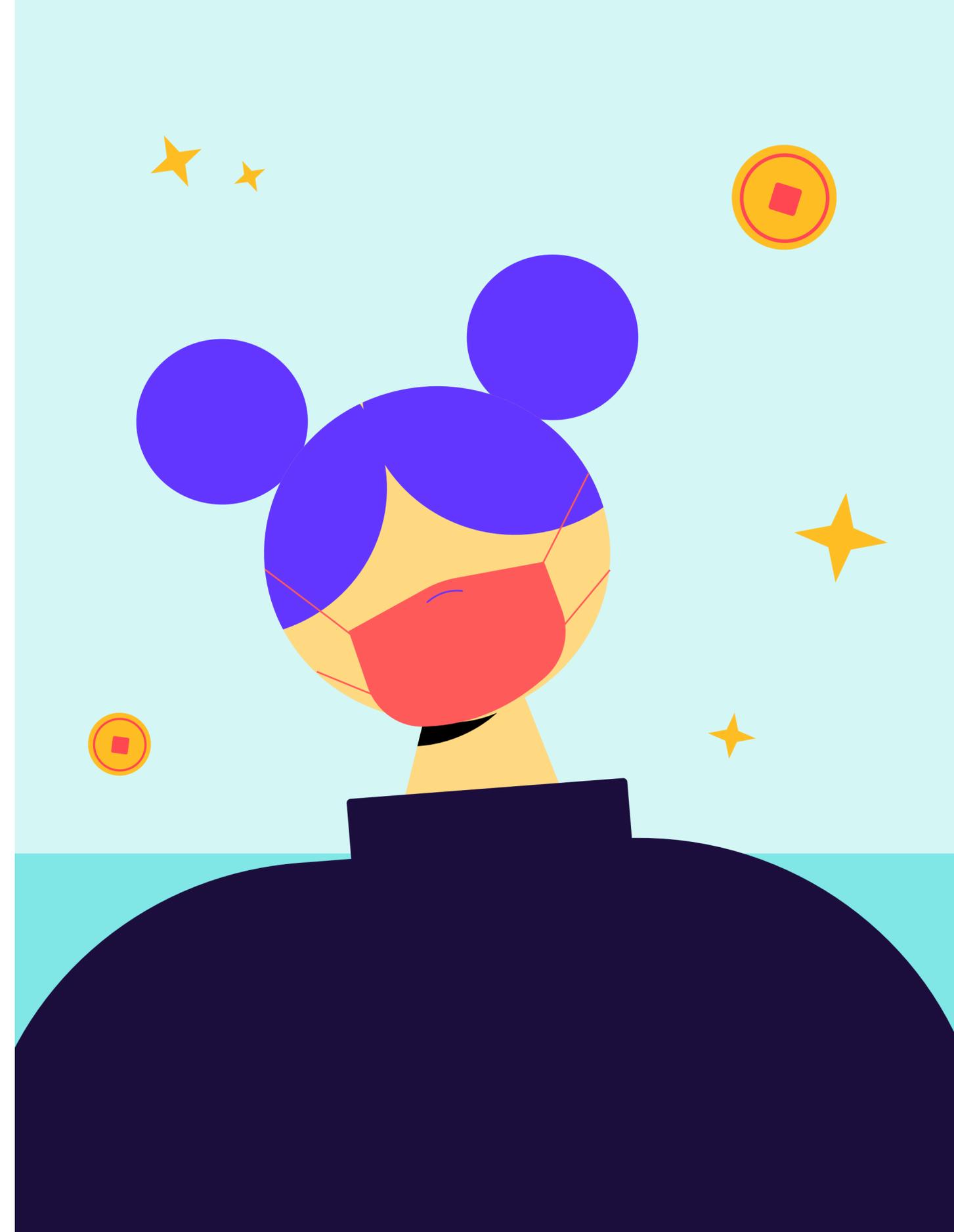
For all of these reasons, we know that living through COVID-19 has had a significant impact on American youth. Our data on their earning, saving, spending, and giving habits indicates that the events of 2020 are likely to have caused an attitudinal shift and behavioral change, which will continue through 2021 and beyond.

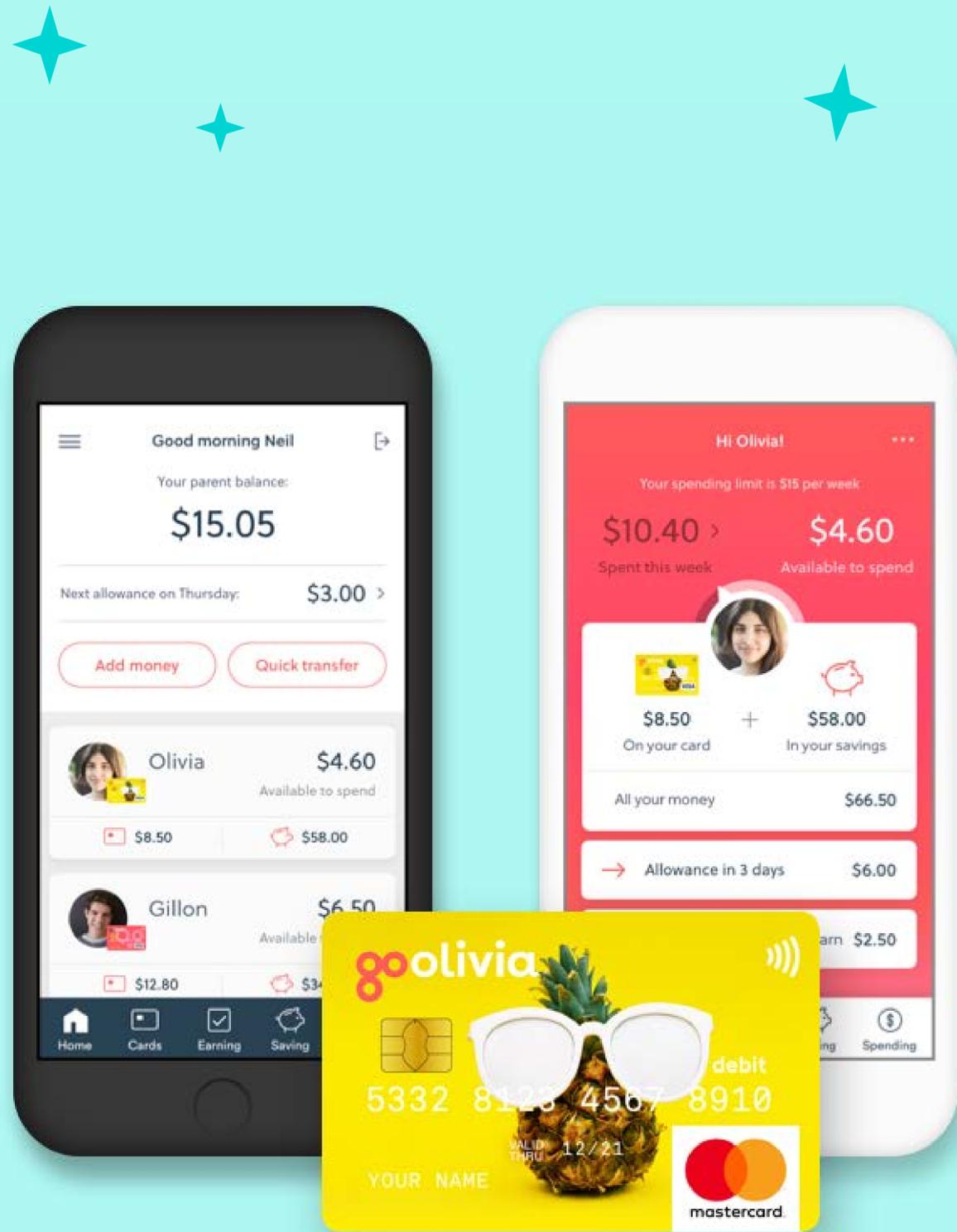
This, our annual Youth Economy Report is based on data taken from

the transactions of 57,000 American children and teenagers who used their gohenry card through the whole of 2020, which has been scaled up to be nationally representative. We've combined this with a survey conducted by Censuswide, based on a sample of 2,006 American children, to give additional qualitative data. This has given us a unique insight into children and teenagers' changing lifestyles and shifting priorities – and the ways that this could influence the post-pandemic economy.

