TrueWealth

HSLU Hochschule Luzern

Study 2025

Digital investing for children

How do parents in Switzerland invest money for their children? How do they save and invest, and what are their goals? To answer these and other questions, we conducted a survey together with Dr. Tatiana Agnesens and Prof. Dr. Imke Keimer from the Lucerne School of Business. More than 1'000 parents of children up to 18 years of age were interviewed.

The results provide fascinating insights into how parents invest for their children. For example, most parents start saving or investing very early on – often even before the child is born. At the same time, it is clear that traditional savings accounts continue to dominate, while investments in securities still play a secondary role.

The study not only sheds light on investment preferences, but also on the methods parents use to teach their children how to handle money, as well as their attitudes towards digital investment platforms.

01

Management Summary

1 Management Summary

Willingness to save early on

62% of parents start saving during their child's first year, and 11% even before the birth. Only 7% of parents do not save or invest for their children and have no plans to do so.

Goals for saving and investing

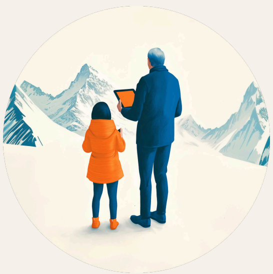
When it comes to saving or investing, the most important goals are handling money responsibly and accumulating wealth early on. In contrast, teaching financial literacy is given a lower priority.

The most common forms of investment

Savings accounts are the preferred form of investment. 93% have a savings account for their children. However, only 21% of parents use securities. Parents prefer inexpensive, simple and trustworthy solutions for their children's money.

Digital investment platforms

22% of parents can imagine using digital investment platforms for their children. The openness towards such platforms depends strongly on the level of education, financial wealth and their own use of securities.



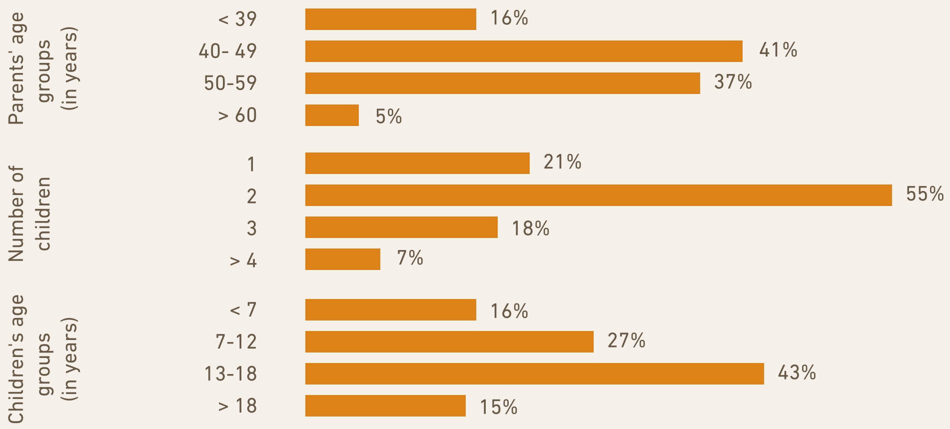
Criteria for platforms

Important factors include user-friendliness, control over the investment strategy and legal clarity that the money belongs to the child. The active involvement of the child plays a subordinate role.

02

Sample

Distribution by age of parents, number of children and age of children



Number of respondents: As part of the study, an online survey was conducted with 1'006 Swiss parents. Of these, those who did not have children under the age of 18 were excluded. This means that the final sample comprises 977 parents.

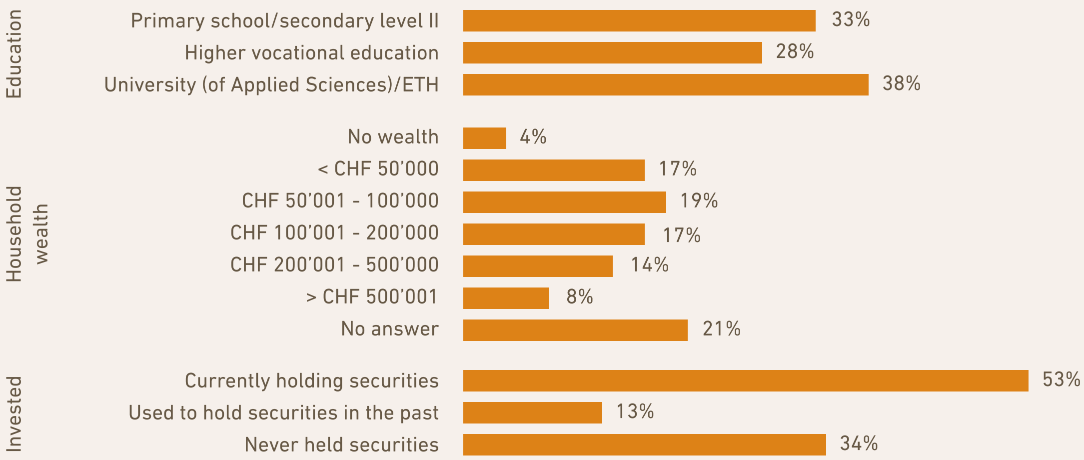
Language and gender: 73% of the participants speak German, 27% French. The gender distribution is even. 50% of the respondents are men, 50% women. Only one parent per family was interviewed.

