

# Personal Finance 2004

## Executive Summary

Presented by  
Junior Achievement Inc.

April 8, 2004

No. 23 in the

***JA Interprise Poll***

Series

The 2004 *JA Interprise Poll on Teens and Personal Finance* was made possible by the Allstate Foundation. The foundation is also sponsoring a new Junior Achievement curriculum on success skills. Now under development, the middle grades program is due for release in 2005.

# Contents

Notes on Methodology	<b>1</b>
Survey Highlights	<b>2</b>
<b>SURVEY RESULTS</b>	
Respondent Demographic Characteristics	<b>3</b>
Teen Influence on Parents' Buying Decisions	<b>4</b>
Teens Receiving Allowance	<b>5</b>
Size of Weekly Allowance	<b>6</b>
Whether Students Work for Their Allowance	<b>7</b>
Ownership of Credit Card	<b>8</b>
Ownership of Stock	<b>9</b>
Approximate Value of Stock Owned	<b>10</b>
Perception of Social Security's Future	<b>11</b>
Perception of Tax Burden	<b>12</b>
APPENDIX – Responses from eight JA Area offices	<b>13</b>

## **Notes on Methodology**

Students from 60 JA locations across the country participated in the 2004 *JA Interprise Poll*<sup>™</sup> (I-Poll) focusing on Personal Finance. This is the sixth time this survey has been conducted, and 1,000 students voluntarily participated in the I-Poll. The survey was administered in October and November of 2003, and most participants were involved in JA programs.

Because the respondents were not randomly selected, the survey results cannot be represented as a scientific cross-section of American students between the ages of 13 and 18+. However, the ethnic/racial mix of respondents approximates the national distribution of the U.S. population by ethnic origin and race, indicating that the responses and attitudes provided in the results may be a broad indicator of student perceptions and preferences nationally.

Throughout the report, segmentations were prepared by gender, age, or race/ethnic origin to provide further insights to the survey results. Not all ethnic/racial designations were used because the few responses in some ethnic groups/races were not enough for meaningful analysis.

## Survey Highlights

*Detailed results of the 2004 JA Interprise Poll™ focusing on “Personal Finance” can be found in the Survey Results section that follows.*

- ✓ Teens overwhelmingly indicated that they influence household buying decisions with 67.6% providing a “yes” response to this question. There is no significant gender gap in teen perception about influencing their parents’ buying decisions with 67.7% of girls and 67.3% of boys responding affirmatively.
- ✓ Slightly more than 35% of teens indicated that they receive an allowance (35.2%) compared to nearly 40% of students who responded in the affirmative in last year’s Interprise Poll™. When results are segmented by age, it is evident that as teens get older and are able to earn some income on their own, parents are less likely to provide an allowance.
- ✓ Nearly 60% of all students (58.4%) receiving an allowance indicated that the amount received is \$20 per week or less. Seventy-four percent of teens indicated that they work for their allowance.
- ✓ Slightly more than 13% of teens indicated that they have their own credit cards, with that distribution reflected fairly evenly among female (12.2%) and male teens (13.0%). Credit card ownership leaps among older age groups. Among teens 18 years of age and older, 27.4% own their own credit cards while 12.9% of teens age 17 own cards.
- ✓ Only 15.5% of students indicated that they own stock, a figure consistent with the 15.3% in the 2003 I-Poll. This compares with 21% of teens in the 2002 I-Poll and 25% in the 2001 I-Poll.
- ✓ Less than half the students surveyed (48.7%) believe that Social Security will be around in its current form by the time they are 65, slightly higher than last year’s 44.0% result. There is a direct correlation between age and the expectation that Social Security will no longer be available by the time these teens are 65. Only 6.4% of 13 to 14 year-olds believe this program will be defunct by the time they are 65 compared with 13.0% of teens age 15 to 16, 18.1% of 17 year olds, and 25.0% of teens 18 and older.
- ✓ Teens overwhelmingly indicated that taxes are currently too high (70.3%), a figure nearly identical to the 71.3% response to the same question asked in the 2003 Interprise Poll™. Female students (74.1%) were more likely than male teens (66.3%) to perceive that the tax burden is excessive.