Dean Brauer says: "We believe the pandemic will have a lasting legacy for American kids and teenagers. After all, school closures and remote learning have impacted their education and, for older teenagers, their entry into the workplace. Shelter in place restrictions have limited their burgeoning independence, and they've missed out on regular contact with extended family and friends."

Multiple news reports have detailed how COVID-19 has ravaged the economy.





During the second quarter of the year, economic growth fell by 31.4%, and unemployment hit 14.7% – the highest rate since World War II¹. Consumer spending also took a hit: Real personal consumption expenditure (PCE) fell by 10.1% in Q2 compared to Q1, which is the sharpest quarterly contraction on record.

During the same period, consumer spending on services dropped by 13.3%, and spending on nondurable goods, such as food and beverages, clothing, and footwear, fell by 4.2%². Overall, the US economy shrank by 3.5% in 2020 – the largest amount in 74 years, although it grew at a 4% annual rate in the last three months of the year³.

Unlike many adults, kids in the US saw their earnings rise throughout 2020, partly due to a 28%* increase in paid tasks in Q2. At the same time, there was a 51% rise in socially distant giving, 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 preferred card and contactless payments. COVID-19 has accelerated this process across all age groups, with more customers spending online as opportunities to spend in-store were reduced. A 2020 survey by global payments company Rapyd showed that 54% of Americans are concerned



Now my son rarely – if ever – uses cash. Before the pandemic he only ever dealt with cash. Since he's staying home more often he's been using his gohenry card to make more online purchases, such as computer games like Roblox. He's also been making Amazon purchases to buy things that he can do at home, such as crafts, boots, kinetic sand, and care packages of snacks and food items.

TOBEY H ROCHESTER, NY

¹ <https://www.forbes.com/sites/mikepatton/2020/10/12/the-impact-of-covid-19-on-us-economy-and-financial-markets/>

² <https://www2.deloitte.com/us/en/insights/economy/spotlight/economics-insights-analysis-08-2020.html>

³ <https://apnews.com/article/us-economy-shrink-in-2020-b59f9be06dcf1da924f64afde2ce094c>

about handling paper money and coins as a result of the pandemic, with 60% planning to use digital payments instead⁴.

Our research reveals a similar trend among American kids aged 6-18: 39% are more concerned about using cash since the start of the pandemic⁵ and, in 2020, ATM withdrawals accounted for only 6% of their total spending.

With schools shut for months on end, vacations and after-school activities canceled and their favorite stores, restaurants, sports facilities and movie theaters closed, children and teens had to look elsewhere for entertainment – and many turned to gaming and streaming services. In total, kids in America spent over \$6* billion on gaming in 2020 – with an increased spend of 80%* in Q2, at the point when the US declared a state of national emergency and the first lockdown took place.

“Children and teenagers were already used to living online, so they were well prepared for digital learning, socializing and spending.”

Dean Brauer, Co-founder and U.S. President of gohenry

Although young people continued to earn and spend throughout 2020, COVID-19 made them increasingly anxious about money. Our research⁶ shows that just over half (51%) of children aged 6-18 surveyed worry about money – with 73% of those admitting they worry more since the start of the pandemic, perhaps due to an increased awareness of how they, and their family, spend money.

This has led to a heightened understanding of the power of their dollar – and the different ways they can be good (and do good) with money. As a result, gohenry kids donated 19% more to the Boys & Girls Clubs of America on average than they did in 2019.

⁴ <https://www.rapyd.net/blog/contactless-and-digital-payments/>

⁵⁻⁸ The research was conducted by Censuswide, based on a sample of 2006 children in the US, aged 6-18.

Key highlights



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



How 73% of children say that money worries have affected their mental well-being since the start of the pandemic



The 19% increase in the average amount donated by children since 2019, as young people recognized they could use their money to help others.



The lucrative paid tasks, including babysitting, gardening, car-washing and exercise, that boosted kids' earnings by 28%* during Q2



The shift to a cashless economy, as 39% of children admit that they're wary of handling paper money and coins since the outbreak of COVID-19⁷



How 52% of children's spending now takes place online, driven by an 80%* increase in gaming spend during Q2



How kids and teens save 10%* of their income, as just over half admit that they worry about money⁸

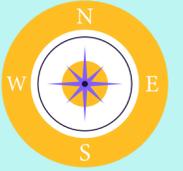


The 70% increase in spending on food delivery services in April, May and June, 2020



How kids are putting money away for a brighter future, whether that's summer entertainment, holidays or a shopping trip

America's allowance hotspots



Top earners by state, per child per week

- NY: \$10.81
- MA: \$10.76
- NM: \$10.57
- NV: \$10.15
- WA: \$10.18
- CA: \$10.20
- DE: \$10.14
- AZ: \$9.77
- CT: \$9.58
- MI: \$9.64



Biggest increases in earnings, during Q2

- MI: 31%
- DE: 29%
- NC: 28%
- PA: 27%
- OH: 25%
- UT: 24%
- AR: 24%
- LA: 23%
- MD: 23%
- MN: 21%



The top savers, 2020 per child per week

- OR: \$1.57
- AZ: \$1.43
- WA: \$1.43
- CA: \$1.40
- CO: \$1.25
- MD: \$1.25
- NY: \$1.19
- MA: \$1.11
- NJ: \$1.11
- KS: \$1.09



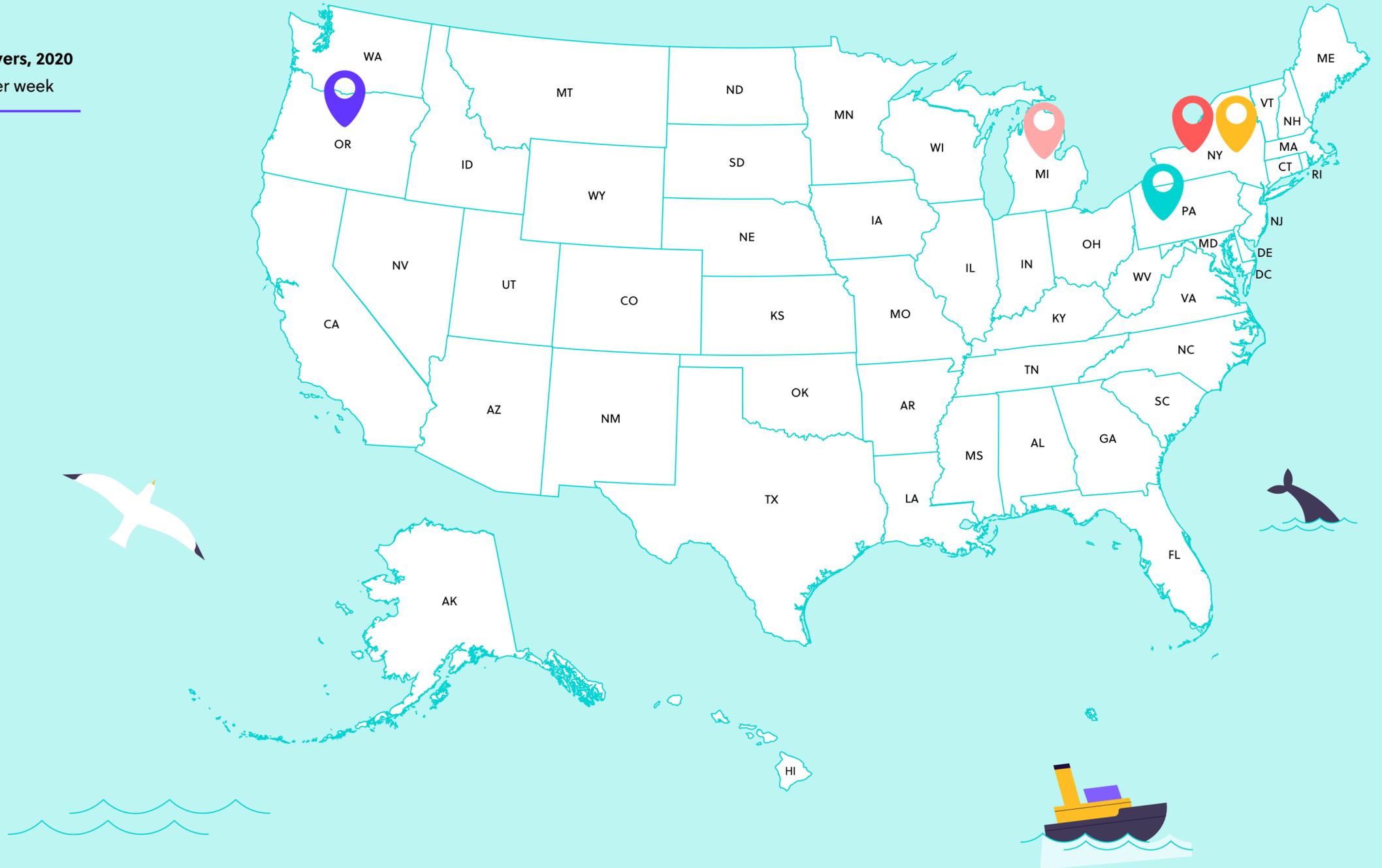
Highest amount earned from tasks in 2020, per child per week

