

# **Personal Finance 2006**

## **Executive Summary**

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# 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>
Purchases Made With Own Money	<b>7</b>
Ownership of Credit Card and Bank Accounts	<b>8</b>
Donations of Time, Money, and Hurricane Katrina	<b>11</b>
APPENDIX – Responses from five JA Area offices	<b>13</b>

## **Notes on Methodology**

Students from 120 JA locations across the country participated in the 2006 JA Interprise Poll™ focusing on Personal Finance. This is the seventh time this survey has been conducted, and 1,474 students voluntarily participated in this I-Poll. The survey was administered in January and February of 2006, and many 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 2006 JA Interprise Poll™ focusing on “Personal Finance” can be found in the Survey Results section that follows.*

- ✓ Only 10.3% of respondents indicated that they own credit cards, but as teens grow older, incidence of credit card ownership consistently climbs. Among teens ages 13-14 only 5.0% reported owning credit cards. At age 17, the percentage of ownership climbs to 9.8% and then doubles again to 19.6% for teens 18-or-older.
- ✓ Only 4% of students reported being victims of credit card fraud.
- ✓ Of teens owning credit cards, 83.6% reported paying the balance in full each month. Only 0.7% admitted to occasionally skipping payments. The minimum payment is made by 15.7% of teens.
- ✓ The most frequently charged item is “clothes,” with 67.1% of teens making this purchase with their credit cards.
- ✓ Teens are not reluctant to use the Internet to make purchases. Results indicate that 59.3% of teens have made online purchases with their credit card.
- ✓ Do teens make huge purchases on their cards? Not according to the I-Poll results. Nearly three-fourths (73.8%) charge \$100 or less per month. Included in this percentage is the 44.8% who charge less than \$50.
- ✓ Savings accounts are the most popular financial tool for students, with 68.5% of teen respondents having these accounts.
- ✓ Almost a quarter of all teens (22.7%) pay for less than 15% of their own expenses. Those self-sufficient teens who pay 76% or more of their expenses represent only 20.1% of students surveyed. As teens grow older, they take responsibility for paying a greater share of their expenses.
- ✓ Hurricane Katrina had no effect on spending habits for 60.9% of teens, while 14.1% indicated they spent less on themselves because of donations to Katrina-related charities.
- ✓ Teens’ generosity was evidenced by donations of time and money to religious and charitable organizations. More than one-fourth of students (26.5%) indicated that they donated money to their religious institution, while another 16.6% made monetary contributions to specific charities.
- ✓ Just over forty-five percent (45.5%) of students give their time to a religious institution or a non-profit organization. Only 27.9% of respondents reported they neither donated money nor shared their time with charitable organizations.
- ✓ Teens overwhelmingly reported that they influence household buying decisions, with 72.1% indicating a role in family purchases.

# SURVEY RESULTS

## 2006 Personal Finance

### Respondent Demographic Characteristics

Who are the 1,474 students who responded to the survey? Slightly more female students participated than males (52.8% to 47.2%, respectively). The age ranges are representative of students in seventh through twelfth grades, with students 17-and-older comprising over 50% of responses. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

#### A. Gender

	Frequency	Percent
Male	696	47.2
Female	778	52.8
<b>Total</b>	<b>1,474</b>	<b>100.0</b>
<i>No response</i>	<i>0</i>	

#### B. Age

Age Range	Frequency	Percent
13-14	300	20.4
15-16	429	29.1
17	408	27.7
18 or older	337	22.8
<b>Total</b>	<b>1,474</b>	<b>100.0</b>
<i>No response</i>	<i>0</i>	

#### C. Race or Ethnic Origin

Ethnic Origin	Frequency	Percent
Asian/Pacific Islands	103	7.0
Black/African American	219	14.9
Hispanic/Latino	155	10.5
Mixed Race	84	5.7
Native American	25	1.7
White	872	59.2
Other	16	1.0
<b>Total</b>	<b>1,474</b>	<b>100.0</b>
<i>No response</i>	<i>0</i>	

## Teen Influence on Parents' Buying Decisions

*Question: Do you influence what your parents purchase?*

Teens overwhelmingly reported that they influence household buying decisions with 72.1% providing a “yes” response to this question. The youngest segment of students in the survey, ages 13-14, are most likely (76.1%) among all ages to indicate that they influence buying decisions. In the past several I-Polls, the highest perceived influence on parental purchasing decisions also occurred among the youngest teens.

