

Teenage Holiday Spending ‘Could Impact On Parents’ Finances’

As thousands of young people are set to go abroad with friends over this summer, a lack of budgeting skills could see their parents develop debt problems, it has been suggested.

August 6, 2007 (FPRC) -- According to a study of teenagers carried out by Lloyds TSB Travel Money Card, a quarter of respondents intend to phone home when they have run out of cash while abroad. Meanwhile, some 32 per cent plan to financially lean on their friends, partners and family members for extra money.

Consequently, a number of parents are said to be concerned that their teenagers' spending intentions could impact upon their own finances. Some 38 per cent of those surveyed claimed to be worried that their child will overspend while on holiday and that they will have to help them to repay debts incurred. Lloyds TSB also revealed that 37 per cent of parents feel "nervous" about the security of their offspring's holiday spending. The study also showed that just under two-fifths (38 per cent) admit that their children are unable to create a budget.

Young people questioned in the survey were additionally reported to be concerned about debt problems while abroad. More than half (56 per cent) are worried that they will overspend over the duration of their break, with 53 per cent fearful that their money will be stolen. However, 82 per cent of consumers are set to fund the majority of their spending by using cash, rather than travellers cheques or plastic cards. Figures from the financial services firm also indicated that about one in five teenage tourists will take up to £1,000 away with them in spending money. Meanwhile, just under a third (31 per cent) of respondents claimed that although they will set up a budget for their holiday they will not stick to it. The study also indicated that one in ten will not bother drawing up a plan for their spending at all.

Philip Robinson, head of debit cards and travel services for Lloyds TSB, said: "Parents are understandably nervous about picking up the bill for their children's fortnightly holiday excesses. One way to help with budgeting is not to send them away with too much cash, which is a temptation."

Earlier this year, Alliance & Leicester claimed that Britons are not taking enough time to consider how they will fund a vacation. In research carried out by the financial services firm, an estimated 4.2 million consumers are said to be willing to go abroad even though they are yet to finish paying off money from their previous break via credit cards and personal loans. Ross Dalzell, savings manager for the provider, stated that as 19.3 million Britons are not saving the total amount of money needed for their break before going away they risk turning their holidays "into a potential financial nightmare". The study also indicated that just over a quarter (27 per cent) of those surveyed spent more money than they had originally planned to while they were away, with nine per cent of these consumers going over their budget by £500.

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