- PA: \$1.25
- TX: \$1.23
- CA: \$1.20
- NJ: \$1.15
- NY: \$1.14
- OH: \$1.11
- IL: \$1.10
- MI: \$1.08
- FL: \$1.03
- TN: \$1.02



The biggest spenders, 2020 per child per week

- NY: \$10.51
- MA: \$10.42
- WA: \$9.89
- NV: \$9.80
- CA: \$9.43
- IL: \$9.12
- MI: \$9.08
- MD: \$8.88
- AZ: \$8.76
- NJ: \$8.62



Making money



Between January and December 2020, kids in America aged 6-18 collectively earned \$27.2 billion*. This income comes from a combination of regular allowance payments, paid tasks, and gifts, which were sent directly to the child's gohenry account via Giftlinks.

My twins, Sydney and Robert, have had gohenry cards for almost two years and we absolutely love it. The twins receive allowance through the app, and complete paid tasks for a small fee.

MARGARET M CHICAGO, IL



The bulk of these earnings (\$25.5 billion*) come from regular allowance payments. The most popular days to receive an allowance are Fridays (30%) and Saturdays (28%), and the average amount received is \$9.15* per week, although this does vary considerably, according to age and location. For example, children who live in New York are the highest earners, with an average weekly allowance of \$10.81*, followed by those in Massachusetts who earn \$10.76*, and those in California, who earn \$10.20*.

Weekly allowance: The going rate

Paying regular allowance helps children learn how to manage 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

In April 2020, the unemployment rate peaked at 14.8% – a level not seen since records began in 1948⁹. However, a combination of school closures, shelter in place orders, the pressures of home working (and supporting virtual schooling), along with self-isolation and quarantine, meant that American children were working harder – and earning more – than ever to support their parents.

With playgrounds closed, playdates off-limits, and childcare options limited, parents were looking for new ways to keep their children occupied, incentivized 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 remote learning. During Q2, earnings from tasks increased by 28%*.

“Kids worked hard to earn extra money at the start of the pandemic,” says Dean Brauer. “Parents were under pressure to keep the household running smoothly, while working from home and supervising remote learning, so it’s not surprising they relied on their kids to help out.”

Overall, American kids earned \$720.3 million* from tasks in 2020, with each task paying an average of \$1.59*. This works out at earnings of \$59.34* per child, per year, or \$1.14* per child, per week. Task earnings increased during Q2, peaking in average weekly earnings of \$2.31* per child in Q3, before dropping back to \$2.21* in Q4.

Older teenagers saw the biggest increase in their earnings for completing paid tasks: 16 year-olds earned 44%* more during Q2.

⁹ <https://fas.org/sgp/crs/misc/R46554.pdf>



My son earns \$25 per week: he takes out the garbage, helps with the laundry, makes his bed and cleans his room.

MICHELLE B

ARMONK, NY



Top of the tasks

In 2020, gohenry kids and teenagers boosted their income by helping out with paid tasks around the home. Girls were most likely to complete tasks relating to babysitting, cleaning and tidying, while boys were more likely to be paid for gardening, washing the car, mowing the lawn, and emptying the garbage.

Although cleaning their room is the most popular task across all age groups, savvy school kids can give their earnings an extra boost by focusing their efforts on the most lucrative tasks: mowing the lawn (\$9.26), babysitting (\$8.57), gardening (\$5.32), and washing the car (\$4.57).

Earnings from car washing tasks increased by a whopping 110% during Q2. Although boys earned substantially more from washing the car (144% increase during Q2), girls earned more from babysitting (142% increase in Q2).

There was also a significant increase in earnings from exercise-related activities. Whether they were doing online workouts, going on a family bike ride or taking a walk around the block, gohenry kids enjoyed a 117% rise in earnings for physical activity during Q2 – the perfect incentive to step away from their screens!



Socially-distant gifting

Christmas, Thanksgiving, birthdays and other celebrations, including Easter, Eid al-Fitr, Halloween and Diwali, looked different in 2020. Stay-at-home orders, social distancing and quarantine meant that parties were canceled and plans were changed. Extended families were unable to celebrate together, and some of the children's favorite seasonal celebrations, from Easter egg hunts, trick or treat or Christmas Day 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 Q2, over 4,800 gifts from gohenry Giftlinks were gratefully received. The average amount per gift was \$45, rising to \$51 in Q4, when kids were receiving Christmas gifts. Over the year, this added up to an average total of \$175 per child among those who received at least one gift.

"It can be difficult to choose gifts for kids and teens, especially during the pandemic when families were often unable to meet in person. Giftlinks are a great solution. They make it easier for relatives to send a treat, and also reflect the fact that kids increasingly prefer to spend – and receive – money digitally."

Dean Brauer, Co-founder and U.S. President of gohenry



My son is working to get a digital watch that he wants. He's doing great because I can choose to reward him via the app when he does extra chores.

TAMIA J

CANTONMENT, FL



Money Worries



The COVID-19 pandemic has made American kids and teenagers acutely aware of money, and the impact it has on people's lives. Almost three-fourths (73%) of those surveyed say that they worry more about money since the start of the pandemic, and admit this has affected their mental wellbeing¹⁰.

This is particularly true for young children: 78% of 6-10 year-olds surveyed say this, compared to 72% of 11-15 year-olds and 70% of 16-18 year-olds surveyed. As a result of these anxieties, 46% of young people say that they worry about how they'll save for things like Christmas presents or expensive items¹¹.

This could have a lasting impact on how children and teenagers spend money: 62% 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: 58% of 6-10 year-olds say this, along with 60% of 11-15 year-olds and 67% of 16-18 year-olds surveyed¹².

With this in mind, it's significant that, in 2020, kids and teenagers saved \$2.8 billion*, which equates to 10%* of their total income. This is the equivalent of \$52* for every child who has earned over the year, or \$1* per child, per week.



My son Anthony has just started to save for a new computer. He was given money to spend when we went away for a few days but instead of spending it on a souvenir on the trip, he put it into his savings. This is really helping him learn how to save. It's teaching him what things really cost, and he's learning about responsibility.

MONICA H ALBANY, NY

¹⁰⁻¹² The research was conducted by Censuswide, based on a sample of 2006 children in the US, aged 6-18.

¹³ Savings are calculated as the difference between earnings and outgoings

¹⁴ <https://time.com/nextadvisor/banking/savings/us-saving-rate-soaring/>



During Q2, American kids saved 234%* more than they did in Q1, rising to 916%* more among 16 year-olds¹³. This reflects what was happening among adults: the U.S. personal savings rate reached a record 32.2% in April 2020, up from 12.7% in March¹⁴. It's clear that kids are saving more than their parents. Before the pandemic hit, the average adult's monthly personal savings rate hovered around 7%¹⁵, which is three percentage points below the amount saved by American children and teenagers.

Older boys saw the biggest rise in savings (16 year-olds boys saved 1032% more during Q2), and so did kids from Alabama, who saved 2367%* during Q2 – more than any other state.

While it's true that a lack of opportunity to spend money has likely contributed to this increase in savings (the amount they saved dropped by 63%* in July, August and September, when many states began opening back up), gohenry savings goals indicate that

kids are actively putting money away for a brighter future, whether that's summer, Christmas or a shopping trip.