Age groups: Participants were between 18 and 74 years old, with the largest group being parents aged 40 to 49 (41%). Parents aged 50 to 59 make up 37% of the sample, while parents under 39 years of age make up 16% of the respondents. Only 5% of the participants are 60 years or older.

Number of children: The majority of parents, namely 55%, have two children. Another 21% report having one child, while 18% have three children. Families with four or more children are less common, accounting for 7% of respondents.

Children's age: The average age of the children was calculated for each family and divided into four categories. According to this, 43% of parents have children with an average age between 13 and 18 years, 27% have children between 7 and 12 years old, 16% have children under 7 years old, and 15% have children with an average age of over 18 years.

Distribution by highest level of education, financial wealth and securities ownership



Highest level of education completed: In terms of education, the sample can be divided into three roughly equal categories: 33% have a primary school-upper secondary school leaving certificate, 28% have completed higher vocational training (e.g. professional examinations, higher specialist examinations), 38% of respondents have a degree from a university of applied sciences or a university/ETH (bachelor's, master's, doctorate) and 1% of respondents did not provide any information about their education.

Household wealth: There is a wide range of financial assets (cash, savings, securities and fixed-term deposits, excluding real estate): 4% of respondents state that they have no financial assets. 36% have assets of less than CHF 100'000. Another third (31%) have financial assets between CHF 100'000 and CHF 500'000, while 8% have assets of over CHF 500'000. 21% of the participants did not provide any information about their financial assets.

Securities holdings: Participants were also asked whether they had ever held securities or were currently invested in securities (e.g. equities, bonds, funds, structured products). The results show that 53% are currently invested in securities. The remaining 47% are not currently invested, with some having previously held securities and others never having invested in securities.

03

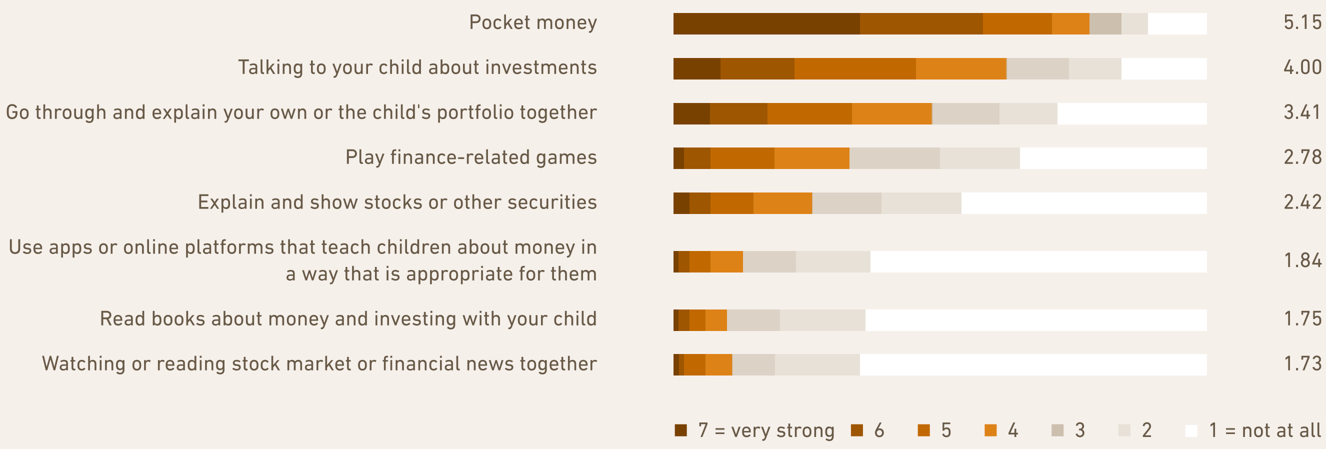
Investing for children

How do you teach your child how to handle money?