# SURVEY RESULTS

## 2003 Personal Finance

### Respondent Demographic Characteristics

Who are the 1,000 students responding to the survey? Responses are tilted to male teens by a 53% to 47% margin. The age ranges are representative of students in seventh through twelfth grade, with students 17 and older comprising over 49% of responses. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

#### A. Gender

	Frequency	Percent
Male	512	52.8
Female	458	47.2
<b>Total</b>	<b>970</b>	<b>100.0</b>
<i>No response</i>	30	

#### B. Age

Age Range	Frequency	Percent
13-14	116	11.8
15-16	384	39.1
17	297	30.3
18 or older	184	18.8
<b>Total</b>	<b>981</b>	<b>100.0</b>
<i>No response</i>	19	

#### C. Race or Ethnic Origin

Ethnic Origin	Frequency	Percent
Asian/Pacific Islands	52	5.2
Black/African American	104	10.5
Hispanic/Latino	141	14.2
Mixed Race	54	5.5
Native American	4	0.4
White	633	63.8
Other	4	0.4
<b>Total</b>	<b>992</b>	<b>100.0</b>
<i>No response</i>	8	

## Teen Influence on Parents' Buying Decisions

*Question: Do you influence your parents' buying decisions?*

Teens overwhelmingly indicated that they influence household buying decisions with 67.6% providing a “yes” response to this question, a similar percentage to last year’s I-Poll. Interestingly, there is no significant gender gap in teen perception about influencing their parents’ buying decisions with 67.7% of girls and 67.3% of boys responding affirmatively.

Among ethnic/racial designations, Hispanic/Latino students are most likely to indicate that they influence their parents’ buying decisions (74.8%) while Asian American teens denoted the least influence (62.7%).

Response	Frequency	Percent
Yes	667	67.6
No	320	32.4
<b>Total</b>	<b>987</b>	<b>100.0</b>
<i>No response</i>	13	

	MALE		FEMALE	
	Frequency	Percent	Frequency	Percent
Yes	342	67.3	306	67.7
No	166	32.7	146	32.3
<b>Total</b>	<b>508</b>	<b>100.0</b>	<b>452</b>	<b>100.0</b>
<i>No response</i>	4		6	

Age Ranges	13-14	15-16	17	18 +
Yes	69.0	66.4	70.3	65.2
No	31.0	33.6	29.7	34.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>113</b>	<b>381</b>	<b>296</b>	<b>181</b>
<i>No response</i>	3	3	1	3

Response	Asian/Pacific Islands	Black/African American	Hispanic/Latino	White
Yes	62.7	66.3	74.8	67.0
No	37.3	33.7	25.2	33.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>51</b>	<b>101</b>	<b>139</b>	<b>630</b>
<i>No response</i>	1	3	2	3

## Teens Receiving Allowance

*Question: Do you receive an allowance?*

Slightly more than 35% of teens indicated that they receive an allowance (35.2%) compared to 40% of students who responded “yes” in last year’s Interprise Poll™. When results are segmented by age, it is evident that as teens get older and are able to earn some income on their own, parents are less likely to provide an allowance. The 2003 I-Poll showed a similar relationship between age and receiving an allowance.

In a gender comparison, 34.7% of girls receive an allowance compared to 35.6% of boys. Nearly 60% of all students (58.4%) receiving an allowance indicated that the amount they receive is \$20 per week or less, while another 32.6% note they receive between \$21 and \$50 per month.

Almost three-quarters of teens indicated that they work for their allowance (74.1%), with male students (80.7%) much more likely than female students (66.9%) to respond that allowance is tied to household chores and responsibilities.