I contracted COVID-19 early on in the pandemic and as a result, I used gohenry to send my son Ashton money while I was in quarantine. Now, gohenry has empowered us to have conversations about earning and saving. We took a difficult situation and turned it into a learning moment, and now Ashton has learned the importance of saving, all thanks to the gohenry app.

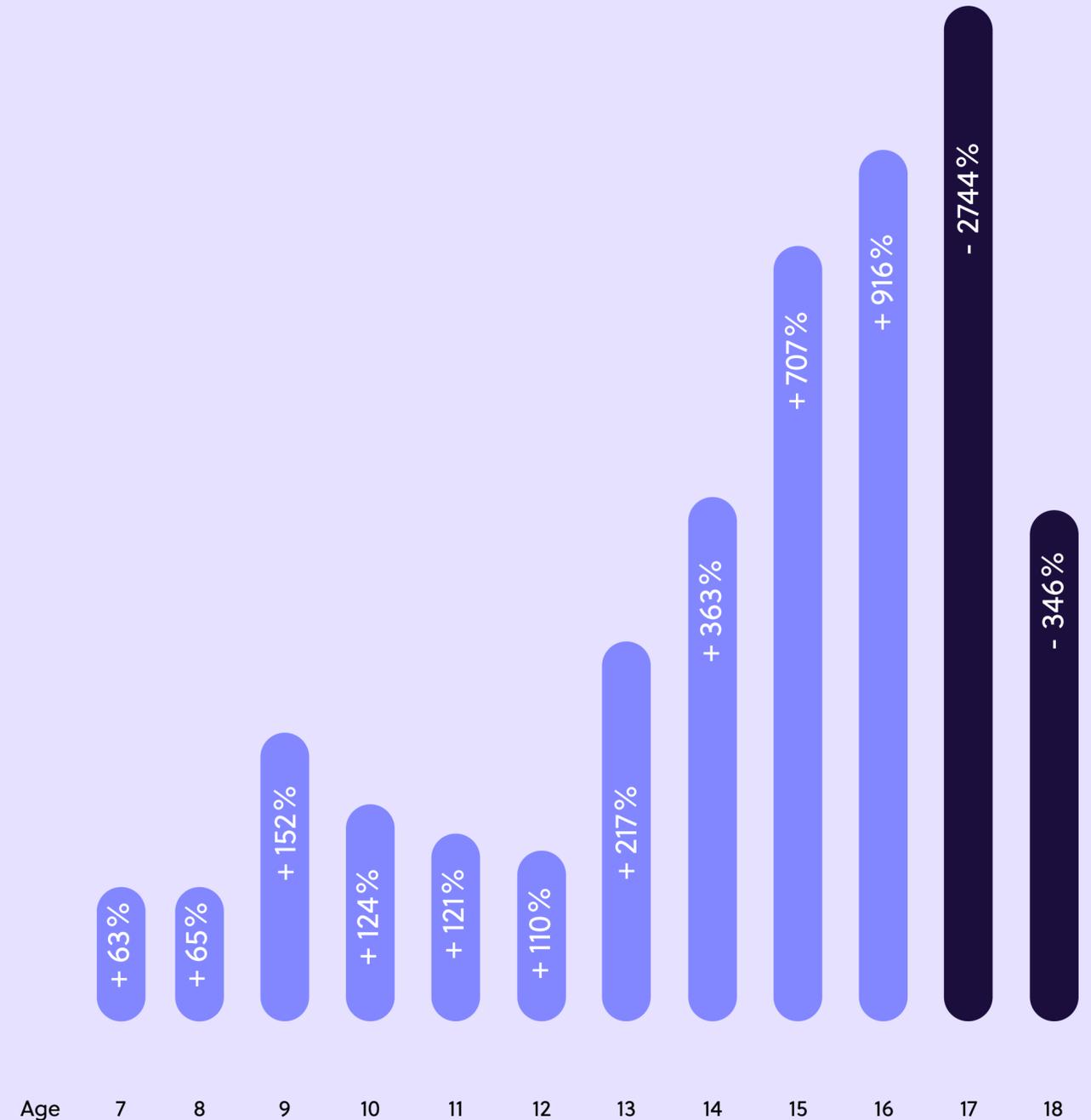
MARTHA K QUEENS, NY

78% of 6-10 year-olds surveyed say that worrying about money has affected their mental wellbeing

¹⁵ <https://www.statista.com/statistics/246268/personal-savings-rate-in-the-united-states-by-month/15> <https://www.statista.com/statistics/246268/personal-savings-rate-in-the-united-states-by-month/>

Soaring savings

During Q2, children saved much more than usual, especially older teenagers.



2020 saving goals

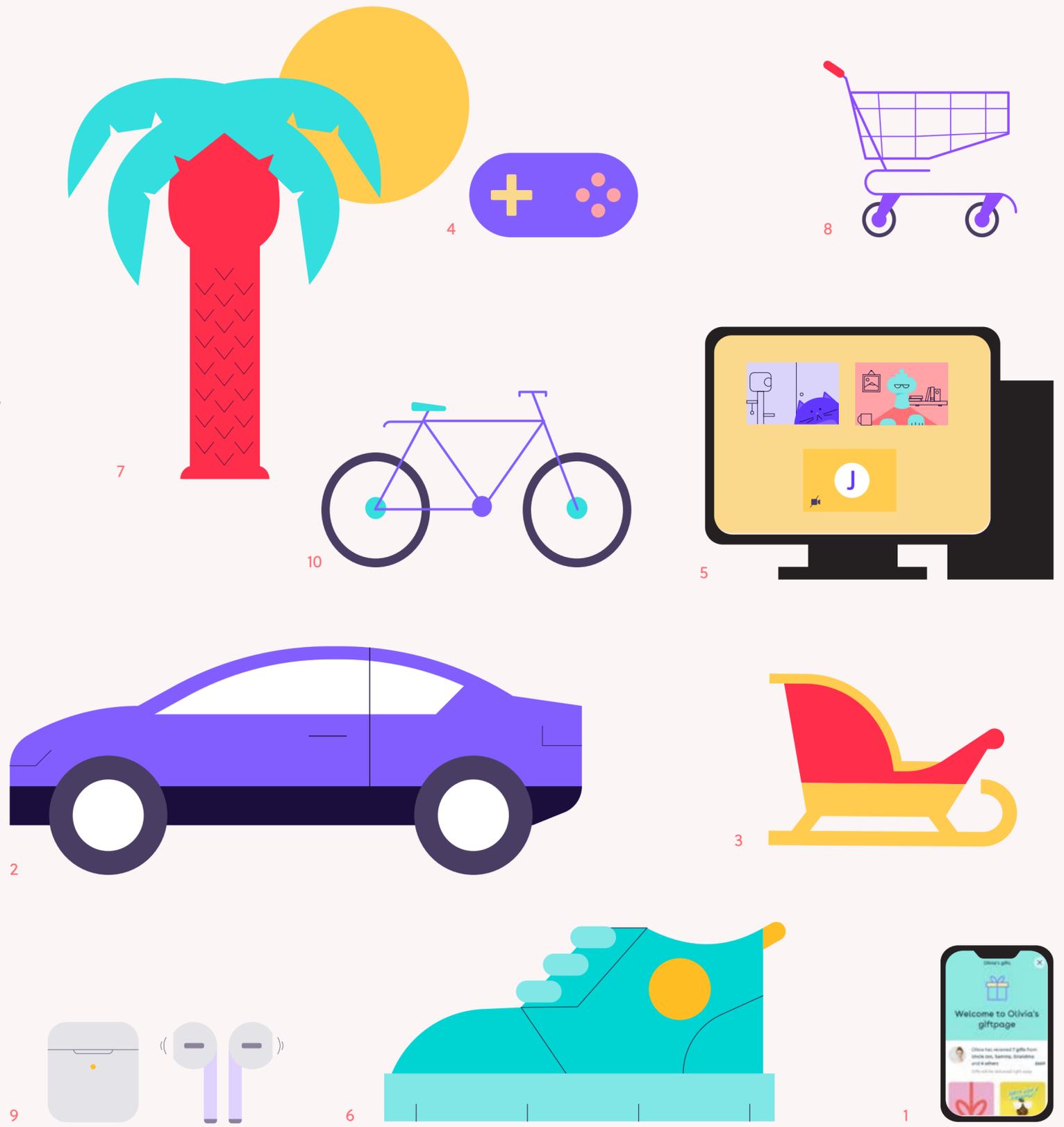
American kids and teenagers spent much of 2020 saving for life after COVID-19, whether that's summer fun or a shopping trip. But they're also saving for items that will help them cope with ongoing COVID-19 restrictions, like big-ticket tech equipment to keep them connected, and a car or bike so that they can regain some of the freedom they lost in 2020.

