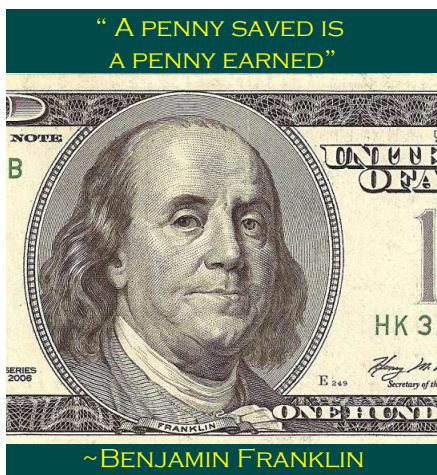


## The History of Youth Culture: Allowing Allowance

The rise of a youth market was a necessary precursor to the rise of youth culture. The rising standard of living in the early 1900s led to an increase the amount of money being spent by children on their own authority. After WWII that amount increased radically .

It wasn't until the 1890s, via women's magazines and parental advice literature, that allowance advocates recommended giving children a regular but fixed supply of money to train them in the use of money. Few did.



Allowance advocates were at odds with thrift advocates, who promoted saving money as a more important lesson than learning how to spend it.

In the early 1900s nearly all high-school-aged children worked. (Only [10% went to school.](#)) All money went into one pot, controlled by the father.

As wealth increased middle-class families, not just the rich, could afford to spend money on pleasure. So more and more parents gave money to their children for fun, recreation, dating and snacks.

(Coca-cola and ice cream parlors date from this time.)

Allowances became more common during the Great Depression. According to a [1936 survey](#), 12% of "slightly skilled" workers gave their children allowances. Among "semi-skilled" workers 28% and among professionals 50% gave allowances. Overall it was a significant increase over the single-digit percentages prevalent at the turn of the century.



Today, according to [American Express](#), 62% of Americans give their children allowance.

The rise of youth culture in the early 1900s and again in the 1950s and 1960s is partly due to children having money to spend on their own authority. As more parents began giving an allowance to their children and other parents let their children keep the money they earned, a new market appeared, a youth market. Marketers wanted to attract youth to spend their money. It did not take long to create a culture that catered to youth.

Today the ability of children to engage in youth culture is still tied to money. Youth need money to buy the clothes, the video games, the music and the cinema tickets. Increased access to money brings increased access to youth culture.

Children need to learn how to spend money appropriately, especially when it will be spent on pleasure or youth culture.

Smart parents see the link between money and youth culture and help their children make good choices.

## What's In Your Wallet?

[Eighty-four percent](#) of college students have credit cards. They use them to buy books, make online purchases, and pay for recreation and travel. Since 2004, the percentage of incoming freshmen with a credit card already in hand has grown from 23 percent to [39 percent](#).

The average age of those getting their first credit card in the U.S. today is 20.8 years. Go to any campus and you will find credit card companies hawking their cards to students. Like anything powerful, a credit card can do good or do damage. Students about to get a credit card should know how to use it before they get it.

The rules of safe use are simple. The costs of not following them are painful.

- 1) Always pay your credit card bill on time. Late fees are typically \$30 or more.
- 2) Always pay your bill in full. If you don't, you will pay interest on your balance.
- 3) Never use a credit card to cover an expense you cannot pay off in full.
- 4) Get a card that has no annual fee, no usage fees, and a low APR. (Your APR is the *annual percentage rate* – this is the way to calculate how much interest you will pay if you haven't paid your balance in full. Most student cards carry a 25% or higher APR!)
- 5) Keep a register of all your expenses so you know how much you have spent.

*Half of the students with credit cards got them without the help of a parent.*

*A typical university student receives 40 credit card offers per semester.*



6) Know that breaking any of the above rules has big penalties. It will cost you money and you will also risk being unable to rent an apartment because your credit rating is bad.

If you always follow these rules you will never need to pay a cent more than your actual purchases.

### The reality on campus

Students don't follow the rules. In 2004 nearly 69% paid each month in full. In 2008 only 15% of students paid their full bill on time. The average student debt in 2008 was \$452. Those with *student credit* cards were paying \$10 per month in interest due to having a high APR.

In addition, 40% of students bought things they knew they couldn't pay off and 25% have had to pay a late fee.

### The reality off campus

It's worse. [Credit Card companies rate students 27% better than the average American](#). That is why credit card companies target college campuses.

## What's Not In Your Wallet?

I have good news and bad news. The good news is we have enough money to cover a \$40,000 increase in our Kairos budget for next year. The bad news is it's not yet in your wallet.

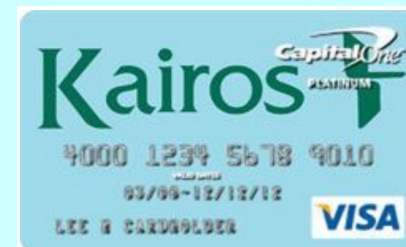


If you live in the U.S., it is now possible for you to give Kairos \$200 without cost to you. Capital One, the credit card company behind the "What's in your wallet?" TV ads, is supporting Kairos in the following way: when you take out a Capital One credit card, Kairos will receive \$50 after your first purchase, plus 2% on gas and grocery purchases and 1% on all other purchases.

*The first widely accepted plastic charge card was issued in 1958 by American Express. The first credit card that allowed balances to be paid over time was the BankAmericard, issued in 1959. In 1977 BankAmericard changed its name to VISA.*

Thus, if you spend \$10,000 per year using this card, Kairos will receive an additional \$150 from Capital One. And that will be true each year, as long as you use the card.

If 200 people use the credit card in this way Kairos will receive \$40,000.



The Kairos credit card fee structure is great. If you pay your bill on time and in full it will cost you nothing, ever. (Like all credit cards you will pay late fees if you don't pay your bill (\$29) and you pay interest on unpaid balances (APR) currently at 13.9%. The grace period (how soon you must pay once billed by Capital One) is 25 days. These are good terms compared to other credit cards<sup>1</sup>.

Application for the card is simple. It is done online at: <http://bit.ly/Kairoscc> (Note the capital K)

Apply today before you forget!

**The same benefit for you.  
All the difference for our mission!**

<sup>1</sup>We have tested the card. It works great.

[KAIROS.EDITOR@GMAIL.COM](mailto:KAIROS.EDITOR@GMAIL.COM)