



## NEWS RELEASE

# New Research from Ameriprise Financial – Parents & Finances – Explores the Unique Financial Decisions and Competing Priorities Parents Face Throughout Their Children’s Lives

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MINNEAPOLIS--(BUSINESS WIRE)-- Parents today are balancing competing priorities vying for their wallets and their heartstrings, with six in 10 concerned that the tradeoffs they’re making daily will impact their financial future, according to a new study – Parents & Finances – released today by Ameriprise Financial (NYSE: AMP). Nearly all respondents say parenthood brings them joy and purpose (96%) yet is harder than they expected – both emotionally and financially.

The silver lining: nearly nine in 10 (88%) parents who enlist professional help from a financial advisor to manage the tradeoffs say the advice was helpful in making decisions related to their children.

The Parents & Finances study surveyed more than 3,000 American parents with at least one child age newborn to 30. Ameriprise commissioned the research to explore how these parents approach money as their children grow to understand their goals, concerns, and perspectives.

## Pressure of competing priorities

Parents reported the top goals – both in the near and long term – competing for their hard-earned dollars: saving for retirement (59%), paying for children’s education (39%) and managing day-to-day living expenses (36%). Additionally, most parents (91%) place a high value on a family “bucket list,” with taking vacations together as the top item. Yet, more than half of parents (60%) are concerned that the tradeoffs they need to make among these

varying priorities will impact their long-term financial goals.

Despite the tradeoffs, the Ameriprise study revealed that parents are navigating financial decisions mindfully from the beginning of their decision to have a child through their adulthood. Eighty percent of parents factored their financial situation into the decision to have a child, and a similar percentage (89%) plan to pay for some portion of their children's college education. In fact, half (49%) started saving for college before their child turned five years old, with a portion starting before their child was born (9%).

"Our research confirms what most parents in the throes of caregiving are thinking: balancing family finances while juggling shifting priorities can feel challenging," said Deana Healy, Vice President of Financial Planning & Advice at Ameriprise. "Regardless of net worth, most parents have a finite amount of money to allocate to their most important financial goals. We know from our work at Ameriprise supporting millions of parents that it's achievable to feel financially confident— it comes down to careful planning."

## Guilt is a struggle for the majority of parents

The Ameriprise study revealed that seven out of 10 parents (72%) experience parental guilt with more than a third (35%) putting pressure on themselves to be the "perfect parent," – which led to increased spending on their children. More than half (52%) offered children treats or perks, four in 10 (43%) overspent on an item or experience, while a third (33%) did something that was beyond their initial budget. This parental pressure stems from good intentions: parents' number one source of financial stress is the desire to give their children the best life possible (44%).

"Parenting brings so much joy. But it can come with so many expectations and competing priorities, especially when it comes to managing family finances," said Healy. "Our advice: be clear with your financial priorities today, so you don't lose sight of the future goals you're working so hard to achieve for yourself and your family."

## How parents take control financially

The Parents & Finances research revealed four tips parents can implement to help balance their varying goals:

1. **Give children a strong financial foundation.** Parents in the study shared how they support their children in making smart financial decisions: open a savings account for them (76%), encourage them to save for a short-term goal (68%), and stop them from spending money unwisely (61%). Additionally, most parents (70%) involve their children in family financial decisions to help instill values and principles.
2. **Be strategic with children's allowances.** Parents also reported giving children a strong financial start by being thoughtful about when to let them make their own choices with money. More than half (55%) of parents pay

their children an allowance, and nearly nine in 10 (88%) pay their children for actions or achievements, such as chores (68%), good grades (55%), babysitting (28%), and athletic success (24%).

- Fun fact: Almost all parents (96%) enlist help from the “Tooth Fairy” to fill their children’s piggy banks. On average, the Tooth Fairy pays \$5 per tooth.

3. **Identify your biggest financial concerns and goals, and then plan accordingly.** With parents’ financial situations often becoming more complex as their families grow and evolve, it can be hard to know where to start. Parents in the study reported that it helps to talk to their spouse or partner about money matters and plan together to address their biggest concerns and goals.
4. **Seek help from a professional.** Parents don’t have to manage their finances alone. For additional advice to create a plan and teach children about money, parents should consider working with a financial advisor. Parents surveyed say it’s worth it: three-quarters (74%) say it’s important to seek professional advice from a financial advisor when planning for their children’s futures. More than half (56%) have introduced their children to their advisor. “Parents have a lot on their plates when it comes to raising a family and finances can be a source of stress, but they don’t have to go at it alone,” Healy added. “Working with a financial advisor can help people feel empowered and in control financially, so parents can spend more time on what truly matters: their children.”

## About the research

The Parents & Finances research was created by Ameriprise Financial and conducted online by Artemis Strategy Group from January 3-31, 2025 among 3,010 American parents with at least one child age newborn to 30. Parents were between ages 25 to 65+ and had on average more than \$500,000 in investable assets. For further information and full methodology, including verification of data that may not be published as part of this report, contact Ameriprise or go to [ameriprise.com/parents](https://ameriprise.com/parents).

## About Artemis Strategy Group

**Artemis Strategy Group** is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.

## About Ameriprise Financial

At **Ameriprise Financial**, we have been helping people feel confident about their financial future for more than 130 years. With extensive investment advice, asset management and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs.

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