- | | |
|--------------|-------------|
| 1. Phone | 6. Shoes |
| 2. Car | 7. Summer |
| 3. Christmas | 8. Shopping |
| 4. Gaming | 9. AirPods |
| 5. PC | 10. Bike |

Savings goals vary between age groups and reflect kids' changing priorities as they grow. Among the 6-10 age group, Christmas is the top saving goal. For those aged 11-15, a phone is top of their list. Older teens, aged 16-18, are most likely to be saving for a car.

"These savings goals tell us a lot about how kids have been living their lives in 2020. Tech items, like a phone, PC and AirPods, are so much more important when they're living so much of their lives online. They're also saving for bikes and cars, summer and vacations. This shows just how much they're longing to assert their independence – in some cases, for the very first time – and feel optimistic about a brighter future."

Dean Brauer, Co-founder and U.S. President of gohenry



Quarantine life



The way that American kids and teenagers spend money gives us a unique insight into their lifestyle and priorities. But even though their spending habits changed in 2020, this doesn't mean that they spent significantly less.

In 2020, American kids spent a total of \$24.3* billion, which equates to \$451* per child, or \$8.64* per child, per week. During the second quarter of the year, children's spend increased by 2%*, while the value of their average transaction increased to \$12.91, compared to an average spend of \$11.53* during January, February and March.

Data indicates that children's spending remained more buoyant than adults'. In April 2020, consumer spending fell by 13.6%, following a 6.9% drop in March. In total, this represented a 20% drop since February – just weeks before the World Health Organisation formally declared a pandemic¹⁶.

Monday is the most popular day to spend, with 26% of American kids spending their allowance at the start of the week. The second most popular day to spend is Saturday (17%), with the rest of their purchasing spread evenly throughout the week: 13% spend on Tuesday, Wednesday, Thursday and Friday, and just 5% spend on Sunday.

Overall, girls spend slightly more than boys (\$8.65* per week, compared to \$8.64* for boys), and the biggest spenders live in New York (\$10.51* per week), Massachusetts (\$10.42* per week) and Washington (\$9.89* per week).

The biggest shifts in kids' spending habits are indicative of the restrictions imposed during the pandemic. With schools closed, and their social life curtailed, children and teenagers turned to their screens. Consequently, the amount spent on gaming increased by 80%* in Q2, when it accounted for 26%* of American kids'

¹⁶ <https://edition.cnn.com/2020/05/29/economy/us-consumer-spending-april/index.html>

Hey big spender!

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



overall spend, compared to 19% in Q1. Gaming continued to dominate spending throughout the year. Between January and December 2020, American boys spent over \$5.7 billion* (girls spent \$716.2 million*) and, when comparing the first and last quarters of 2020, boys gaming spend increased by 29%*. They also spent significantly more on Roblox: in Q2, boys' spend increased by 126%*.

In 2020, boys spent more than \$5.7* billion on gaming

In Q2, kids also spent 61%* more per month on technology, 62%* more at the App Store, and 83%* 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.

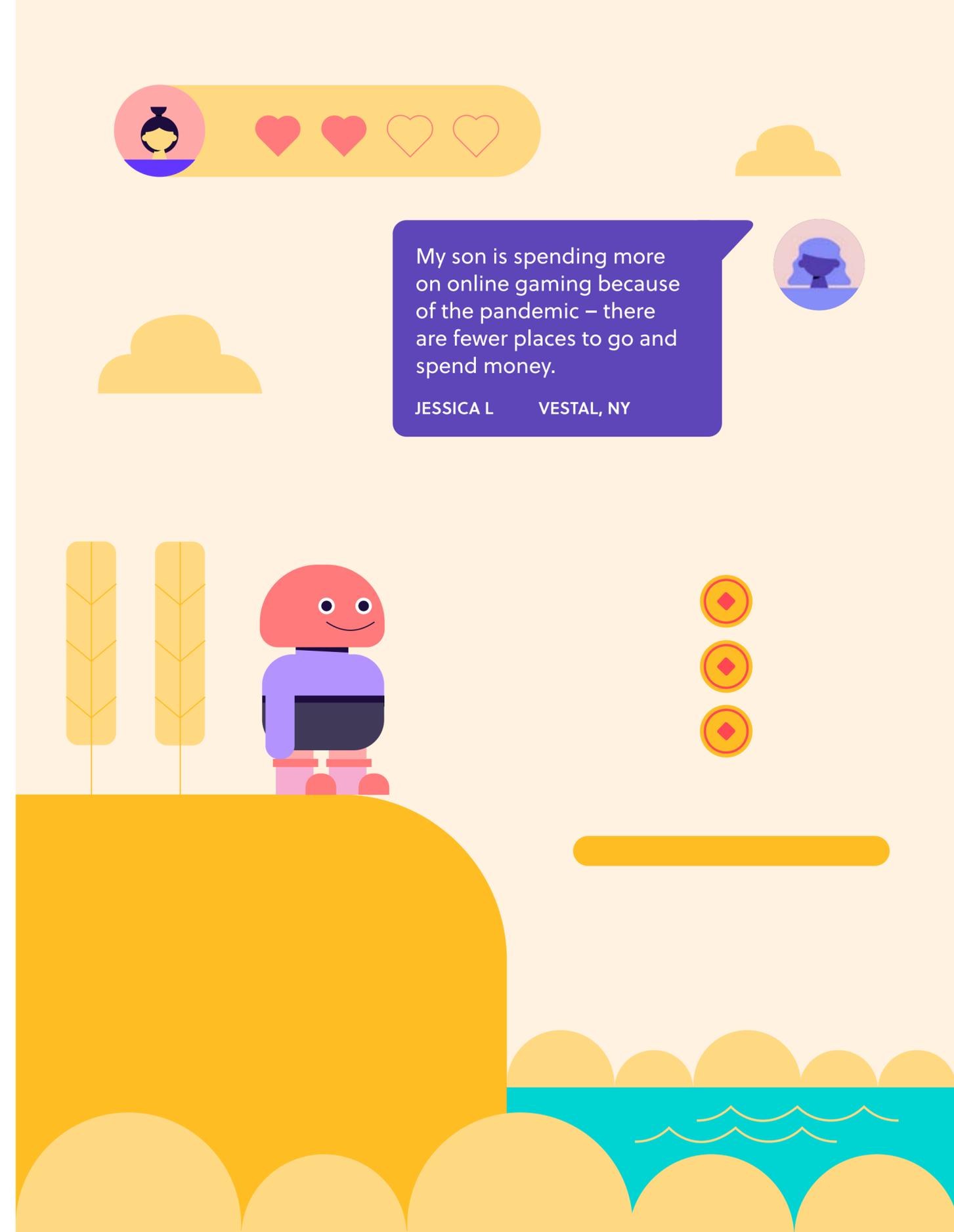
In Q3, during the summer vacation, the amount spent on toys and hobbies also increased by 54%* compared to April, May and June. This is perhaps a response to long periods of remote learning and online socializing, which made simple

pleasures like art and craft projects, LEGO and board games more appealing.

Even when they weren't leaving the house, kids continued to care about fashion, perhaps so they could look their best for Zoom, FaceTime calls and online learning. In 2020, kids and teens spent \$1.1 billion* on fashion, which averages out at \$88* per child. Their spending dropped by just 1%* in Q2, and increased by 24%* in Q3, at the point when many states were reopening.

This is a very different behavior to adults, who spent significantly less on fashion in 2020 and, when they did buy clothes, favored loungewear and pajamas. Data from Adobe Analytics, which tracks transactions from 80 of the top U.S. retailers, found that sales of pajamas increased by 143% in April 2020, compared to the previous month¹⁷. Adults weren't dressing to impress, but were opting for comfort instead.

