

Junior Achievement/The Allstate Foundation

2010 Teens and Personal Finance Survey



Executive Summary

The 2010 Junior Achievement/Allstate Foundation “Teens and Personal Finance” Survey takes a snapshot of teen attitudes and behaviors around financial literacy—how teens are reacting to economic recovery, and how their spending, college planning and job searches have been impacted by the recession. More broadly, the Survey seeks to assess how well-prepared our young people are to effectively manage their finances.

The results of the survey indicate that despite some of the painful economic lessons recently learned by governments, families and businesses, that there is still a need to educate our youth about how to effectively manage money. Junior Achievement, with the help of partners like The Allstate Foundation, aims to increase financial literacy among young people, not only to avoid another catastrophic economic meltdown, but so that tomorrow’s adults can successfully manage their finances and live fiscally sound lives.

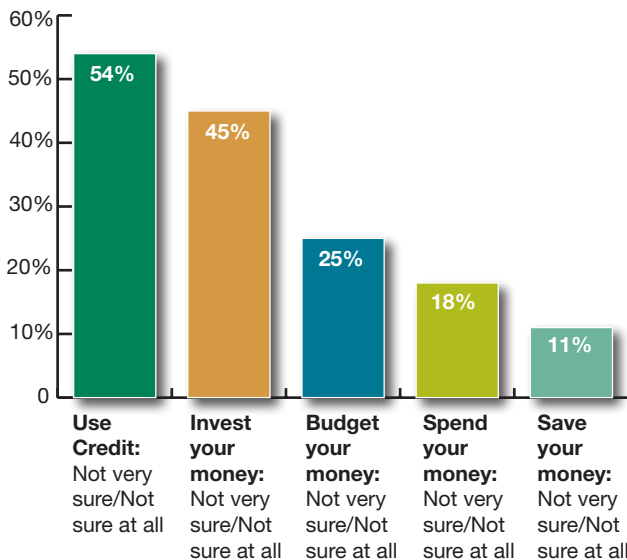




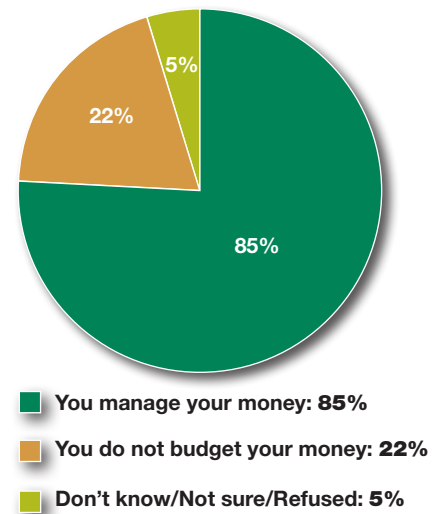
Teens struggling to reconcile spending and saving

The eleventh annual Junior Achievement/Allstate Foundation “Teens and Personal Finance” Survey found that an alarming majority of U.S. teens say they lack the knowledge to understand and effectively reconcile spending and consumption with saving and investing. Nearly half of the 1,000 U.S. teens surveyed say they are unsure about how to effectively invest their money, and nearly a quarter of teens said they do not budget their money.

How sure are you that you can effectively do each of the following in a responsible manner during your lifetime?



Which, if any, of the following apply to you in terms of managing your money?



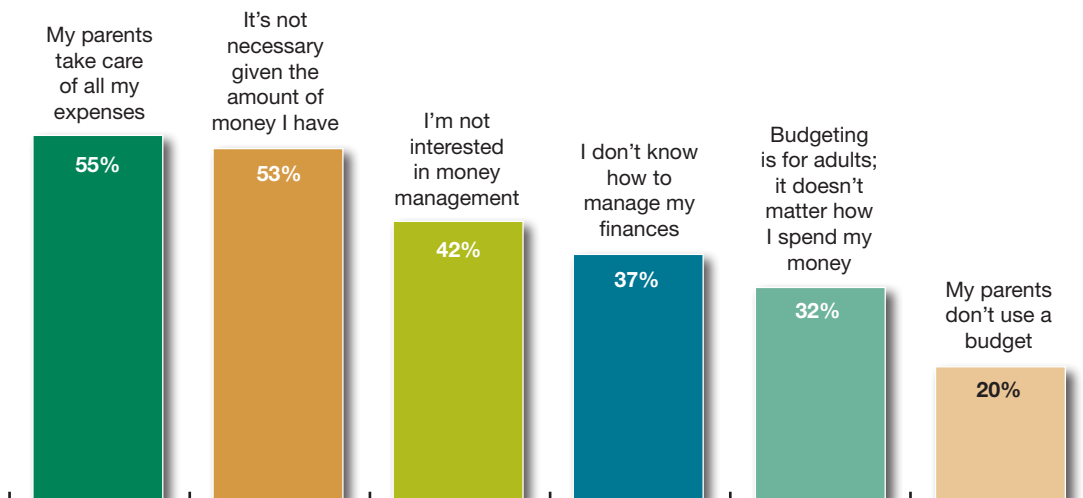
Multiple responses may have been permitted
Percentages may not total 100 due to rounding