Findings

To teach their children how to handle money, most parents rely on the tried and tested method of pocket money (average value: 5.15*). In second place are discussions about investments (Ø 4.00), followed by going through one's own portfolio or that of the child together (Ø 3.41). By contrast, financial apps or digital platforms play a much less important role (Ø 1.84). Interestingly, three key factors emerge in almost all methods of teaching financial literacy: Firstly, both the age of the parents and that of the children have a decisive influence on the choice of method – with increasing age, the individual methods are used more frequently. Secondly, it can be seen that higher financial wealth on the part of the parents leads to more intensive use of these approaches. In this context, the importance of financial wealth is even greater than that of the level of education. Thirdly, parents who invest in securities themselves use the various methods of imparting financial knowledge significantly more often.

Distribution of results (n=Ø 953*)



Conclusion

Pocket money and conversations about money are proven methods for teaching children how to handle money responsibly at an early age. Through pocket money, children learn to budget with a limited amount of money, while conversations offer a valuable opportunity to share personal values and financial experiences. In addition, playful apps or online platforms could provide meaningful support, especially for communicating complex topics such as investments in a way that is child-friendly and easy to understand. The results of the study show that dealing with money is often not discussed until children reach the age of 13. However, it would make sense to start teaching the basics of finance at an earlier age. Introducing children to dealing with money at an early stage not only creates a solid foundation for financial education, but also promotes a long-term understanding of the importance of saving and investing.

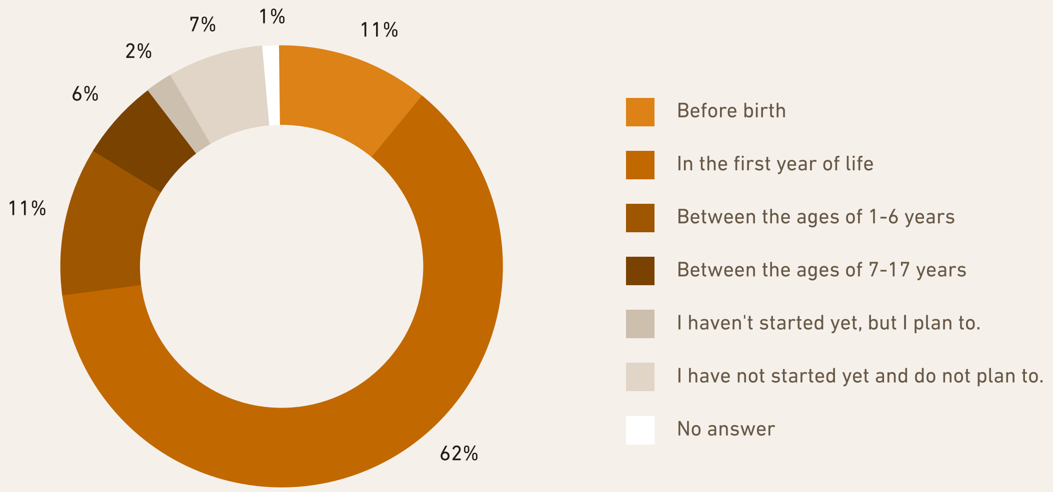
* The sample size varies because the number of «No answer» responses fluctuates. Therefore, the average sample size was used. For most questions, a seven-point scale was used, ranging from «1 = not at all» to «7 = very strongly». To be able to classify the responses well, the average value (Ø) of all responses is given.

How old was your child when you started saving or investing for them?

Findings

The majority of parents in Switzerland start saving or investing for their children early on: 62% begin as early as the child's first year of life, while 11% even start building up a nest egg before the birth. Only 2% plan to invest or save money, but have not yet taken any concrete steps. 7% of respondents say they have no such plans. A key reason why parents do not save or invest for their children is the belief that their children should be responsible for their own finances later in life (average value: 5.52 on a scale of 1 to 7). Other financial priorities (Ø 4.62) or a general lack of interest in the subject (Ø 4.06) were also cited as reasons.