Response	Frequency	Percent
Yes	1050	72.1
No	406	27.9
<b>Total</b>	<b>1,456</b>	<b>100.0</b>
<i>No response</i>	18	

Age Ranges	13-14	15-16	17	18 +
Yes	76.1	71.5	72.3	69.2
No	23.9	28.5	27.7	30.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>No response</i>	7	5	3	3

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

During the school year, 43% of teens hold a job. Females (44.6%) were slightly more likely than their male colleagues (41.1%) to hold a job during the year.

Response	Total Frequency	Total Percent
Job during school year	626	43.0
No job during school year	830	57.0
<b>Total</b>	<b>1,456</b>	<b>100.0</b>
<i>No response</i>	18	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	281	41.1	345	44.6
No	402	58.9	428	55.4
<b>Total</b>	<b>683</b>	<b>100.0</b>	<b>773</b>	<b>100.0</b>
<i>No response</i>	13		5	

## Teens Receiving Allowance

*Question: Do you receive an allowance?*

Thirty-nine percent of teens receive an allowance. 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. Nearly half of teens ages 15-16 (47.7%) receive an allowance compared to only 27.9% of teens age 18-or-older.

Of teens who receive an allowance, 81.6% reported working for it. More than a third of teens (33.6%) receive a weekly allowance of less than \$10.

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	565	39.0
No	882	61.0
<b>Total</b>	<b>1,447</b>	<b>100.0</b>
<i>No response</i>	27	

<b>Age Ranges</b>	<b>13-14</b>	<b>15-16</b>	<b>17</b>	<b>18 +</b>
Yes	47.1	47.7	33.4	27.9
No	52.9	52.3	66.6	72.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Response</b>	<b>291</b>	<b>419</b>	<b>404</b>	<b>333</b>
<i>No response</i>	9	10	4	4

*Question: How much allowance do you receive per week?*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Less than \$10	189	33.6
\$11-\$20	199	35.3
\$21-\$30	88	15.6
\$31-\$40	34	6.0
More than \$40	53	9.5
<b>Total</b>	<b>563</b>	<b>100.0</b>

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

(Responses include only those who answered “yes” to receiving an allowance).

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	460	81.6
No	104	18.4
<b>Total</b>	<b>564</b>	<b>100.0</b>

## 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 these items do you pay for with your own money?*

Almost a quarter of all teens (22.7%) pay for less than 15% of their own expenses. Those self-sufficient teens who pay 76% or more of their expenses represent only 20.1% of students surveyed.

As teens grow older, they take responsibility for paying a greater share of their expenses. The youngest segment of teens, ages 13-14, is very dependent upon others to subsidize personal purchases. Only 7.5% indicated that they pay 76% or more of their expenses, compared to 30.8% of teens 18-and-older who support their own purchases at that level.

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
< than 15%	329	22.7
15% to 25%	328	22.6
26% to 50%	245	16.9
51% to 75%	256	17.7
76% or more	291	20.1
<b>Total</b>	<b>1,449</b>	<b>100.0</b>
<i>No response</i>	25	

<b>Age Ranges</b>	<b>13-14</b>	<b>15-16</b>	<b>17</b>	<b>18 +</b>
< than 15%	29.0	29.4	16.9	15.8
15% to 25%	31.1	24.6	19.1	16.9
26% to 50%	17.1	15.9	16.1	19.0
51% to 75%	15.3	15.4	21.8	17.5
76% or more	7.5	14.7	26.1	30.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>293</b>	<b>422</b>	<b>403</b>	<b>331</b>
<i>No response</i>	7	7	5	6

## Use of Credit Cards, Checking and Debit Cards and Savings

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

Only 10.3% of teens indicated that they have their own credit cards, but as teens grow older, incidence of credit card ownership consistently climbs. Among teens ages 13-14 only 5.0% report owning credit cards. At age 17, the percentage of ownership climbs to 9.8% and then doubles again to 19.6% for teens 18-or-older. Only 4% of students report being victims of credit card fraud.