¹⁷ <https://www.cnbc.com/2020/05/12/what-shoppers-are-buying-comfort-is-key-as-virus-keeps-people-home.html>



My son is spending more on online gaming because of the pandemic – there are fewer places to go and spend money.

JESSICA L VESTAL, NY

Dinner to go

Thanks to stay at home orders and other COVID-related restrictions, the amount spent on food delivery services, such as DoorDash, UberEats, Grubhub, Postmates and Seamless, increased by 70%* in April, May and June, with an average monthly spend of \$53.4 million* – or \$17* per transaction. Girls spent more than boys on this (\$361.7* million for girls in 2020, compared to \$278.5* million). Over the course of the year, the average kid spent \$90* getting their favorite food delivered to their door.

Girls were also more likely to spend in restaurants and takeaways. Over the course of 2020, girls spent a total of \$842.7* million, while boys spent \$634.9* million. Unsurprisingly, kids' overall spend dropped by 31%* during Q2, but this recovered during the summer

months and increased by 31%* when many states began opening back up in Q3.

When eating out, kids and teens favor McDonald's: their spend increased by 26%* in Q3 and, for the year they spent a grand total of \$516.2 million* – that's enough for over 129 million Big Macs¹⁸.

18 Based on a Big Mac costing \$3.99

2020 spending trends

Here's how American kids and teenagers spent their money in 2020:



\$6.4 billion
Gaming



\$2.4 billion
Big box stores



\$2.1 billion
Marketplace stores



\$1.8 billion
Technology



\$1.5 billion
Restaurants & takeaways



\$1.1 billion
Fashion



\$640.2 million
Food delivery



\$405.5 million
Health & Beauty



\$239.7 million
Supermarkets, groceries and convenience stores



\$218 million
Streaming services



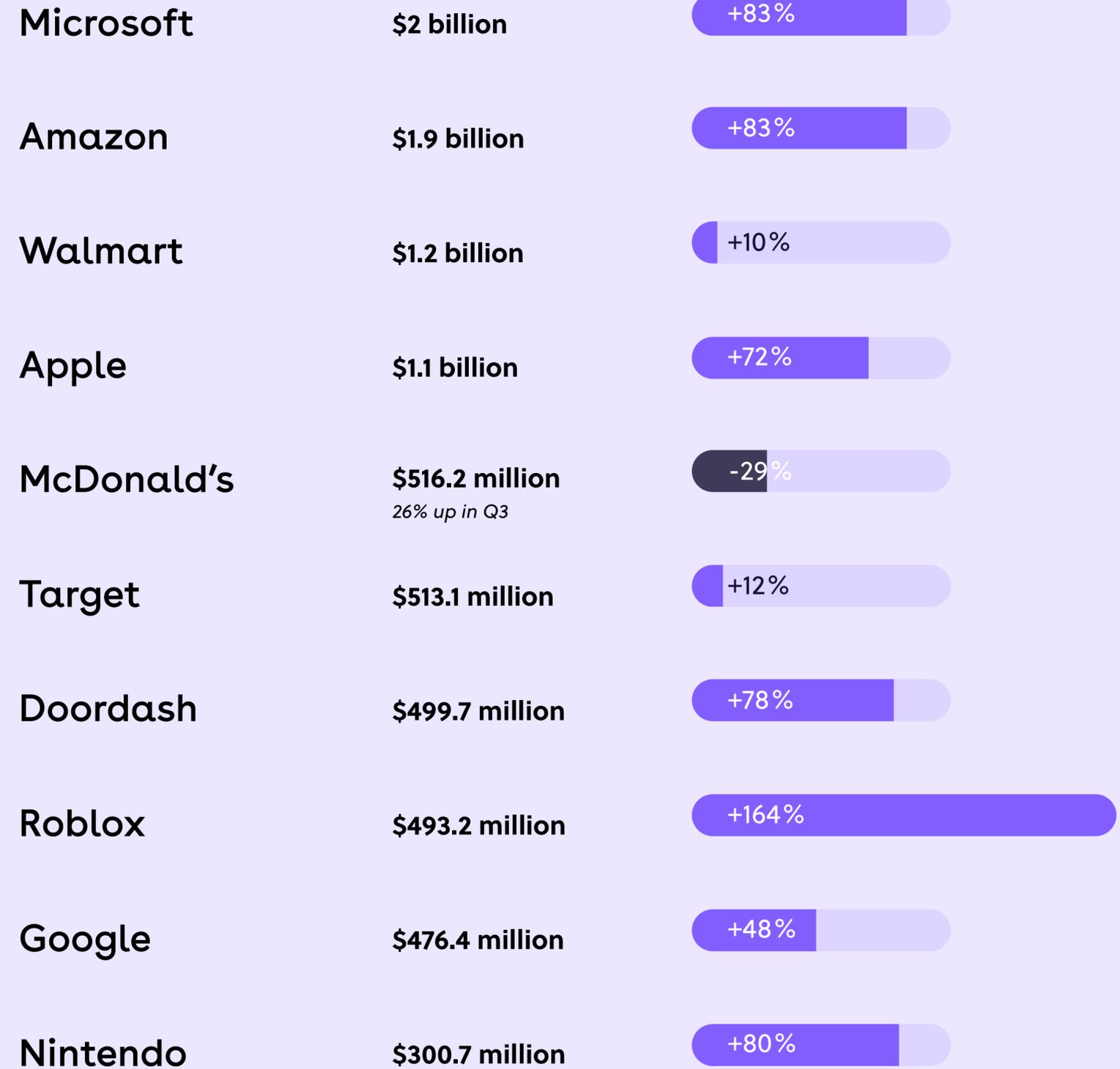
\$78.8 million
Toys & hobbies



\$41 million
Newsagents, cards & stationery

The shop 10

In 2020, most kids' and teens' top spending retailers shifted to online, due to COVID-19 restrictions. When they had the opportunity to spend money in a brick-and-mortar store, it was most likely to be at Walmart or Target.



Adapting to change



As COVID-19 restrictions began to ease in July 2020, children and teenagers were keen to get back to something resembling normal life. However, gohenry data shows how their behavior changed, even as they gradually regained some freedom.

Spending online

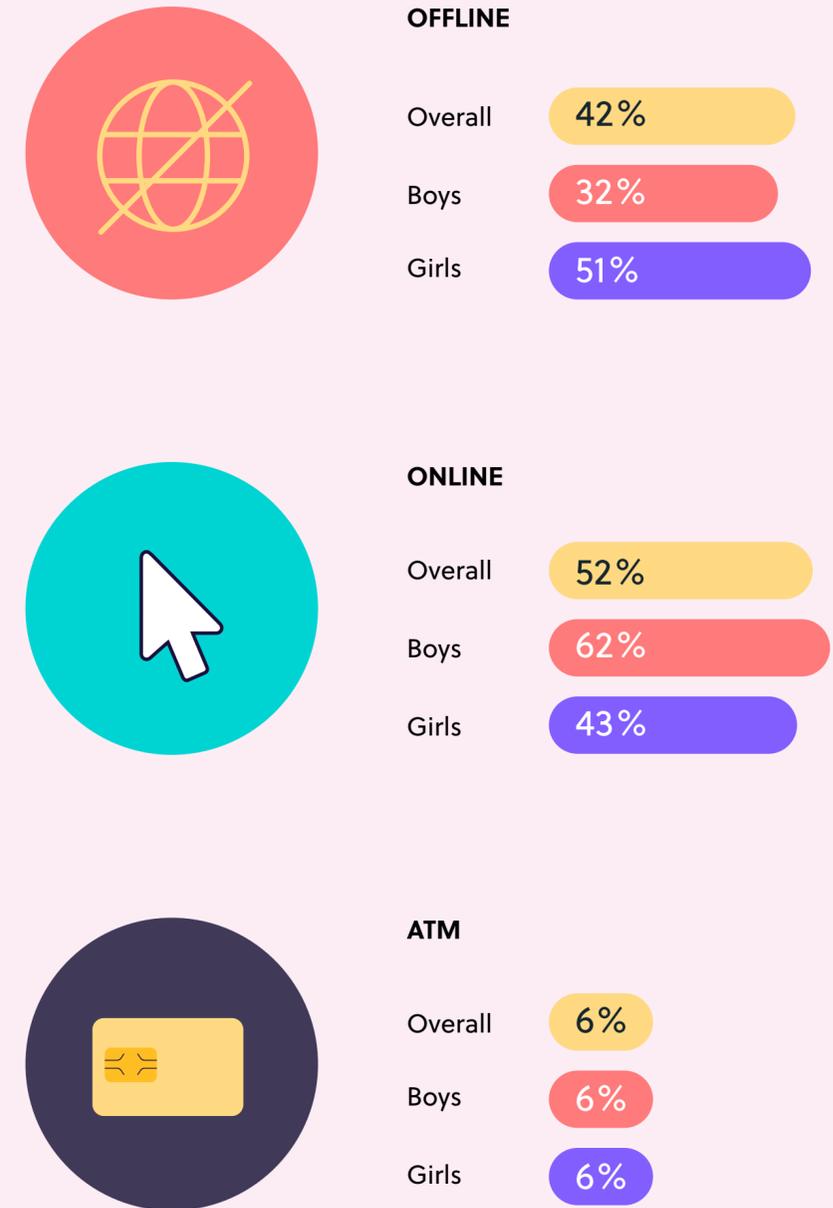
In 2020, over half (52%) of kids' and teenagers' spending took place online compared to 30% in 2019. In Q2, this was mostly driven by necessity, as many stores were closed. As a result, kids' and teenagers' online spend increased to 63% of their total spending during Q2. However they did begin to shift back to spending in store (42% in-store and 54% online, plus 5% at ATMs) when many states began opening back up in July,

