

Filipino children save money, but not for the rainy day – for the latest gadget or trendy outfit

Pru Life UK's award-winning Cha-Ching launches Season Two cartoon episodes on budgeting, credit and investing

7 November 2012/ Manila Thanks largely to their parents, Filipino children are generally not clueless about budgeting. They tend to obey what their parents tell them to do – save half of their allowances, and spend the rest. But for Filipino children, saving is a means to buy “wants” – big items such as gadgets, shoes, bags and clothes – rather than a way to grow and multiply money.

According to a survey conducted by international independent research specialist Cimigo in August 2012 for Pru Life UK regional headquarters Prudential Corporation Asia (PCA), there is ample room for Filipino children to improve their money management skills.

211 children between seven and 12 years old participated in the survey which was conducted in Metro Manila and Cebu. The children, who came from various income classes, received an average of P157.60 in pocket money per week.

The survey found that most Filipino children do not save the majority of their pocket money. 50% of them will spend and save about the same amount while 30% of them spend the majority of their pocket money. 66% of children rely on their parents or are “under parental supervision when it comes to (using) pocket money... and they (70%) tend to plan ahead in terms of how much to save and spend.”

About two thirds or 67% of them save to buy things they want, while 24% will request their parents or grandparents to purchase the items for them. Most children (88%) are motivated to save so they can purchase computer-related products (24%), and shoes, clothes or bags (24%).

“Although kids have the practice to save up in advance to buy things that they want, most perceived their parents to be affluent (69%) and stated that family members are likely to fulfill their requests when they want to buy certain things (79%),” according to Cimigo.

Lack of understanding towards credit cards and investing

The survey also found that Filipino children have little understanding of credit cards. About 63% do not know what happens after a credit card transaction is made and 30% do not know what a credit card is at all, although 80% of children interviewed have requested their parents to buy things for them using a credit card.

Additionally, 73% of them were not able to name any investment tools, with some even having the false perception that buying lottery tickets (23%) and playing monopoly (19%) are investment tools.

While 50% of the children have thought about making more money with their existing savings, Cimigo said half of them have no idea how to accomplish this.

“In this age when money comes in many forms and may be used in different ways, it is important to make children understand at an early age the value of using money wisely – that budgeting, ‘invisible money’ or cashless transactions and investing all play a role in managing finances well,” said Pru Life UK President and CEO Antonio Manuel De Rosas.

“Children today possess a higher purchasing power and it is vital to start training them about making smart decisions in terms of using their money, so that they will imbibe money-smart habits as they mature and become independent adults,” added Pru Life UK Senior Vice President and Chief Marketing Officer Belle Tiongco.

The survey clearly reflected this as almost all of them (95%) expressed the desire to improve their financial skills.

Financial Education for Children – Cha-Ching Money Smart Kids

Continuing its commitment to financial literacy, Pru Life UK regional headquarters Prudential Corporation Asia (PCA) launched an innovative financial education programme for children, *Cha-Ching Money Smart Kids*, in September 2011 that is broadcast on leading children’s channel Cartoon Network and supported by an interactive website and digital applications. The program teaches children about four key money management concepts – Earn, Save, Spend and Donate – through a band of six characters, each with a relatable personality and a different approach to money.

Sean Rach, Regional Director of Brand & Corporate Affairs, Prudential Corporation Asia, said, “We are delighted to see the positive response to *Cha-Ching* from educators and parents across Asia, giving them a unique tool to address an unmet financial education need. To date, this programme has helped thousands of children and parents discuss and learn about the fundamental money concepts, and we are committed to continuing our efforts in enhancing financial literacy in Asia.”

Cha-Ching is a musical edutainment cartoon series that currently airs in seven Asian markets – Hong Kong, Singapore, Indonesia, Malaysia, Thailand, Vietnam and the Philippines. The first multi-country, multi-platform Financial Literacy for the Youth initiative, it was developed in partnership with leading children’s channel Cartoon Network and internationally-renowned children’s education expert Dr. Alice Wilder.

Season One features 10 cartoon musical edutainment episodes focusing on the four key money management concepts. In the Philippines, the Cimigo survey stated that 28% of the kids surveyed are already familiar with *Cha-Ching* – they have watched the cartoon episodes, and played the *Cha-Ching* games.

On October 30, *Cha-Ching*’s Season Two was launched, with the first of three new episodes, focusing on budgeting, “Back to the Budget,” going on air. The second episode, which will teach children how credit cards work, will air in December 2012. The third episode will premiere in January 2013, and will introduce the rudiments of investing. The episodes air daily on weekdays after school and on weekend mornings.

