

# Personal Finance 2005

## Executive Summary

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Series

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# Contents

Notes on Methodology	
Survey Highlights	
<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>
Whether Students Work for Their Allowance	<b>6</b>
Students Holding a Job During the School Year	<b>6</b>
Purchases Made With Own Money	<b>7</b>
Ownership of Credit Card, Bank Accounts, Stock	<b>8</b>
Managing Monthly Credit Card Payments	<b>9</b>
Source of Stock	<b>10</b>
Perception of Tax Burden	<b>11</b>
APPENDIX – Responses from six JA Area offices	<b>12</b>

## **Notes on Methodology**

Students from 80 JA locations across the country participated in the 2005 JA Interprise Poll™ focusing on Personal Finance. This is the sixth time this survey has been conducted, and 1,065 students voluntarily participated in the Poll. The survey was administered in October and November of 2004, 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, results are often segmented 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 2005 JA Interprise Poll™ focusing on “Personal Finance” can be found in the Survey Results section that follows.*

- ✓ Teens are hardly self-sufficient when it comes to footing the bill for personal purchases. Forty-three percent of teens pay 25% or less of their personal expenses.
- ✓ Teens overwhelmingly indicated that they influence household buying decisions with 67.0% reporting a role in this purchasing process. Female teens are slightly more likely to influence household purchases (69.2%) than male students (64.8%).
- ✓ Only 34.6% of teens indicated that they receive an allowance. 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.
- ✓ Only 11.1% of teens have their own credit cards, although the incidence of credit card ownership rises with age. Teens who work during the school year are more than twice as likely (15.7%) to own credit cards than teens who don't work (6.8%). Credit card ownership leaps among older age groups. Among teens 18 years of age and older, 20.5% own their own credit cards, while only 13.1% of teens age 17 own cards.
- ✓ Teens who own credit cards are conscientious about servicing their monthly debt, with 81.7% indicating that they pay their monthly balance in full.
- ✓ Nearly three-quarters of students (74.0%) have a savings account, while 30.6% have money in a checking account. Of 16.0% of students who own stock, 67.6% received this stock as a gift.
- ✓ For the value of services delivered by government, 57.2% of students believe that taxes are too high. Students who work during the school year and pay more taxes are no more likely than non-working teens to agree that taxes are too high.

# SURVEY RESULTS

## 2005 Personal Finance

### Respondent Demographic Characteristics

Who are the 1,065 students responding to the survey? Slightly more female students participated than males (50.8% to 49.2%, respectively). The age ranges are representative of students in seventh through twelfth grade, with students 17-and-older comprising over 52% of responses. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

#### A. Gender

	Frequency	Percent
Male	513	49.2
Female	530	50.8
<b>Total</b>	<b>1043</b>	<b>100.0</b>
<i>No response</i>	<i>22</i>	

#### B. Age

Age Range	Frequency	Percent
13-14	193	18.6
15-16	301	29.0
17	398	38.3
18 or older	146	14.1
<b>Total</b>	<b>1038</b>	<b>100.0</b>
<i>No response</i>	<i>27</i>	

#### C. Race or Ethnic Origin

Ethnic Origin	Frequency	Percent
Asian/Pacific Islands	92	8.7
Black/African American	117	11.0
Hispanic/Latino	142	13.4
Mixed Race	41	3.9
Native American	22	2.1
White	619	58.4
Other	27	2.5
<b>Total</b>	<b>1060</b>	<b>100.0</b>
<i>No response</i>	<i>5</i>	

## Teen Influence on Parents' Buying Decisions

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

Teens overwhelmingly reported that they influence household buying decisions with 67.0% providing a “yes” response to this question, a similar percentage to last year’s I-Poll. Female students (69.2%) are slightly more likely to indicate they influence parental purchasing decisions than males (64.8%).

Among ethnic/racial designations, Asian students are least likely to indicate that they influence their parents’ buying decisions (57.3%). The youngest segment of students in the survey, age 13-14, is most likely (71.1%) among all ages to indicate that they influence their parents’ buying decisions.