Response	Frequency	Percent
Yes	346	35.2
No	636	64.8
<b>Total</b>	<b>982</b>	<b>100.0</b>
<i>No response</i>	<i>18</i>	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	180	35.6	156	34.7
No	326	64.4	294	65.3
<b>Total</b>	<b>506</b>	<b>100.0</b>	<b>450</b>	<b>100.0</b>
<i>No response</i>	<i>6</i>		<i>8</i>	

Age Ranges	13-14	15-16	17	18 +
Yes	50.4	41.4	28.6	21.7
No	49.6	58.6	71.4	78.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>115</b>	<b>382</b>	<b>290</b>	<b>180</b>
<i>No response</i>	<i>1</i>	<i>2</i>	<i>7</i>	<i>4</i>

## Size of Weekly Allowance

*Question: If (you receive an allowance) how much do you receive each week?*

Response	Frequency	Percent
Less than \$10	54	15.7
\$10 – \$20	147	42.7
\$21 – \$30	75	21.8
\$31 – \$50	37	10.8
Over \$50	31	9.0
<b>Total</b>	<b>344</b>	<b>100.0</b>
<i>No response</i>	2	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Less than \$10	26	14.5	28	18.1
\$10 – \$20	80	44.7	62	40.0
\$21 – \$30	40	22.3	32	20.6
\$31 – \$50	20	11.2	16	10.3
Over \$50	13	7.3	17	11.0
<b>Total</b>	<b>179</b>	<b>100.0</b>	<b>155</b>	<b>100.0</b>
<i>No response</i>	1		1	

Age Ranges	13-14	15-16	17	18 +
Less than \$10	24.1	14.6	15.7	7.9
\$10 – \$20	39.7	41.4	45.8	44.7
\$21 – \$30	15.5	26.1	20.5	15.8
\$31 – \$50	15.5	8.3	8.4	21.1
Over \$50	5.2	9.6	9.6	10.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>58</b>	<b>157</b>	<b>83</b>	<b>38</b>
<i>No response</i>	0	1	0	1

*Question: Do you work for your allowance?*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	252	74.1
No	88	25.9
<b>Total</b>	<b>340</b>	<b>100.0</b>
<i>No response</i>	6	

<b>Response</b>	<b>Frequency Male</b>	<b>Percent Male</b>		<b>Frequency Female</b>	<b>Percent Female</b>
Yes	142	80.7		103	66.9
No	34	19.3		51	33.1
<b>Total</b>	<b>176</b>	<b>100.0</b>		<b>154</b>	<b>100.0</b>
<i>No response</i>	4			2	

## Ownership of Credit Cards

**Question: Do you have your own credit card?**

Slightly more than 13% of teens indicated that they have their own credit cards, with male teens having a bit higher incidence of ownership (13.0%) compared to female students (12.2%). The percentage of teens owning credit cards is nearly identical to last year's ownership of 12.7%.

A better sense of the penetration of credit card ownership among teens can be gained by segmenting results by the age of respondents. Credit card ownership increases with a teen's age. Among teens 18 years of age and older, 27.4% own their own credit cards while 12.9% of teens age 17 own cards. Credit card ownership of teens 15 to 16 is 8.3%, and drops to 7.1% for students 13 to 14.

Response	Frequency	Percent
Yes	130	13.3
No	846	86.7
<b>Total</b>	<b>976</b>	<b>100.0</b>
<i>No response</i>	24	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	65	13.0	55	12.2
No	435	87.0	394	87.8
<b>Total</b>	<b>500</b>	<b>100.0</b>	<b>449</b>	<b>100.0</b>
<i>No response</i>	12		9	

Age Ranges	13-14	15-16	17	18 +
Yes	7.1	8.3	12.9	27.4
No	92.9	91.7	87.1	72.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>112</b>	<b>374</b>	<b>295</b>	<b>179</b>
<i>No response</i>	4	10	2	5

## Ownership of Stock

**Question: Do you own stock?**

Only 15.5% of students indicated that they own stock, almost identical to the 15.3% of teens in last year's I-Poll. The trend in stock ownership among teens remains down. In the 2002 and 2001 I-Poll, 21% and 25% of teens respectively indicated that they owned stock. There are three possible explanations for this drop in teen shareholders. Teens may have sold their shares; they may have been reluctant to make initial share purchases due to market conditions; or stocks they purchased may no longer have value.

Male teens (19.5%) are nearly twice as likely to own stock than females (10.4%). Asian students are the most likely to own stock (19.6%) followed closely by white students (18.1%). Black (10.0%) and Hispanic (9.4%) students are least likely to own stock.

