

**PEP: Personal Economics for Preteens**

Preteens today are a viable and perceptible target market for many companies. According to the US Census Bureau, there are approximately 19 million young people between the ages of 9 and 14. This boomlet of preteens has become a powerful group of consumers. This segment of the population spent over \$100 billion on consumer products in 1995 (Isa, 1996), which is a 38% increase over 1990. Preteens have more discretionary income than any preceding generation.

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**Purpose**

The purpose of this paper was to determine if there are differences in sources of preteen income based on gender. One objective was to estimate the proportions of difference income sources available to preteens; the second objective was to compare the amount of allowance that boys and girls receive.

Preteens have numerous wants and are attempting to fulfill those wants by participating as consumers in the marketplace. Businesses are responding to these young people by providing more products and communications targeted to this group (McGee, 1997; Reese, 1997; Zollo, 1996). Preteens are responding by finding more ways to obtain money to purchase these new items, many of which carry hefty price tags. How preteens earn money is determined by family demographics, values, and lifestyles (McNeal, 1992).

**Method and Results**

A questionnaire containing 30 questions was designed to gather information regarding preteen sources of income, amount received, and family demographics. There were 221 students who attended middle schools in Central Illinois and 259 students in Upper New York. The students were 9-14 years of age. Income sources for these preteens consisted of an allowance, gifts, chores, grades and garage sales. The type and amount of money received was dependent upon family demographics, values and lifestyles.

Nearly half the sample received income in the form of allowance. The average weekly allowance was \$4.25. Female preteens reported receiving \$3.11, on average, whereas, male preteens reported receiving \$5.63. Nearly two-thirds of the sample earned income from performing chores for parents or neighbors. Females received \$3.44/week, whereas, males received \$2.14. One explanation for the females receiving a higher weekly income from work could be greater opportunity to babysit.

Ninety-one percent of the sample received some income from gifts and almost 50% obtained money from participating in garage sales. Only 17% of the sample received income from school grades. This would indicate that most parents refrain from using monetary incentives to motivate students to obtain good grades.

Using a Chi-square test for independence, at the 5% level of significance, the average male preteen allowance was significantly higher than female average allowance. These results would indicate that gender income discrimination occurs at a very early age within families. This socialization of inequality of income based on gender may be an important precursor to continued pay differences in the labor market. Eliminating gender income discrimination in the workplace would require that families provide a more equitable distribution of income to their daughters and sons.

**References**

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**Endnotes**

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