Of teens owning credit cards, 83.6% reported paying the balance in full each month. Only 0.7% admitted to occasionally skipping payments. The minimum payment is made by 15.7% of teens owning credit cards.

Do teens make huge purchases on their cards? Not according to the I-Poll results. Nearly three-fourths (73.8%) charge \$100 or less per month. Included in this percentage are the 44.8% who charge less than \$50. The most frequently charged item is “clothes,” with 67.1% of teens making this purchase with their credit cards. Teens are not reluctant to use the Internet to make purchases. Results indicate that 59.3% of teens have bought items online with their credit card.

Slightly more than one-fourth of teens (28.3%) has 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. Teens employed during the school year are much more likely to have a checking account (43.9%) compared to teens who are not in the work force during the school year (16.6%).

Savings accounts are the most popular financial tool for students, with 68.5% of teen respondents having these accounts. Students ages 13-14 are most likely to have savings accounts, a result that is reflected in prior I-Polls. Most students save less than \$100 per month, with 41.3% reporting monthly savings of \$25 or less. More than a quarter of respondents (25.9%) saves between \$26 and \$50 monthly.

Students who hold jobs during the school year have a higher incidence of checking, savings accounts, and credit cards compared to non-working students.

Response	Frequency	Percent
Credit card	152	10.3
Checking/debit card	417	28.3
Savings account	1,010	68.5

*Since teens could make multiple choices, percentages add to greater than 100%*

Age Ranges	13-14	15-16	17	18 +
Credit card	5.0	7.2	9.8	19.6
Checking/debit card	10.0	17.2	35.3	50.1
Savings account	72.3	67.1	67.9	67.7

Response	Frequency Employed	Percent Employed		Frequency Not Employed	Percent Not Employed
Credit card	87	13.9		62	7.5
Checking/debit card	275	43.9		138	16.6
Savings account	466	74.4		538	64.8

*Question: If you have a savings account, how much do you save per month?*

Response	Frequency	Percent
\$25 or less	410	41.3
\$26-\$50	257	25.9
\$51-\$100	165	16.6
Greater than \$100	160	16.2
<b>Total</b>	<b>992</b>	<b>100.0</b>

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

Response	Frequency	Percent
I pay only the minimum amount due	22	15.7
I pay the balance in full each month	117	83.6
Occasionally, I skip payments	1	0.7
<b>Total</b>	<b>140</b>	<b>100.0</b>

*Question: On average, how much do you charge on your credit card per month?*

Response	Frequency	Percent
Less than \$50	65	44.8
\$51-100	42	29.0
\$101 – 300	24	16.6
\$301 - \$500	10	6.8
Greater than \$500	4	2.8
<b>Total</b>	<b>145</b>	<b>100.0</b>

*Question: Do you buy items over the Internet with your credit card?*

Response	Frequency	Percent
Yes	89	59.3
No	61	40.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

*Question: What types of items do you purchase with your credit card?*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Clothes	98	67.1
Music/CDs	63	43.2
Gas	67	45.9
Books	52	35.6
Other	43	29.5

*146 students provided one or more responses to this question. Percentages will not add to 100%.*

*Question: Has your credit card ever been used illegally without your knowledge?*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	6	4.0
No	143	96.0
<b>Total</b>	<b>149</b>	<b>100.0</b>

## Teens and Charitable Causes

Hurricane Katrina had no effect on spending habits for 60.9% of teens, while 14.1% indicated they spent less on themselves because of donations to Katrina-related charities. Feeling guilty about spending because Gulf Coast residents had lost so much was reported by 15.9% of teens.