August and September. However, this still represents an overall shift to online spending when compared to 2019, when children spent 63% of their earnings via card payments in store.

In 2020, young children were most likely to spend in store (57% of seven-year-olds do this), while 12 and 14 year-olds were most inclined to make online transactions (57%), and seven-year-olds were most likely to use an ATM (13%). Overall, boys were more likely to spend online than girls (62%, compared to 43%), largely due to their increased spend on gaming.

Spending habits

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



Dirty cash

Since the start of the pandemic, and the need to be more careful about hand hygiene, 48% of American kids and teenagers (aged 6-18) surveyed admitted to being more concerned about using cash. Our research found that 11-15 year-olds are most likely to say they prefer not to use cash at all due to concerns about hand hygiene¹⁹. In fact, 41% of the 11-15 year-olds surveyed worry about this, compared to 40% of 6-10 year-olds and 34% of 16-18 year-olds surveyed).

Of those surveyed, boys aged 6-15 are the most concerned group (45%). In light of this, it's significant that ATM withdrawals accounted for just 6% of spending in 2020, versus 8% in 2019.

Giving back

According to the Association of Fundraising Professionals (AFP) during 2020, Americans donated 10.6% more than usual to charities, outpacing 2019 contributions. There was also an 18.5% increase in the number of new donors²⁰. Our data reveals that the same is true for gohenry kids, who donated \$8,192 to our charity partner, Boys & Girls Clubs of America (BGCA), during 2020. What's even more impressive is that this is made up of microdonations of, on average, \$0.09 per week. For the year, kids who donated via their gohenry app, each gave an average total of \$4.91 - a 19% increase on the average donation in 2019.

¹⁹ The research was conducted by Censuswide, based on a sample of 2006 children in the US, aged 6-18.

²⁰ <https://afpglobal.org/fundraising-effectiveness-project-giving-increases-significantly-2020-even-donor-retention-rates>



“We’re grateful to gohenry for connecting young people to opportunities that reach kids at a very early age and teach them about empathy and compassion – life lessons that will carry them through as they grow up and learn to become caring adults – while supporting our mission to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens.”

Kathleen Palmentiero, Boys & Girls Clubs of America National Director, Corporate & Cause Partnerships

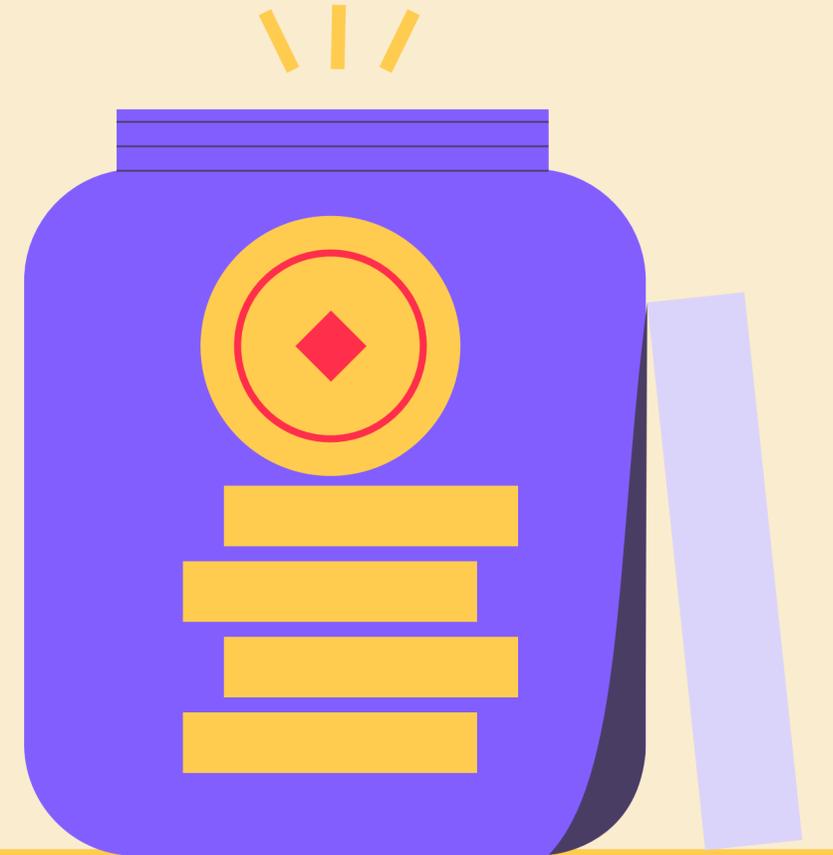


“This sharp increase in charitable giving suggests an increasing awareness of all the ways it’s possible to achieve gohenry’s mission of being ‘good with money’. After a challenging year, it’s heartening to see that the lasting legacy of COVID-19 could be an increased focus on social responsibility and social good, with kids and teenagers leading the way.”
Dean Brauer, Co-founder and U.S. President of gohenry

Both of my kids give to Boys and Girls Club of America (BGCA) and have done so since I opened their accounts. They understand the importance of charity and giving back, and feel like it’s the least they can do for others.



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Conclusion: The legacy of COVID-19