Response	Frequency	Percent
Yes	153	15.5
No	833	84.5
<b>Total</b>	<b>986</b>	<b>100.0</b>
<i>No response</i>	14	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	99	19.5	47	10.4
No	408	80.5	405	89.6
<b>Total</b>	<b>507</b>	<b>100.0</b>	<b>452</b>	<b>100.0</b>
<i>No response</i>	5		6	

### Segmentation by Racial/Ethnic Group

Response	Asian/Pacific Islands	Black/African American	Hispanic/Latino	White
Yes	19.6	10.0	9.4	18.1
No	80.4	90.0	90.6	81.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>51</b>	<b>100</b>	<b>139</b>	<b>629</b>
<i>No response</i>	1	4	2	4

## Approximate Value of Stock Owned

*Question: If you own stock, what is the approximate value of stock that you own?*

Forty-five percent of teens own stock valued at \$1,000 or less, while only 9.3% have equity holdings that exceeded \$10,000 in value. More than a quarter of teens (25.8%) provided a “don’t know” answer in response to the value of their holdings. Segmented by gender, female students are less likely to know the value of stocks they own (30.4%) compared to their male counterparts (23.5%).

Response	Frequency	Percent
Less than \$250	29	19.2
\$250 – 500	19	12.6
\$500 – 1,000	20	13.2
\$1,000 – 5,000	18	11.9
\$5,000 – 10,000	12	7.9
Over \$10,000	14	9.3
Don't know	39	25.8
<b>Total</b>	<b>151</b>	<b>100.0</b>
<i>No response</i>	2	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Less than \$250	19	19.4	9	19.6
\$250 – 500	12	12.2	5	10.9
\$500 – 1,000	12	12.2	8	17.4
\$1000 – 5,000	12	12.2	5	10.9
\$5,000 – 10,000	10	10.2	1	2.2
Over \$10,000	10	10.2	4	8.7
Don't know	23	23.5	14	30.4
<b>Total</b>	<b>98</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>
<i>No response</i>	1		1	

## Perception of Social Security's Future

*Question: Do you think Social Security will be around when you are 65?*

*Response choices:*

*Yes*

*Yes, but smaller and not paying as much*

*No, it will be gone by then*

Less than half the students surveyed (48.7%) believe that Social Security will be around in its current form by the time they are 65, slightly higher than last year's 44.0% result. Teens expressing the opinion that the Social Security program will be defunct by the time they are 65 (16.0%), was nearly the same as the 16.8% who responded this way in the 2003 Interprise Poll™.

There is a direct correlation between age and the expectation that Social Security will no longer be available by the time these teens are 65. Only 6.4% of 13 to 14 year-olds believe this program will be defunct by the time they are 65 compared with 13.0% of teens age 15 to16, 18.1% of 17 year olds, and 25.0% of teens 18 and older. Male students are more pessimistic about the viability of the program with 18.6% indicating they think the program will not be around when they are 65 compared to 13.5% of female teens.

Response	Frequency	Percent
Yes	471	48.7
Yes, but...	342	35.3
No	155	16.0
<b>Total</b>	<b>968</b>	<b>100.0</b>
<i>No response</i>	32	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	249	49.9	211	47.5
Yes, but...	157	31.5	173	39.0
No	93	18.6	60	13.5
<b>Total</b>	<b>499</b>	<b>100.0</b>	<b>444</b>	<b>100.0</b>
<i>No response</i>	13		14	

Age Ranges	13-14	15-16	17	18 +
Yes	58.1	51.9	47.8	37.8
Yes, but...	35.5	35.1	34.1	37.2
No	6.4	13.0	18.1	25.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>110</b>	<b>370</b>	<b>293</b>	<b>180</b>
<i>No response</i>	6	14	4	4

## Perception of Tax Burden

*Question: You may have heard that income taxes were recently cut by the federal government. Do you believe taxes are too high today?*

Teens overwhelmingly indicated that taxes are currently too high (70.3%), a figure nearly identical to the 71.3% response to the same question asked in the 2003 Interprise Poll™. Female students (74.1%) are more likely than male teens (66.3%) to perceive that the tax burden is excessive.

