



The 2018 JA Teens & Personal Finance Survey



Presented by



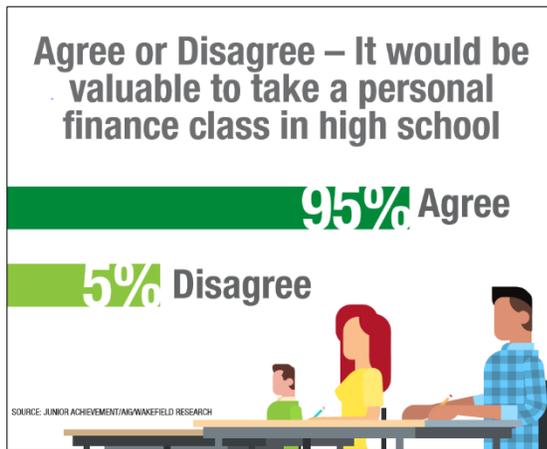
Overview:

In March of 2018, Junior Achievement USA and AIG surveyed 1,000 teens between the ages of 13 and 18 to gain a better understanding of their perceptions as they relate to personal finance and financial decision making. The findings of that research are summarized here.

Financial Goals

One of the first questions asked of survey respondents was to select their financial goals for the future. Unsurprisingly most (75%) said “Graduating from college” was a goal. Other items included “Creating a savings plan” (50%), “Affording international travel” (37%), “Starting my own business” (30%) and “Retiring before age 65” (29%). Interestingly enough, only half (50%) of teens said one of their goals was to “Gain financial independence from parents.”

Millennials have sometimes been referred to as “the Boomerang Generation” because weak job prospects in years past and student loan debt resulted in young adults moving back in with their parents following college to help manage expenses. This survey didn’t delve too deeply into this subject, but one has to wonder if Generation Z sees this as a possibility for themselves after having older siblings and other family members struggle early on with finances.



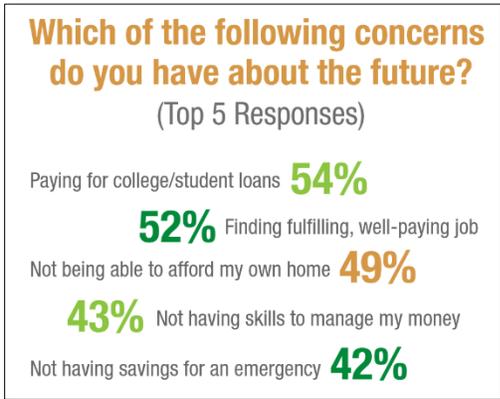
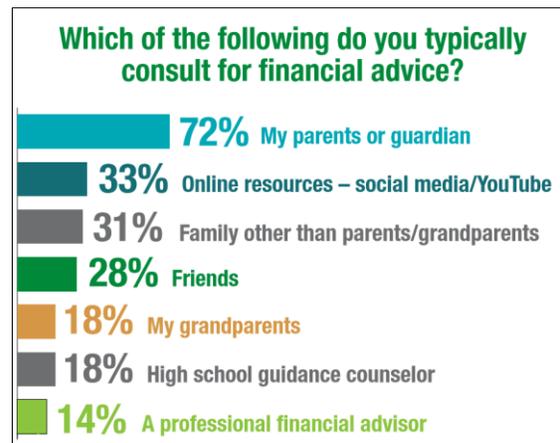
Importance of Financial Education

Survey participants were asked if they thought it would be valuable to have personal finance classes in high school. An overwhelming 95 percent agree. While there wasn’t a large disparity in the numbers, teens from households making more than \$100,000 tended to favor the idea slightly more than teens from lower-income households.

While there are states that promote some level of personal finance education in high school, most don’t and in many instances courses are offered as electives and are not required.

Seeking Financial Advice

Ninety-one percent of teens say they have sought financial advice. Most teens go to their parents or guardians (72%). This is followed by online resources, such as social media and YouTube (33%), other family members other than parents or grandparents (31%), friends (28%) and grandparents (18%). While teens are inclined to think that personal finance should be taught at school, only one-in-five (18%) seek out information from their high school guidance counselor. Teens in households making more than \$100,000 are more likely to seek information from parents and online resources than their peers in households making less than \$100,000.



Concerns about the Future

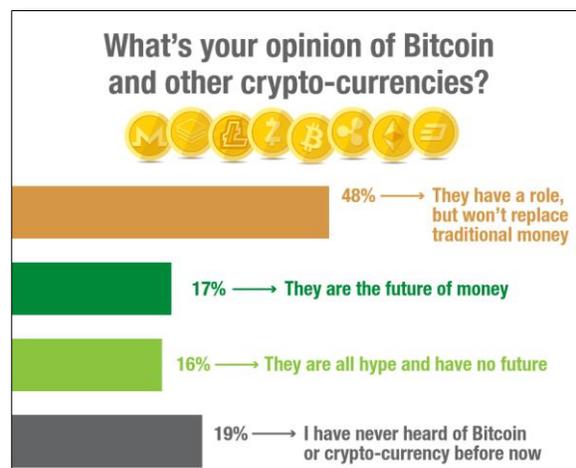
When it comes to financially-related concerns about the future, more than half of respondents cited paying for college/student loans (54%), followed by finding a fulfilling, well-paying job (52%), not being able to afford a home (49%), not having money management skills (43%), and not having savings for an emergency (42%).

Many of these concerns were more pronounced with girls than boys. For instance, more girls than boys were concerned about paying for college/student loans (60% vs. 48%), finding a fulfilling, well-paying job (57% vs. 46%), not being able to afford a home (55% vs. 43%), not having skills to manage money (51% vs. 35%) and not having savings for an emergency (45% vs. 39%).

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Thoughts on Bitcoin

Bitcoin and crypto-currencies have been in the news. About half of teens (48%) say that these instruments have a role, but won't replace traditional money. One-in-five (17%) think they are the future of money, while about the same proportion think they are "all hype." Nearly 20 percent hadn't heard of Bitcoin or crypto-currencies prior to taking the survey.



Which expense would you eliminate if you were running low on money while living on your own?

Streaming Services **75%**
 Cell phone **10%**
 Internet **8%**
 Insurance **6%**
 Other **3%**



Managing Personal Expenses

On the subject of personal expenses, teens were asked to consider which expenses they would cut if faced with a tight budget. Respondents were reluctant to curtail more essential costs, such as paying for a cell phone (10%), Internet (8%), and even insurance (6%). Most (75%) seemed willing to cut back on entertainment-related expenses, such as streaming services.

Methodological Notes

The JA/AIG Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 nationally representative U.S. teens, ages 13-18, who are not currently enrolled in college, between March 9 and March 16, 2018, using an email invitation and an online survey. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.