Children’s questions answered in the new episodes include:

- How can I plan so I do not spend more money than I have?
- How does a credit card work? Is it free money?
- What is another way to save? How does investing work?

In addition, a new online game, *Cha-Ching Saver World Tour*, was launched on the website to encourage children to learn through play.

Cha-Ching in the Philippines

The Philippines became the first country to integrate Cha-Ching in the grade school curriculum when the Department of Education (DepEd) signed a Memorandum of Agreement with Pru Life UK last April 2012 to implement the Cha-Ching Financial Literacy for the Youth Program in the 2012-2013 curriculum of two pilot schools – Tagaytay Central School in the Southern Tagalog Region and Upper Bicutan Elementary School in the National Capital Region (NCR) - which will initially run for two years. The Cha-Ching program is currently on its second quarter of implementation in the pilot schools.

Following the partnership with DepEd, the Cha-Ching Financial Literacy for the Youth Program is at present also being implemented in the grade 2 curricula of College of the Immaculate Conception in Cabanatuan, Makati Hope Christian School and Montessori Integrated School – Antipolo. It will also soon be integrated in the syllabi of Hope Christian High School in Manila, Southville International School and Colleges in Las Piñas and St. Paul College Foundation, Inc. in Cebu.

For more about *Cha-Ching*, please visit: www.cha-ching.com

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About Pru Life UK

Established in 1996, Pru Life UK is a subsidiary of British financial services giant Prudential plc. Pru Life UK is the pioneer and current market leader of unit-linked or investment-linked life insurance products, and is one of the first life insurance companies approved to market US dollar-denominated unit-linked policies in the country. Pru Life UK is a life insurance company and is not engaged in the business of selling pre-need plans.

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Pru Life UK is a member of the Philippine Life Insurance Association.

For more information: www.prulifeuk.com.ph

About Cha-Ching

Produced in cooperation with the Cartoon Network, the leading children's channel in Asia Pacific, and with the expertise of Dr. Alice Wilder, an expert in educational and child psychology, Cha-Ching takes an engaging and age-appropriate musical narrative approach to teach children about four key fundamental money management concepts – Earn, Save, Spend and Donate.

Cha-Ching addresses findings from its June 2011 survey, which showed that parents want to educate their children on money management using fun, interesting and catchy tools. It was rolled-out in seven Prudential markets across Asia: Hong Kong, Indonesia, Malaysia, Singapore, Thailand, Vietnam and the Philippines in September 2011.

Cha-Ching is a series of three-minute animated television musical episodes for children aged seven to 12 years old that were produced by and aired over the Cartoon Network. Other elements of the programme include a website (www.cha-ching.com) with games and applications featuring real-life money management scenarios, online resources and activity plans which parents and teachers alike can work through with children and a mobile application for iPod touch, iPhone and iPad users that helps children track their money cycle. To date, the website has received more than 40 million page views, with visitors spending an average of 15 minutes on the site. In 2012, local language versions of the first ten episodes were made available online in Bahasa Indonesia, and will be produced in Chinese, Vietnamese and Thai within the year.

Cha-Ching has gained international recognition as an exemplary programme for promoting effective financial literacy in the communities it serves. It was named Education Program of the Year in the *Excellence in Financial Literacy Education (EIFLE) Awards* in Orlando (April 2012), and was honored as the Best Interstitial Series (Educational) in the *Cynopsis: Kids! Imagination Awards* in New York (June 2012). In Asia, Cha-Ching received the Certificate of Excellence (Corporate Social Responsibility) in the Campaign PR Awards 2011 (March 2012) and the Award for the Most Innovative Financial Education Programme by the Institute of Financial Planners Hong Kong (September 2012).

About Prudential Corporation Asia

Prudential Corporation Asia is a business unit of Prudential plc**, comprising its life insurance operations, and its asset management business, Eastspring Investments. Prudential is a leading life insurer that spans 13 markets in Asia, covering Cambodia***, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam. With more than 400,000 agents across the region, Prudential has a robust multi-channel distribution platform providing a comprehensive range of savings, investment and protection products.

Prudential facilitates numerous corporate responsibility initiatives in Asia that build value and contribute to the communities across the region. Most notably, Prudential facilitates financial literacy workshops in China, India, Indonesia and Vietnam for young, working-age women. Since 2004, over 34,000 women have participated in the programme. In addition, Prudential also partners with Government and regulators in China to facilitate an insurance education curriculum for public high schools in target cities across the country. Over 43,000 students have participated in the programme since 2007.

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***received in-principle approval of insurance license

For more information: www.prudentialcorporation-asia.com