Response	Frequency	Percent
Yes	670	70.3
No	283	29.7
<b>Total</b>	<b>953</b>	<b>100.0</b>
<i>No response</i>	47	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	324	66.3	326	74.1
No	165	33.7	114	25.9
<b>Total</b>	<b>489</b>	<b>100.0</b>	<b>440</b>	<b>100.0</b>
<i>No response</i>	23		18	

Age Ranges	13-14	15-16	17	18 +
Yes	76.4	69.9	69.6	69.7
No	23.6	30.1	30.4	30.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>110</b>	<b>365</b>	<b>286</b>	<b>178</b>
<i>No response</i>	6	19	11	6

# Appendix

Eight JA locations provided 65 or more responses to the 2004 JA Interprise Poll.™ Responses from these areas are segmented below for each of the major questions posed.

	Responses	Percent of all students surveyed (1,000)
<b>Akron</b>	85	8.5
<b>Bakersfield</b>	96	9.6
<b>Chicago</b>	79	7.9
<b>Denver</b>	118	11.8
<b>Georgia</b>	91	9.1
<b>Lafayette</b>	65	6.5
<b>Minneapolis</b>	80	8.0
<b>Quad Cities</b>	98	9.8
<b>TOTAL</b>	<b>712</b>	<b>71.2%</b>

## Percent Distribution of Responses for Influencing Parents' Buying Decision (Answering "Yes")

Response	Akron	Bakersfield	Chicago	Denver	Georgia	Lafayette	Minnesota	Quad Cities
Yes	69.0	65.3	64.6	70.7	65.2	70.8	70.0	64.3
No	31.0	34.7	35.4	29.3	34.8	29.2	30.0	35.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	84	95	79	116	89	65	80	98

### Percent Distribution of Responses for Whether Teen Receives an Allowance

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	24.4	44.8	53.8	42.2	41.6	35.4	35.0	19.4
No	75.6	55.2	46.2	57.8	58.4	64.6	65.0	80.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	82	96	78	116	89	65	80	98

### Percent Distribution of Responses for Amount Teen Receives in Weekly Allowance

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Less than \$10	----	23.8	16.7	16.3	13.9	17.4	10.7	10.5
\$10 – \$20	50.0	38.1	30.9	34.7	38.8	43.5	50.0	68.4
\$21 – \$30	40.0	21.4	26.2	30.6	27.8	17.4	17.9	5.3
\$31 – \$50	5.0	11.9	4.8	14.3	5.6	21.7	14.3	10.5
Over \$50	5.0	4.8	21.4	4.1	13.9	----	7.1	5.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	20	42	42	49	36	23	28	19

### Percent Distribution of Responses for Teens Who Work for Their Allowance

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	28.6	52.9	36.0	52.3	36.9	25.0	41.4	28.1
No	71.4	47.1	64.0	47.7	63.1	75.0	58.6	71.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	77	87	75	111	84	60	70	89

### Percent Distribution of Responses for Ownership of Credit Card

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	22.0	7.3	11.4	8.8	10.3	7.8	16.5	10.2
No	78.0	92.7	88.6	91.2	89.7	92.2	83.5	89.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	82	96	79	113	87	64	79	98

### Percent Distribution of Responses for Ownership of Stock

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	21.4	20.8	25.6	10.3	7.8	12.3	12.5	20.6
No	78.6	79.2	74.4	89.7	92.2	87.7	87.5	79.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	84	96	78	116	90	65	80	97

### Percent Distribution of Responses for Future of Social Security

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	48.2	64.5	38.4	50.0	55.3	38.1	57.1	42.9
Yes, but...	27.7	31.2	30.8	38.6	37.6	46.0	24.7	41.8
No	24.1	4.3	30.8	11.4	7.1	15.9	18.2	15.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	83	93	78	114	85	63	77	98

*\*Yes, but smaller and not paying as much*

### Percent Distribution of Responses for Perception that Taxes Are Too High

Response	Akron	Bakers-field	Chicago	Denver	Georgia	Lafayette	Minne-sota	Quad Cities
Yes	68.7	81.3	66.7	76.5	77.0	75.0	59.2	58.1
No	31.3	18.7	33.3	23.5	23.0	25.0	40.8	41.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	83	91	75	115	87	60	76	93