Distribution of results (n=977)



Conclusion

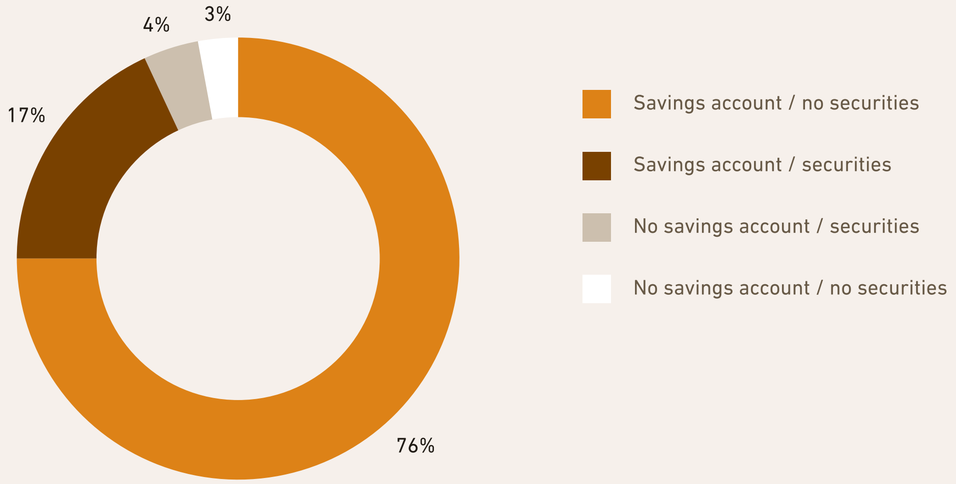
The willingness of many parents to start saving or investing for their children at an early stage is testament to their forward-thinking financial approach and their desire to give them a solid foundation as early as possible. Early investing offers multiple advantages: Children benefit from compound interest, allowing their savings to grow significantly over time. On the other hand, parents can involve their children in the process of saving and investing at an early stage. For example, by discussing investment decisions together, they create an awareness of how to handle money responsibly. This not only builds the children's wealth, but also promotes their financial education in the long term.

What form of investment are you currently using for your child's money?

Findings

We asked parents what investments they use for their children's money. The results show that savings accounts and cash remain the preferred options, while securities play only a minor role. In this context, cash is often used to supplement other forms of investment. The analysis of the distribution of invested money between savings accounts and securities is particularly revealing: three quarters of parents who save or invest for their children rely exclusively on savings accounts and avoid securities altogether. 17% combine savings accounts with securities, and only 4% rely exclusively on securities as an investment form. Overall, only 21% of parents invest in securities. However, among parents who actively invest in securities themselves, this share is somewhat higher – at 35%. Regardless of the chosen investment strategy, most parents make sure that the solution is in their child's name.

Distribution of results (n=873)



Conclusion

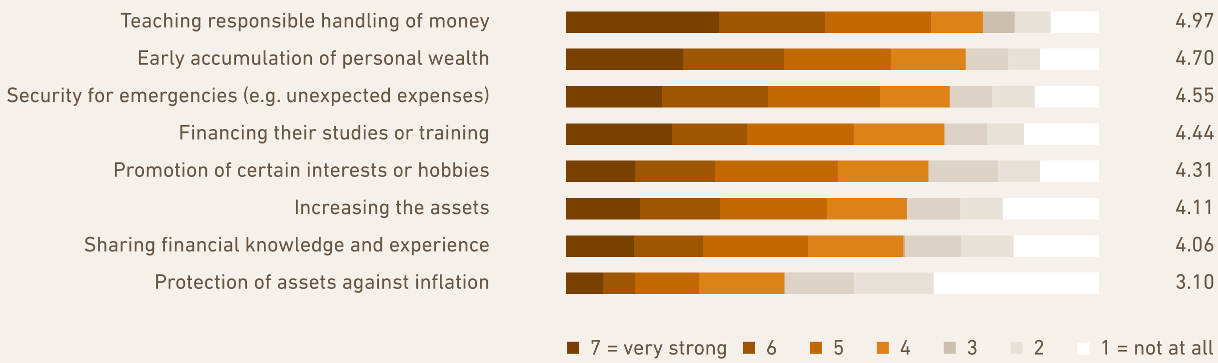
The dominance of savings accounts shows that many parents trust in proven and supposedly safe forms of investment, even if they offer little return. Securities portfolios, on the other hand, which enable higher returns in the long term, are used significantly less often. Possible reasons for this are a lack of knowledge about these forms of investment, the perception of a higher risk, and less familiarity with securities investments.

What are your investment/saving goals for your child?

