

# 2015 Teens and Personal Finance Survey



Executive Summary

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## INTRODUCTION

Junior Achievement's 2015 Teens and Personal Finance Survey, sponsored by The Allstate Foundation, and conducted online by Harris Poll between January 12-30, 2015, examines teens' attitudes and behaviors around money management. For the first time in the survey's 16-year history, Junior Achievement and Allstate surveyed parents in addition to teens, to draw comparisons between the responses of the two groups. Some surprising differences between parents' and teens' responses are highlighted below.

## PAYING FOR COLLEGE

The 2015 Teens and Personal Finance Survey revealed a major disconnect between how parents and teens view paying for college. Surprising findings reveal that nearly half (48 percent) of teens think their parents will help pay for college. However, only 16 percent of parents report that they plan to pay for their child's post-secondary education.

Because of the rising cost of college, there is a 32 percent spike in the number of teens considering attending a local community college instead of a four-year college or university.

College tuition can be a major expense for a family. Planning ahead, and making informed decisions about whether the student's future earnings will support student debt repayment, will help avoid financial pitfalls.

### Percentage of teens saying their parents will pay their college tuition, versus parents:

Teens who think their parents will pay for college:



Parents who plan to pay their child's college costs:



## PARENTS' AND TEENS' DIFFERING VIEWS ON MONEY MANAGEMENT

Parents have contradictory views when talking about how involved their children should be in the family's finances.

Nearly nine-in-10 (89 percent) parents say their child learns about money from them. Yet when parents were asked about their philosophy for handling the family's finances, more than a third (34 percent) say they do not discuss money with their children and "let the kids be kids."

But many young people want to learn more about managing money from their parents. A vast majority of teens (84 percent) say they look to their parents for information about how to manage money.

### Percentage of parents who say their child learns about money from them:

89% of parents say their child learns money management from them



34% of parents do not discuss money with their children and let the "kids be kids"



84% of teens look to their parents to learn money management

Surprisingly, when parents do talk to their kids about money, there is a significant gender divide in the conversation. Specifically, girls are more likely than boys to say their parents don't talk to them enough about money management (40 percent versus 24 percent) and about paying for college (34 percent versus 23 percent).

Moreover, boys are more likely than girls to report that their parents help them keep track of money (31 percent versus 20 percent).

The survey shows that some parents may inadvertently be favoring their male children when they discuss money matters. In-school programs like Junior Achievement can help all young people learn and apply personal finance skills that will help them become financially stable adults.

## GENDER GAP IN FUTURE EXPECTED EARNING POWER

Girls and boys have sharply differing expectations around how much they will earn at their first “real” job. Continuing the gender divide, the survey’s key findings reveal that women—both teens and parents—have lower expectations about potential earning power than their male counterparts.

Moms are more likely than dads to say their child will earn less than \$15,000 a year at their first job after they graduate (26 percent versus 17 percent).

Girls view their potential earning power as lower than boys: 24 percent of girls think they will make \$15,000 or less (equivalent to the current federal minimum wage of \$7.25 per hour) at their first job compared to only 16 percent of boys who feel the same.

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24%

of girls think they will make \$15,000 or less (minimum wage) at their first job compared to only

16%

of boys who feel the same.



## CONCLUSION

A vast majority of teens (84 percent) say they want to learn about managing money from their parents. However, many parents may feel uncomfortable talking about money matters with their kids, due to a level of discomfort with the subject or their own financial missteps. Tellingly, more than half—54 percent—of parents said the 2008 recession did not impact their teens' money management skills. If parents did not improve their teens' financial habits as a result of the recession, then school-based programs can provide students with critical personal finance education.

Junior Achievement (JA) programs currently reach more than 4.5 million students in grades K-12 each year. Organizations like JA work closely with the education and business communities to deliver relevant financial literacy programs to young people, typically in the classroom during the school day. Learn more at [www.ja.org](http://www.ja.org).

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## SURVEY METHODOLOGY

This survey was conducted online within the United States by Harris Poll on behalf of Junior Achievement between January 12-30 among 801 U.S. adults aged 18 or older, who are the parents of teens aged 13-18 and 800 teens aged 13-18. Each group had an oversample of 200 Hispanics. The 2014 survey was conducted online by Harris Poll between February 12-24, 2014, and included 712 teens, aged 13-18. Figures for age, race/ethnicity, education, region, and household income were weighted for parents where necessary to bring them into line with their actual proportions in the population. For teens, figures for age, gender, race, parent's education, region, and school location were weighted. Propensity score weighting was also used to adjust for respondents' propensity to be online. For complete survey methodology, including weighting variables, please contact Stephanie Bell at [sbell@ja.org](mailto:sbell@ja.org).