Response	Frequency	Percent
Yes	706	67.0
No	347	33.0
<b>Total</b>	<b>1053</b>	<b>100.0</b>
<i>No response</i>	<i>12</i>	

	MALE		FEMALE	
	Frequency	Percent	Frequency	Percent
Yes	330	64.8	361	69.2
No	179	35.2	161	30.8
<b>Total</b>	<b>509</b>	<b>100.0</b>	<b>522</b>	<b>100.0</b>
<i>No response</i>	<i>4</i>		<i>8</i>	

Age Ranges	13-14	15-16	17	18 +
Yes	71.1	63.8	68.6	65.1
No	28.9	36.2	31.4	34.9
<b>Total</b>	<b>187</b>	<b>298</b>	<b>395</b>	<b>146</b>
<i>No response</i>	<i>6</i>	<i>3</i>	<i>3</i>	<i>0</i>

Response	Asian/Pacific Islands	Black/African American	Hispanic/Latino	White
Yes	57.3	66.1	69.1	69.0
No	42.7	33.9	30.9	31.0
<b>Total</b>	<b>89</b>	<b>115</b>	<b>139</b>	<b>617</b>
<i>No response</i>	<i>3</i>	<i>2</i>	<i>3</i>	<i>2</i>

## Teens Receiving Allowance

### *Question: Do you receive an allowance?*

Only 34.6% of students indicated they receive an allowance, compared with 35.2% last year, and 40% of students who responded “yes” in the 2003 Interprise Poll™. When results are segmented by age, it is evident that as teens get older and are able to earn their own income, parents are less likely to provide an allowance.

In a gender comparison, 33.5% of girls receive an allowance compared to 36.1% of boys. More than three-quarters (76.2%) of teens who receive an allowance report working for it, with male students (82.5%) much more likely than female students (69.9%) to respond that allowance is tied to household chores and responsibilities.

Response	Frequency	Percent
Yes	365	34.6
No	689	65.4
<b>Total</b>	<b>1054</b>	<b>100.0</b>
<i>No response</i>	<i>11</i>	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	183	36.1	176	33.5
No	324	63.9	349	66.5
<b>Total</b>	<b>507</b>	<b>100.0</b>	<b>525</b>	<b>100.0</b>
<i>No response</i>	<i>6</i>		<i>5</i>	

Age Ranges	13-14	15-16	17	18 +
Yes	50.5	41.6	25.4	23.4
No	49.5	58.4	74.6	76.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Response</b>	<b>188</b>	<b>298</b>	<b>397</b>	<b>145</b>
<i>No response</i>	<i>5</i>	<i>3</i>	<i>1</i>	<i>1</i>

**Question: Do you work for your allowance?**

Response	Frequency	Percent
Yes	278	76.2
No	87	23.8
<b>Total</b>	<b>365</b>	<b>100.0</b>
<i>No response</i>	0	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	151	82.5	123	69.9
No	32	17.5	53	30.1
<b>Total</b>	<b>183</b>	<b>100.0</b>	<b>176</b>	<b>100.0</b>
<i>No response</i>	0		0	

Age Ranges	13-14	15-16	17	18 +
Yes	58.8	45.2	35.1	42.1
No	41.2	54.8	64.9	57.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>187</b>	<b>294</b>	<b>388</b>	<b>140</b>
<i>No response</i>	6	7	10	6

**Question: Do you have a job during the school year?**

Nearly half of all students (48.5%) hold a job during the school year, with male and female teens being employed at about the same percentage.

Response	Total Frequency	Total Percent	Frequency Male	Percent Male	Frequency Female	Percent Female
Job during school year	515	48.5	253	49.3	248	47.1
No job during school year	547	51.5	260	50.7	279	52.9
<b>Total</b>	<b>1062</b>	<b>100.0</b>	<b>513</b>	<b>100.0</b>	<b>527</b>	<b>100.0</b>
<i>No response</i>	3		0		3	

## Teens' Personal Payment for Purchases

**Question: Think of all the items that are purchased for your own use during the year, such as clothing, electronic equipment, music, personal products, and gasoline. Approximately what percentage of those are paid for with your own money?**

Almost a quarter of all teens (24.2%) pay for less than 15% of their own expenses. Those self-sufficient teens who pay 76% or more of expenses represent only 20.4% of students surveyed.

Male teens are likely to pay more of their expenses. A segmentation by gender shows that 19.9% of male students pay less than 15% of their own expenses, while 28.4% of females pay less than 15%. As teens grow older, they take responsibility for paying a greater share of their expenses. The youngest segment of teens, age 13-14, is very dependent upon others to subsidize personal purchases. Nearly 40% indicated that they pay less than 15% of personal expenses with their own money. For the group 18-and-older, that percentage diminishes to 18.5%.