Findings

For parents, the most important goal when investing money for their children is to handle money responsibly (Ø 4.97), followed by building up their own personal wealth at an early age (Ø 4.70) and providing security for unforeseen emergencies (Ø 4.55). By contrast, less focus is placed on imparting financial knowledge and experience (Ø 4.06) and protection against inflation (Ø 3.10). Interestingly, financial goals such as building and growing wealth, protection against inflation and imparting financial knowledge are of above-average importance to parents who themselves invest in securities or do so for their children. For this group, building wealth early on is also a key focus and represents their most important goal. The importance of financial goals also increases with the parents' wealth. Many investment goals are closely linked to the parents' financial background. Nevertheless, there are goals that are largely independent of the parents' wealth, such as teaching children how to handle money responsibly or providing for emergencies. Some goals, such as promoting certain interests and hobbies of children, even lose importance as wealth increases, which could indicate a shift in priorities in wealthier households.

Distribution of results (n=Ø 847)



Conclusion

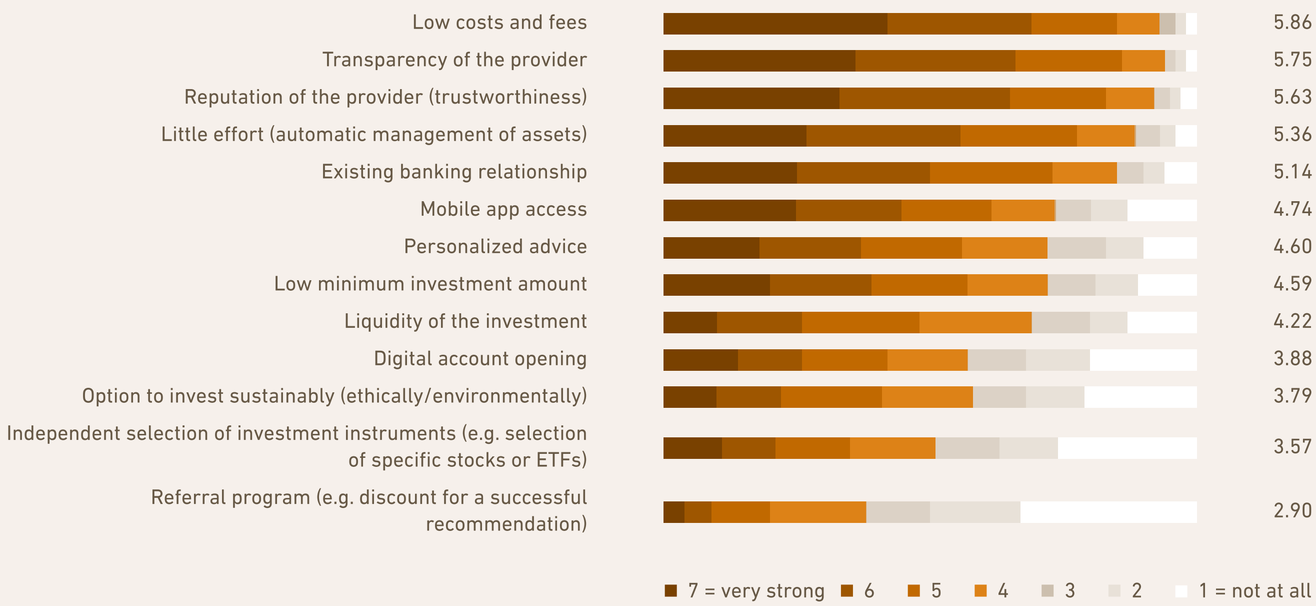
Parents who already invest in securities attach significantly more importance to financial goals. To foster this awareness among other parents, targeted educational measures and easier access to suitable financial products should be strengthened. This would help parents develop effective and sustainable long-term financial strategies for themselves and their children. It is particularly striking that the imparting of financial knowledge and practical experience is given a comparatively low priority overall. This is problematic because financial education forms the basis for a sustainable and responsible approach to money. In times of economic uncertainty and increasing financial complexity, it is all the more important to focus more on promoting financial education and to make parents more aware of its significance.

How important are the following criteria for you when investing/saving your child's money?

Findings

For parents, low costs (Ø 5.86), transparency (Ø 5.75) and the reputation of the provider (Ø 5.63) are particularly important criteria when investing money for their children. It is striking that parents under 39 years of age and parents with lower wealth attach particular importance to low costs and also favor investment options with low minimum investment amounts. Younger parents appreciate easy and flexible access, for example via an app. For very wealthy parents, the reputation of the provider is the top priority. At the same time, this group places above-average importance on the investment involving little administrative effort. It is noteworthy that parents under the age of 39 have higher expectations of investments overall than other generations. This increased sense of entitlement tends to be influenced more by the age of the parents than by the age of the children or the financial wealth available. Aspects such as sustainable investments (Ø 3.79) or the possibility of independently selecting investments (Ø 3.57) play a comparatively minor role.