In the “other” category, teens reported that their spending had decreased due to Katrina, primarily because higher gasoline prices had reduced the money they could spend on other goods and services.

***Question: Have the effects of Hurricane Katrina influenced your spending habits?***

- *Yes, I feel guilty spending money on myself when so many people lost everything they own.*
- *Yes, I spend less on myself because I made a donation to the Red Cross or other charitable organizations to help Hurricane Katrina victims.*
- *No, my spending habits have not changed because of Hurricane Katrina.*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes, I feel guilty	234	15.9
Yes, I spend less on myself	208	14.1
No, spending habits are the same	897	60.9
Other	88	6.0

*Because of multiple responses, percentages do not add to 100%.*

***Question: Do you donate money or your time to an organization in the community?***

Teens’ generosity is evidenced by donations of time and money to religious and charitable organizations. More than one-fourth of students (26.5%) indicated that they donated money to their religious institution, while another 16.6% made monetary contributions to specific charities.

Just over forty-five percent (45.5%) of students give their time to a religious institution or a non-profit organization. Only 27.9% of respondents reported they neither donated money nor shared their time with charitable organizations.

The percentage of male and female teens that donated money to charities (16.4% and 16.7% respectively) and churches (26.4% and 26.5% respectively) was nearly identical. However 51.7% of female students reported they volunteered their time compared to only 38.5% of male students.

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
I donate money to charity	244	16.6
I donate money to my church	390	26.5
I volunteer my time to my church or another organization	670	45.5
I do not donate money or time to any organization	411	27.9

*Because students could provide multiple responses, percentages do not add to 100%*

<b>Response</b>	<b>Frequency Male</b>	<b>Percent Male</b>		<b>Frequency Female</b>	<b>Percent Female</b>
I donate money to charity	114	16.4		130	16.7
I donate money to my church	184	26.4		206	26.5
I volunteer my time to my church or another organization	268	38.5		402	51.7
I do not donate money or time to any organization	222	31.9		189	24.3

# Appendix

Five JA locations provided 80 or more responses to this 2006 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 (1,474)
<b>Canton, OH</b>	132	9.0
<b>Fort Worth, TX</b>	83	5.6
<b>Georgia</b>	105	7.1
<b>Los Angeles, CA</b>	80	5.4
<b>Quad Cities, IL</b>	142	9.6
	<b>542</b>	<b>36.7</b>

## Percent Distribution of Responses by Gender

Response	National	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Male	47.2	53.8	50.6	50.5	62.5	47.2
Female	52.8	46.2	49.4	49.5	37.5	52.8
<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>Total Responses</b>		<b>132</b>	<b>83</b>	<b>105</b>	<b>80</b>	<b>142</b>

## Percent Distribution of Responses by Age

Response	National	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
13-14	20.4	15.2	1.2	44.8	16.3	39.4
15-16	29.1	53.8	---	16.2	65.0	9.8
17	27.7	24.2	32.5	23.8	15.0	25.4
18 or older	22.8	6.8	66.3	15.2	3.7	25.4
<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>Total Responses</b>		<b>132</b>	<b>83</b>	<b>105</b>	<b>80</b>	<b>142</b>

## Percent Distribution of Responses by Race/Ethnic Origin

Response	National	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Asian/Pacific Islands	7.0	---	3.6	12.4	10.0	---
Black/African American	14.9	6.1	12.0	21.9	11.3	0.7
Hispanic/Latino	10.5	3.0	10.8	7.6	35.0	4.9
Mixed Race	5.7	2.3	12.0	4.8	6.3	3.5
Native American	1.7	0.8	1.2	---	---	---
White	59.2	87.1	60.4	51.4	33.7	89.4
Other	1.0	0.7	---	1.9	3.7	1.5
<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>Total Responses</b>		<b>132</b>	<b>83</b>	<b>105</b>	<b>80</b>	<b>142</b>

