

Practical Money Skills
™

2015 Prom Spending Survey



Cost of High School “Promposals” Hits \$324

Visa’s Annual Survey Finds New Trend in High School Proms: Extreme Spending on Asking a Date to the Dance

A new nationwide survey released today by Visa Inc., shows that the burgeoning phenomenon of “promposals” – elaborate invitations to the high school prom that can mirror a marriage proposal – are costing the average American household with teens a staggering \$324 in 2015.

Promposals have become significantly more extravagant in recent years and now represent in excess of one third of the \$919 total that the average prom-going teen will spend on the dance in 2015. Costs include, attire, limousine rental, tickets, flowers, pictures, food, accommodations, after party, etc. While total prom spending is down 6% this year from the \$978 that parents and teens forked over in 2014, Visa added the category of promposal spending for the first time to the company’s annual survey.



The free *Plan'it Prom* app lets users make a realistic, detailed prom budget and then helps them stick to that budget by allowing them to track their spending as they shop. The app has been updated to include a redesigned user interface to appeal to teens, improved user experience to allow for easier budgeting and added sharing features via social media and text message. *Plan'it Prom* is available free in the iTunes store, the Google Play store and from www.practicalmoneyskills.com/prom.

ENLARGE INFOGRAPHIC

Visa’s prom survey also revealed some interesting regional and economic disparities. This year, Canadians plan to spend \$402 overall on prom of which \$119 will be on promposal, compared to \$919 overall for U.S. families. Dads plan to outspend moms by 63%, \$1160 vs. \$710. The Northeast took the spending crown and the Midwest continued its reputation for thrift:

- Northeastern families will spend an average of \$738 on prom night and an average of \$431 on “promposal” for a total spend of \$1169
- Western families will spend an average of \$596 on prom night and \$342 on “promposal” for a total spend of \$937
- Southern families will spend an average of \$544 on prom night and \$305 on “promposal” for a total spend of \$859
- Midwestern families will spend an average of \$515 on prom night and \$218 on “promposal” for a total spend of \$733

Families with a total household income below \$50,000 a year plan to spend \$1109 on the prom. Disconcertingly, those families making under \$25,000 will spend a total of \$1393 for the prom, while families who make over \$50,000 will spend an average of \$799.

The Visa survey also found that parents are backsliding on the amount that they are planning to cover. While last year, parents were planning to pay for 56% of prom costs, this year that number

has jumped to 73% of the cost of the big night. Their teens will be expected to cover only the remaining 27% of the total cost. Teens have no incentive to cut cost with parents still subsidizing this much of the total prom spending.

In addition to helping parents and teens make a budget, the Plan'it Prom app offers tips on how to reduce costs for this annual rite of passage:

- Shop for formal wear at consignment stores or online. As with tuxedos, many outlets rent formal dresses and accessories for one-time use.
- Have make-up done at a department store's cosmetics department or find a talented friend to help out.
- Split the cost of a limo with other couples.
- Take pre-prom photos yourself and have the kids use cell phones or digital cameras for candid shots at various events.
- Work out a separate prom budget with your child well in advance to determine what you can afford. Set a limit of what you will contribute and stick to it. If teens want to spend more than that, encourage them to earn the money to pay for it or decide which items they can live without.

The *Plan'it Prom* app and tips are part of Visa's free, award-winning financial education program, *Practical Money Skills for Life* (www.practicalmoneyskills.com). The program reaches millions of people around the world each year. At *Practical Money Skills for Life*, educators, parents and students can access free educational resources including personal finance articles, games, lesson plans, and more.

About the 2015 Visa Prom Spending Survey

The survey results are based on 3,000 live telephone interviews conducted nationally in cooperation with GfK Roper OmniTel.