Response	Frequency	Percent
< than 15%	255	24.2
15% to 25%	202	19.1
26% to 50%	202	19.1
51% to 75%	181	17.2
76% or more	215	20.4
<b>Total</b>	<b>1055</b>	<b>100.0</b>
<i>No response</i>	<i>10</i>	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
< than 15%	101	19.9	149	28.4
15% to 25%	104	20.5	93	17.7
26% to 50%	105	20.7	96	18.3
51% to 75%	86	16.9	94	17.9
76% or more	112	22.0	93	17.7
<b>Total</b>	<b>508</b>	<b>100.0</b>	<b>525</b>	<b>100.0</b>
<i>No response</i>	<i>5</i>		<i>5</i>	

Age Ranges	13-14	15-16	17	18 +
< than 15%	39.7	27.3	16.7	18.5
15% to 25%	23.8	22.9	15.7	13.7
26% to 50%	20.6	22.2	17.4	16.4
51% to 75%	9.0	16.2	21.7	19.9
76% or more	6.9	11.4	28.5	31.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>189</b>	<b>297</b>	<b>396</b>	<b>146</b>

<i>No response</i>	<i>4</i>	<i>4</i>	<i>2</i>	<i>0</i>
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## Ownership of Credit Cards, Bank Accounts and Stock

**Question: Which of the following do you currently have? Please check all that apply.**

Only 11.1% of teens indicated that they have their own credit cards, with male teens having a bit higher incidence of ownership (11.9%) compared to female students (10.0%). Credit card ownership increases steadily with age. Only 6.2% of teens age 13-14 own credit cards compared to 20.5% of teens 18-or-older. Credit card ownership is down from last year's 13.3% level.

Of teens owning credit cards, 81.7% reported paying the balance in full each month. Only 2.6% admitted to occasionally skipping payments. Females are more likely to pay their balance in full (84.9%) than their male classmates (79.3%).

Less than one-third (30.6%) of teens have a checking account. The percent of checking accounts among teens increases with age, reflecting greater work force participation as teens grow older and earn paychecks.

Nearly three-quarters of all teens surveyed (74.0%) have savings accounts. The 48.5% of students who hold jobs during the school year have a higher incidence of checking and savings accounts, credit cards, and stock ownership compared to non-working students.

Response	Frequency	Percent
Credit card	118	11.1
Checking account	326	30.6
Savings account	788	74.0
Ownership of stock	170	16.0

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Credit card	61	11.9	53	10.0
Checking account	150	29.2	166	31.3
Savings account	383	74.7	391	73.8
Ownership of stock	96	18.7	73	13.8

Age Ranges	13-14	15-16	17	18 +
Credit card	6.2	8.0	13.1	20.5
Checking account	14.5	17.9	39.4	53.4
Savings account	79.3	68.1	74.1	78.1
Ownership of stock	23.8	14.0	14.6	14.4

Response	Frequency Employed	Percent Employed	Frequency Not Employed	Percent Not Employed
Credit card	81	15.7	37	6.8
Checking account	221	42.9	104	19.0
Savings account	412	80.0	374	68.4
Ownership of stock	85	16.5	85	15.5



**Question: If you have a credit card, how do you manage the monthly payments?**

Response	Frequency	Percent
I pay the balance in full each month	94	81.7
I pay only the minimum amount due	18	15.7
Occasionally, I skip payments	3	2.6
<b>Total</b>	<b>115</b>	<b>100.0</b>
<i>No response</i>	3	

Response	Frequency Male	Percent Male		Frequency Female	Percent Female
I pay the balance in full each month	46	79.3		45	84.9
I pay only the minimum amount due	10	17.3		7	13.2
Occasionally, I skip payments	2	3.4		1	1.9
<b>Total</b>	<b>58</b>	<b>100.0</b>		<b>53</b>	<b>100.0</b>
<i>No response</i>	3			0	

## Ownership of Stock

**Question: If you own stock, how did you receive that stock?**

Sixteen percent (16.0%) of students own stock. Almost one-third (32.4%) of those shareholders reported purchasing the stock themselves, and the other 67.6% indicated they received it as a gift.