Distribution of results (n=Ø 821)



Conclusion

When it comes to investing for their children, a large proportion of parents prefer cost-effective, simple and trustworthy solutions. Parents from the millennial and Gen Z generations, who grew up with the transition from analog to digital technologies or entirely in the digital world, place particular emphasis on uncomplicated digital access. The ability to manage their investments anytime, anywhere, via a user-friendly app or platform, represents a decisive added value for this generation.

04

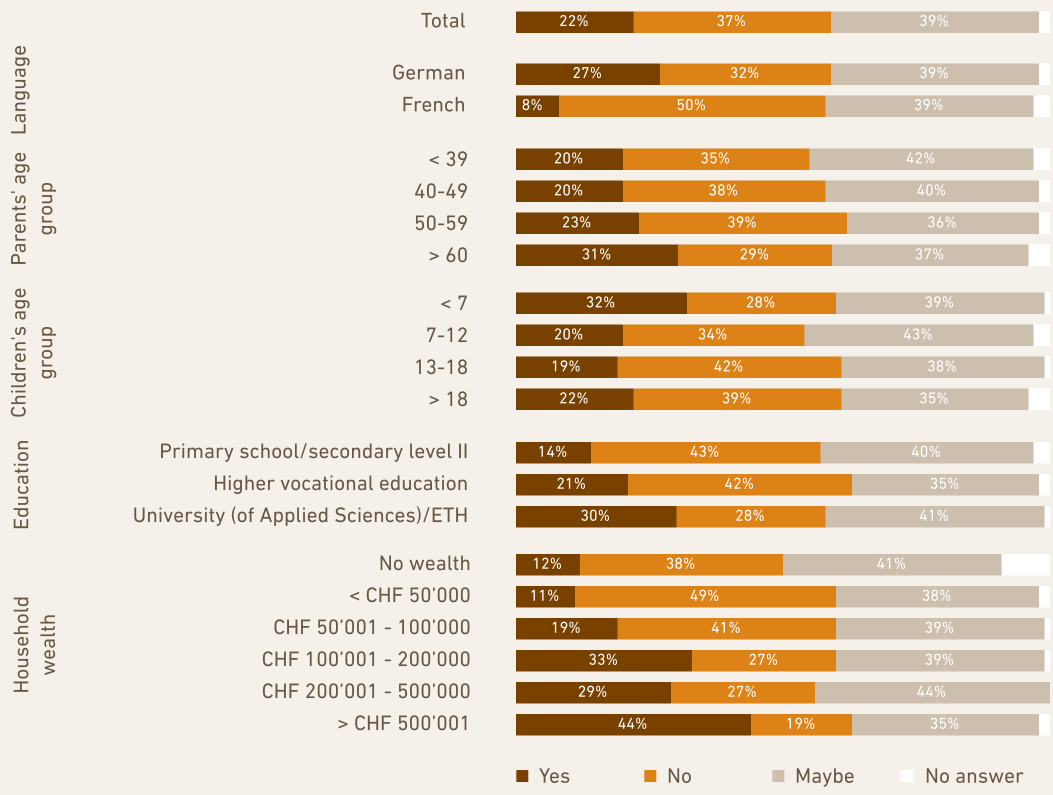
Digital investment platforms

Could you imagine investing your child's money in a digital investment platform for children?

Findings

Digital investment platforms offer the opportunity to invest and manage children's assets online – without the need for personal investment advice. Currently, 22% of parents are open to using such platforms, while 37% reject them and 39% are still undecided. Among parents who invest in securities themselves, acceptance is significantly higher: 32% can imagine using digital platforms, while only 28% reject them. Approval is particularly high among parents who already invest in securities for their children: here, the proportion of supporters rises to 41%, while only 21% rule out this option. The acceptance of digital investment platforms is higher among German-speaking people than among French-speaking people. It also increases with higher education and higher financial wealth. It is noteworthy that parents over 60 years of age and parents with children under 7 years of age show a slightly above-average openness towards digital investment platforms.

Distribution of results (n=894*)



Conclusion

Opinions on digital investment platforms for children are divided overall. But it is precisely solutions like these that could optimally meet the needs of parents: they offer transparency, low costs and minimal administrative effort. At the same time, they enable efficient asset accumulation through securities investments. If, in addition, children are actively involved in the investment process, additional advantages arise: children can develop important financial skills at an early stage, giving them a sound understanding of how to handle money and investments – a valuable foundation for their financial future.