**Percent Distribution of Responses for Influencing Parents' Buying Decisions  
(Answering "Yes")**

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Yes	<b>72.1</b>	71.7	76.8	74.0	73.4	73.8
<b>Total Responses (Yes + No)</b>		127	82	104	79	141

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

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Yes	<b>39.0</b>	43.3	30.5	39.0	35.9	40.4
<b>Total Responses (Yes + No)</b>		127	82	105	78	141

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

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Yes	<b>81.6</b>	87.3	68.0	85.4	89.3	82.5
<b>Total Responses (Yes + No)</b>		53	24	38	25	52

**Allowance Received per Week**

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Less than \$10	<b>33.6</b>	40.7	20.0	31.7	25.0	40.4
\$11-\$20	<b>35.3</b>	35.2	32.0	36.6	32.2	31.6
\$21-\$30	<b>15.6</b>	14.8	12.0	19.5	28.6	14.0
\$31-\$40	<b>6.0</b>	3.7	8.0	4.9	7.1	8.8
More than \$40	<b>9.5</b>	5.6	28.0	7.3	7.1	5.2
<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>Total Responses</b>		54	25	41	28	57

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

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
< than 15%	<b>22.7</b>	26.6	18.3	19.3	25.6	17.0
15% to 25%	<b>22.6</b>	22.7	14.6	31.8	19.2	18.4
26% to 50%	<b>16.9</b>	11.7	20.7	16.3	25.6	15.6
51% to 75%	<b>17.7</b>	21.0	13.5	16.3	14.1	24.1
more than 76%	<b>20.1</b>	18.0	32.9	16.3	15.5	24.9
<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>Total Responses</b>		128	82	104	78	141

**Percent Distribution of Responses for Ownership of Credit Card and Bank Accounts**

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Credit card	<b>10.3</b>	5.3	13.3	11.4	13.8	4.9
Checking account	<b>28.3</b>	21.2	45.8	23.8	12.5	19.0
Savings account	<b>68.5</b>	65.2	61.4	70.5	56.3	81.7

*Because students could provide multiple responses, percentages do not add to 100%*

**Question: If you have a savings account, how much do you save per month?**

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
\$25 or less	<b>41.3</b>	41.2	35.3	40.8	44.2	28.1
\$26-\$50	<b>25.9</b>	25.9	25.5	28.2	18.6	34.2
\$51-\$100	<b>16.6</b>	18.8	19.6	19.7	14.0	19.3
Greater than \$100	<b>16.2</b>	14.1	19.6	11.3	23.2	18.4
<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>
<i>Total Responses</i>		85	51	71	43	114

**Have the effects of Hurricane Katrina influenced your spending habits?**

- Yes, I feel guilty spending money on myself when so many people lost everything they own.
- Yes, I spend less on myself because I made a donation to the Red Cross or other charitable organization to help Hurricane Katrina victims.
- No, my spending habits have not changed because of Hurricane Katrina.

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
Yes, I feel guilty	<b>15.9</b>	10.6	15.7	22.9	32.5	14.1
Yes, I spend less on myself	<b>14.1</b>	14.4	6.0	16.2	18.8	8.5
No, spending habits are the same	<b>60.9</b>	64.4	68.7	50.5	37.5	65.5

*Because students could provide multiple responses, percentages do not add to 100%*

**Question: Do you donate money or your time to an organization in the community?**

Response	NATIONAL	Canton	Fort Worth	Georgia	Los Angeles	Quad Cities
I donate money to charity	<b>16.6</b>	19.7	21.7	18.1	12.5	16.2
I donate money to my church	<b>26.5</b>	31.8	27.7	29.5	40.0	20.4
I volunteer my time to my church or another organization	<b>45.5</b>	37.1	37.3	42.9	37.5	46.5
I do not donate money or time to any organization	<b>27.9</b>	36.4	34.9	23.8	17.5	29.6

*Because students could provide multiple responses, percentages do not add to 100%*