Response	Frequency	Percent
Purchased	55	32.4
Gift	115	67.6
<b>Total</b>	<b>170</b>	<b>100.0</b>
<i>No response</i>	<i>0</i>	

Response	Frequency Male	Percent Male		Frequency Female	Percent Female
Purchased	36	37.5		19	26.0
Gift	60	62.5		54	74.0
<b>Total</b>	<b>96</b>	<b>100.0</b>		<b>73</b>	<b>100.0</b>
<i>No response</i>	<i>0</i>			<i>0</i>	

## Perception of Tax Burden

**Question: Do you think for the services that federal, state, and local governments provide to Americans, taxes are:**

A majority of students (57.2%) believe that taxes at all levels of government are too high for the services received. A mere 4.0% perceive that taxes are too low, while 38.8% think that the tax level is about right. Responses by gender were consistent with the national results. Students who work during the school year and pay more taxes than non-working students might be expected to be more critical about tax levels than their unemployed peers. However, regardless of work status, perception of tax levels was nearly identical.

Response	Frequency	Percent
Too high	597	57.2
About right	405	38.8
Too low	42	4.0
<b>Total</b>	<b>1044</b>	<b>100.0</b>
<i>No response</i>	<i>21</i>	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Too high	278	55.4	304	58.4
About right	200	39.8	200	38.5
Too low	24	4.8	16	3.1
<b>Total</b>	<b>502</b>	<b>100.0</b>	<b>520</b>	<b>100.0</b>
<i>No response</i>	<i>11</i>		<i>10</i>	

Response	Frequency Employed	Percent Employed	Frequency Not Employed	Percent Not Employed
Too high	289	56.6	306	57.7
About right	199	38.9	205	38.7
Too low	23	4.5	19	3.6
<b>Total</b>	<b>511</b>	<b>100.0</b>	<b>530</b>	<b>100.0</b>
No response	4		17	

# Appendix

Six JA locations provided 65 or more responses to the 2005 JA Interprise Poll™. Responses from these areas are segmented below for each of the major questions that were posed.

	Responses	Percent of all students surveyed (1,065)
Akron (OH)	128	12.0
Denver, CO	68	6.5
Georgia	148	13.9
Minnesota	124	11.6
New Mexico	126	11.8
Quad Cities (IA-IL)	140	13.1
	<b>734</b>	<b>68.9</b>

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

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Yes	<b>67.0</b>	77.3	67.6	65.5	61.8	59.2	66.4
<b>Total Responses</b>		128	68	145	123	125	140

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

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Yes	<b>34.6</b>	18.0	36.8	45.1	41.5	28.6	30.0
<b>Total Responses</b>		128	68	144	123	126	140

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

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Yes	<b>76.2</b>	56.5	64.0	81.5	84.3	75.0	69.0
<b>Total Responses</b>		126	68	140	123	125	136

*\*for national, 278 of 365 who received an allowance*

### Percent Distribution of Responses for Teens Who Work During the School Year

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Yes	48.5	66.4	48.5	33.1	26.6	61.3	57.1
<b>Total Responses</b>		128	68	148	124	124	140

### Percent Distribution of Responses for Teen Purchases with Own Money

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
< than 15%	24.2	21.1	23.9	33.6	22.8	17.5	18.6
15% to 25%	19.1	14.1	14.9	25.3	19.5	17.5	19.3
26% to 50%	19.1	17.2	9.0	16.4	31.7	14.3	18.6
51% to 75%	17.2	23.4	28.3	10.3	12.2	20.6	24.2
more than 76%	20.4	24.1	23.9	14.4	13.8	30.1	19.3
<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>Total Responses</b>		128	67	146	123	126	140

### Percent Distribution of Responses for Ownership of Credit Card, Bank Accounts and Stock

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Credit card	11.1	7.9	13.4	8.9	8.1	17.5	8.6
Checking account	30.6	32.8	42.6	24.3	18.5	37.3	32.9
Savings account	74.0	79.7	79.4	79.1	61.3	60.3	85.7
Ownership of stock	16.0	15.6	11.8	14.9	16.1	3.2	17.9

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

Response	NATIONAL	Akron	Denver	Georgia	Minnesota	New Mexico	Quad Cities
Too high	57.2	55.1	46.3	56.8	65.3	61.6	54.0
About right	38.8	37.8	53.7	41.8	29.9	35.2	40.9
Too low	4.0	7.1	---	1.4	4.8	3.2	5.1
	<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>		127	67	146	124	125	137