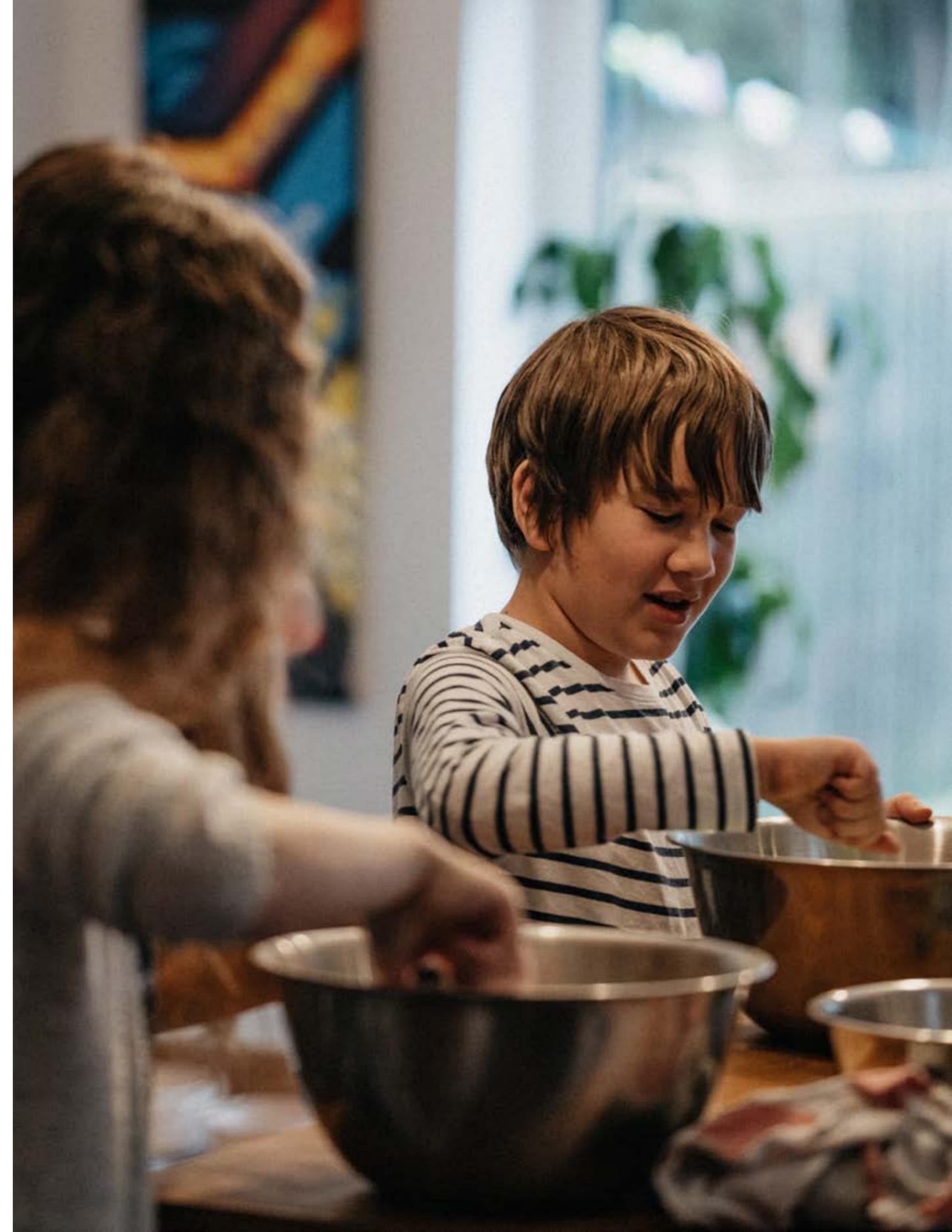
“The COVID-19 pandemic has had a seismic effect on the lives of American kids and teenagers,” says Dean Brauer. “Although it’s alarming to discover that changes to family finances have caused almost three-fourths of young people to admit that money worries have affected their wellbeing, it’s encouraging to see 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 American kids to the opportunities to boost their income by completing paid tasks. During Q2, their average earnings from tasks were 28% higher than they were in Q1, with overall earnings for the year totaling \$720.3 million*. At a time when part-time work is hard, if not impossible, to come by, this is

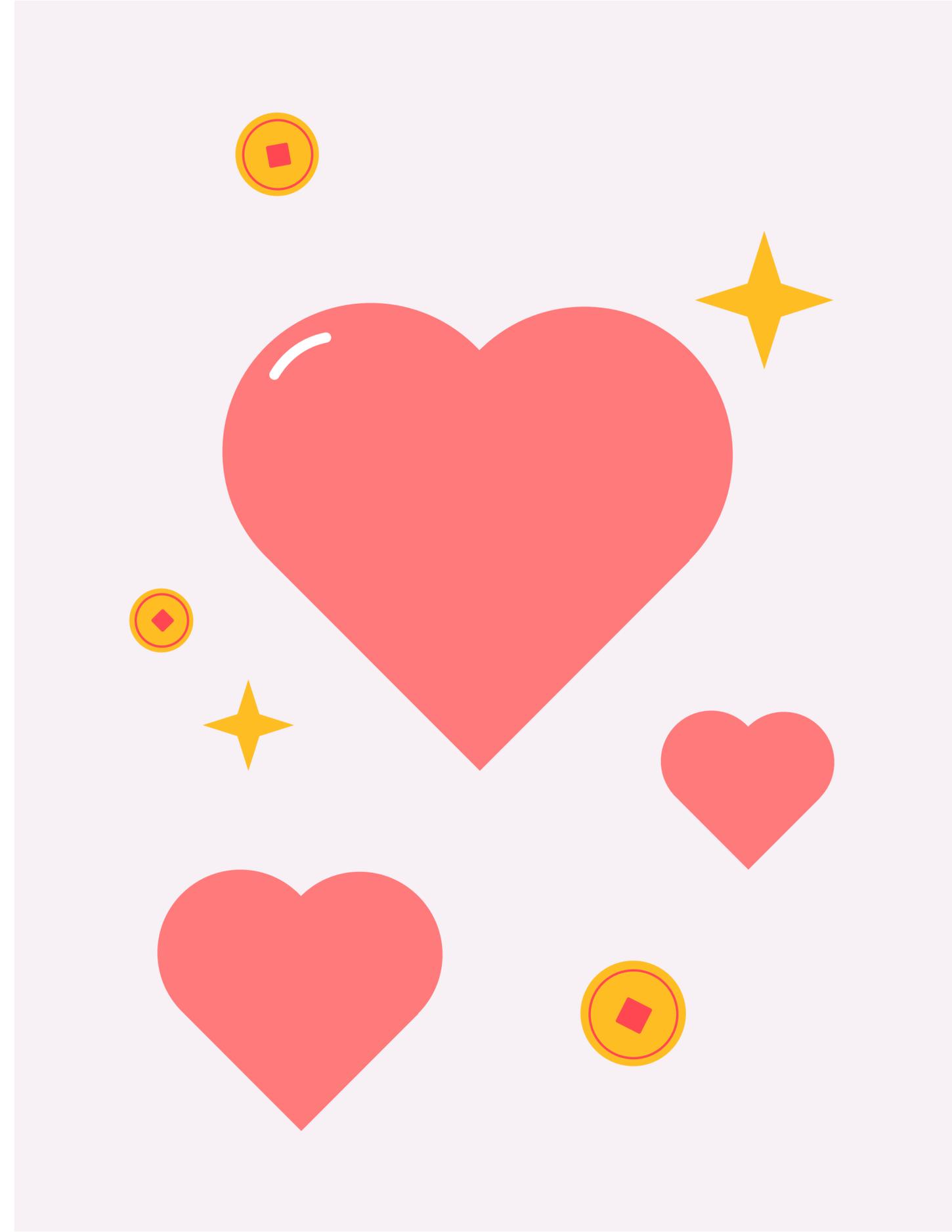
an alternative way to introduce children and teenagers to the world of paid employment.

Although early COVID-19 restrictions didn’t have a significant impact on the amount that kids spend (their overall spending actually increased by 2%*), it does appear to have changed the way that they spend. Almost four in ten (39%) of the young people (aged 6-18) surveyed now prefer to avoid using cash²¹, 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 80%* during Q2, when schools were closed and kids looked for other ways to keep entertained at home.

²¹ The research was conducted by Censuswide, based on a sample of 2006 children in the US, aged 6-18.



But perhaps the biggest and most gratifying change is the huge increase in charitable giving. 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 – during a pandemic that had a huge impact on their personal lives – 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 behavior of over 57,000 US child users 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), and scaled up by the Cebr to be nationally representative.



The data marked with a single asterisk in this report was upweighted by the Centre for Economics and Business Research (Cebr). Cebr is an independent consultancy with a reputation for sound business advice based on thorough and insightful research. Since 1992, Cebr has been at the forefront of business and public interest research. It provides analysis, forecasts and strategic advice to major UK and multinational companies, financial institutions, government departments and agencies and trade bodies.

The methodology Cebr used relied on the sample of US gohenry customers, and upweighted their income, spending and savings figures based on the number of 6 to 18-year olds in the population by age band, region and gender. National population estimates were sourced from the United States Census Bureau.



The research was conducted by Censuswide, based on a sample of 2,006 children aged 6-18 in the USA, 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.

About

Launched in 2012, gohenry is a U.S. and UK based fintech/edtech company with a mission to make every kid good with money and revolutionize financial education. It's award winning, innovative product helps parents teach their kids healthy spending habits and financial literacy skills that they can go out and apply in the real world.

The gohenry debit card and app is designed specifically for 6-18 year-olds. In an increasingly cashless society, gohenry's debit card and app gives young people the independence 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 and get organized around allowance.

gohenry is building a global movement of over 1.5 million customers who fiercely believe that being good with money is a vital life skill. For more information, visit gohenry.com or follow us on Twitter, Facebook and Instagram.

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