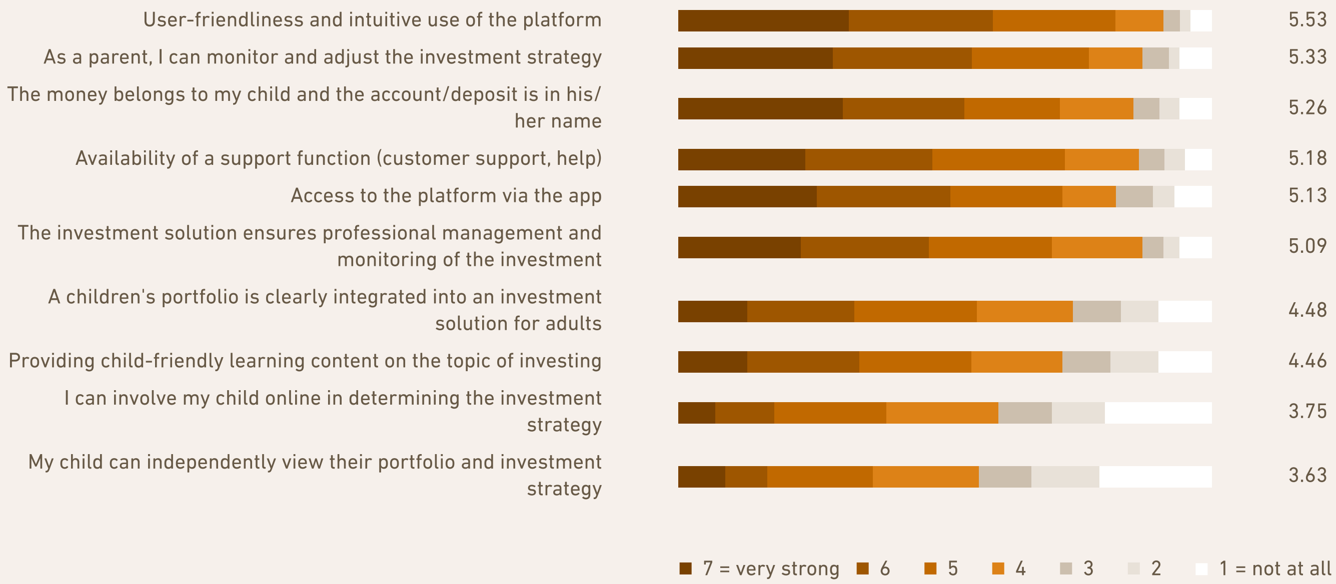
* The questions in this section were evaluated for parents who already save or invest money for their children or intend to do so in the future.

How important are the following functionalities/ criteria for a digital investment platform for your child?

Findings

Parents who can definitely or possibly imagine using a digital investment platform for children rate the importance of various functions and criteria as follows: The most important criterion is user-friendliness (Ø 5.53), closely followed by the ability to monitor the investment strategy as a parent (Ø 5.33) and legal certainty that the money belongs to the child and the account or deposit is in their name (Ø 5.26). By comparison, aspects such as the child's active involvement (Ø 3.75) or their insight into the portfolio (Ø 3.63) play a significantly less important role. Interesting differences can be seen in the prioritization of monitoring and adjusting the investment strategy: This criterion is particularly important for parents under 39 years of age, but loses relevance as the age of both parents and children increases. By contrast, the importance of legal certainty that the assets belong to the child increases with the age of the parents and children. At the same time, this criterion is considered less important by parents with a higher level of education or wealth. Parents who already invest in securities for their children also attach above-average importance to professional management of the assets.

Distribution of results (n=Ø 507)