Many teens lack an understanding of budgeting's importance

Among the number of teens who do not manage their money, significant subsets say they don't know *how* to manage their money, think budgeting is for adults only, or think it doesn't matter. These data points underscore the need to empower young people with the money-management skills necessary for fiscal fitness.

Which, if any, of the following are the reasons why you DON'T use a budget?



Base = Teens who say they don't use a budget.

Multiple responses may have been permitted
Percentages may not total 100 due to rounding

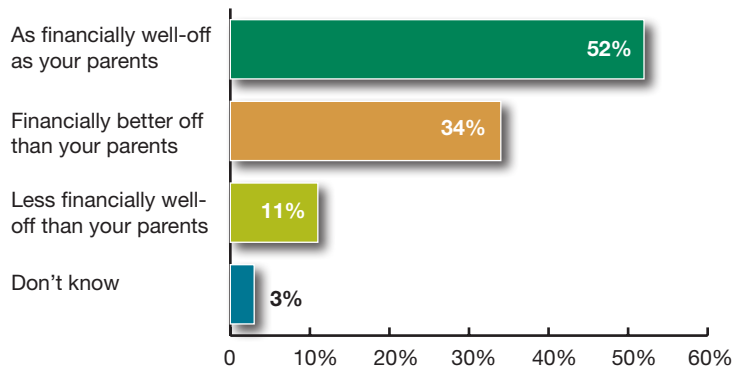


Financial naiveté contributes to false sense of security

Even as many teens fail to see the importance of learning and using even the most basic money management practices, many predict being as well-off or better off than their parents. This lack of basic money management skills may stand in the way of lifelong financial stability and security.

The survey found that 54 percent of teens say they are unsure about how to effectively use credit, yet 74 percent think they should get a credit card by age 21. This striking lack of knowledge coupled with a sense of financial entitlement could exacerbate future national financial woes.

Do you think you'll be...



How sure are you that you can effectively do the following in a responsible manner during your lifetime?

Use credit

54%

When do you think people should get their first credit card?

By age 21

74%

Multiple responses may have been permitted
Percentages may not total 100 due to rounding

“Teens are admitting that they don’t have knowledge of some of the basic money management skills around investing, budgeting and using credit. Despite the alarming numbers, teens overwhelmingly have high hopes for future financial stability. The poll shows we need to do a better job of ensuring our youth are financially literate. JA offers a broad range of age-appropriate financial literacy curricula, from kindergarten through grade 12.”

*Jack Kosakowski,
President, Junior Achievement USA*

Conclusion

Fortunately, many teens do recognize the need to learn to manage their money early on, with 83 percent responding that the best time to learn money management skills is during grades K-12. Junior Achievement programs help teens to not only recognize what lessons and skills they need to learn at an early age, but they also teach teens how to apply financial skills and knowledge.

Junior Achievement and The Allstate Foundation have partnered to create a series of financial literacy tools aimed at helping families open a dialogue around sound money management practices at http://www.ja.org/programs/programs_save_usa_materials_overview.shtml.

Junior Achievement aims to empower young people with the tools and confidence to create financially sound futures.

Follow JA Worldwide on  

Survey Methodology

This report presents the findings of a telephone survey conducted by Opinion Research Corporation among a national sample of 1,000 teens comprising 500 males and 500 females 12 to 17 years of age, living in private households in the continental United States. Interviewing for this TEEN CARAVAN® Survey was completed during the period February 11-15, 2010. The survey's margin of error is +/- 3.2 percent.