Conclusion

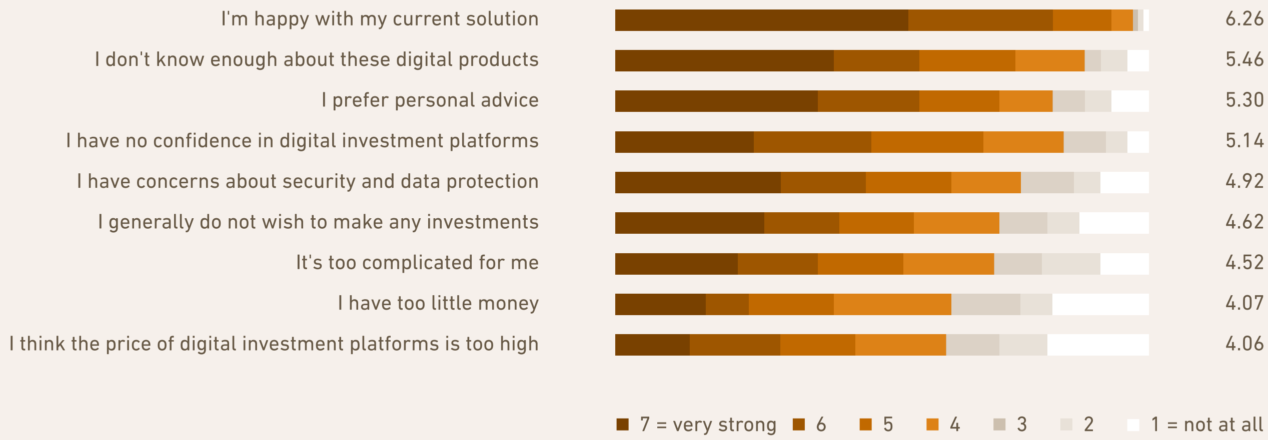
The results show that parents value digital investment platforms for children above all for their user-friendliness, the ability to control the investment strategy and legal security – i.e. that the account is in the child's name. In contrast, features that actively involve the child in the investment process are given a significantly lower priority. However, it is precisely such approaches that could make an important contribution to sparking the child's interest in financial topics at an early stage. They offer the opportunity to promote skills such as responsible money management, financial understanding and resilience – abilities that are important for later financial independence.

To what extent do the following reasons apply to you as to why you cannot imagine using digital investment platforms for children?

Findings

Parents who reject digital investment platforms for their children cite the following main reasons: general satisfaction with their existing solution (Ø 6.26) and a lack of knowledge about digital investment products (Ø 5.46). Likewise, the preference for personal advice (Ø 5.30) plays an important role, as does a low level of familiarity with digital platforms (Ø 5.14). By contrast, financial reasons, such as insufficient assets available (Ø 4.07) or the costs of such platforms (Ø 4.06), have a comparatively minor influence on the rejection.

Distribution of results (n=Ø 286)



Conclusion

The results show that the reluctance towards digital investment platforms is not so much due to a fundamental rejection or financial hurdles, but rather to existing habits and uncertainties. Many parents prefer their tried and tested solutions and are hesitant to take the step to a digital platform. This reluctance is further reinforced by the fact that many parents are not sufficiently familiar with the functions and advantages of digital platforms. A better understanding and targeted information about the advantages of digital investment platforms – such as transparency, efficiency and cost benefits – could help to reduce these reservations. By becoming more familiar with the possibilities and ease of use of these modern solutions, parents' trust in digital investment models could be strengthened and their acceptance increased.

05

Study design

Study design

This study «Digital Investing for children» was conducted on behalf of True Wealth by the Institute of Financial Services Zug, part of the Lucerne School of Business, and supported by an Innosuisse innovation grant.

The results are based on a survey of 1'006 parents aged 18-79 from German- and French-speaking Switzerland.

The fieldwork was conducted between October 25 and November 5, 2024. The respondents were selected from an online panel provided by YouGov.

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About the report

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Dr. Tatiana Agnesens is a lecturer in financial mathematics at the Lucerne University of Applied Sciences and Arts and an expert in digital investing. She completed her doctorate at the University of St. Gallen in Economics and Finance, specializing in Behavioral Finance.

Prof. Dr. Imke Keimer

Prof. Dr. Imke Keimer is a lecturer and co-head of the Master's program in International Financial Management at the Lucerne University of Applied Sciences and Arts. She completed her doctorate at the University of Bern in Management Accounting and her research focuses are in the areas of digitization in controlling and business analytics.

True Wealth

True Wealth was founded in 2013 by Oliver Herren, co-founder of Digitec Galaxus AG, and Felix Niederer, a physicist and portfolio manager. The online platform offers its Swiss-domiciled customers a low-cost wealth management solution. The company manages customer assets of more than 1.7 billion Swiss francs, spread across over 30'000 customer relationships.

Press inquiries

For press inquiries, please contact:

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« One of the most important goals of parents is to build wealth for their children. However, a savings account is not the most efficient way to achieve this. »

Listen to the podcast:

Talk – How parents invest and save for their children

https://www.truewealth.ch/blog/how-parents-invest-and-save-for-their-children

February 10, 2025

21:19 minutes