

2011 Junior Achievement/The Allstate Foundation

Teens and Personal Finance Survey



Executive Summary

Closing the Financial Literacy Gap

The goal of the 2011 Junior Achievement/The Allstate Foundation “Teens and Personal Finance” Survey is to better understand U.S. teenagers’ views about personal financial literacy. The results highlight teen attitudes and behaviors around financial literacy—their perspectives on the recession and economic recovery, their awareness of the importance of personal money-management strategies, and their plans for becoming financially responsible. 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 teens are closing the financial literacy gap, but there’s still a lot of work to do. They would like to get economic guidance from their parents, although in many cases, that is not currently happening. There is still a need to educate our youth about how to effectively manage money, and we need to start at an early age. Junior Achievement, with the help of partners like The Allstate Foundation, seeks to empower young people with the skills and tools to build their own economic success and bolster the growth of the global economy.



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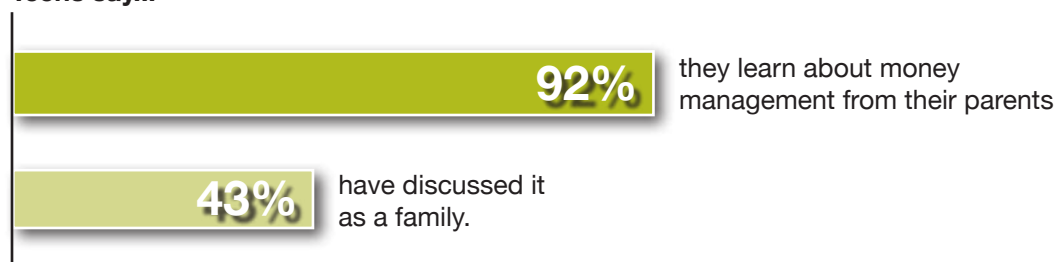




Teens want to learn about the realities and opportunities of the global economy, but adults need to provide guidance.

The twelfth annual Junior Achievement/The Allstate Foundation “Teens and Personal Finance” Survey found that the tougher economic conditions have made teens aware of the importance of money management. Although they indicate that they want to take an active role in financial matters, significant concerns are still holding them back from success. The first hurdle is access to information. Even though 8 out of 10 teenagers say that the recent recession has motivated them to learn how to manage their money, **less than half report discussing money management with their family**, according to survey findings.

Teens say...

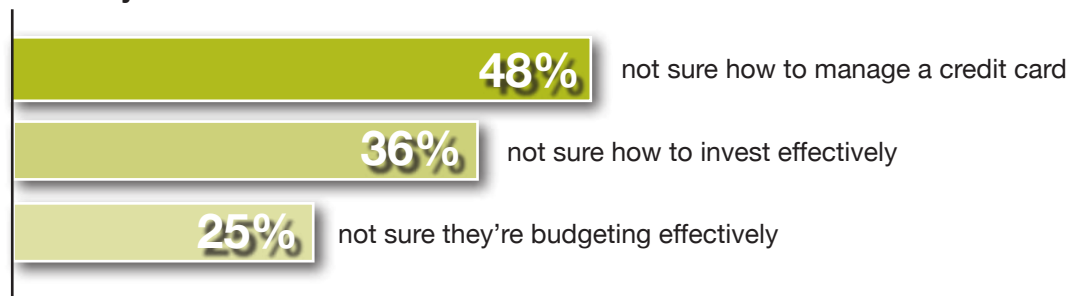




Although teens are taking an increasingly active role in their finances, they have not bridged the knowledge gap.

Despite limited guidance, the number of teens who budget their money has increased dramatically. Last year, 22 percent of teens surveyed said they did not manage their money. **That number dropped this year to just 10 percent.** Last year, the survey found that nearly a third—32 percent—of teen respondents were not using a savings account, checking account, debit card or credit card. This year, the number dropped to a little over a quarter, or 26 percent. However, **teens still face a financial literacy gap.**

Teens say...

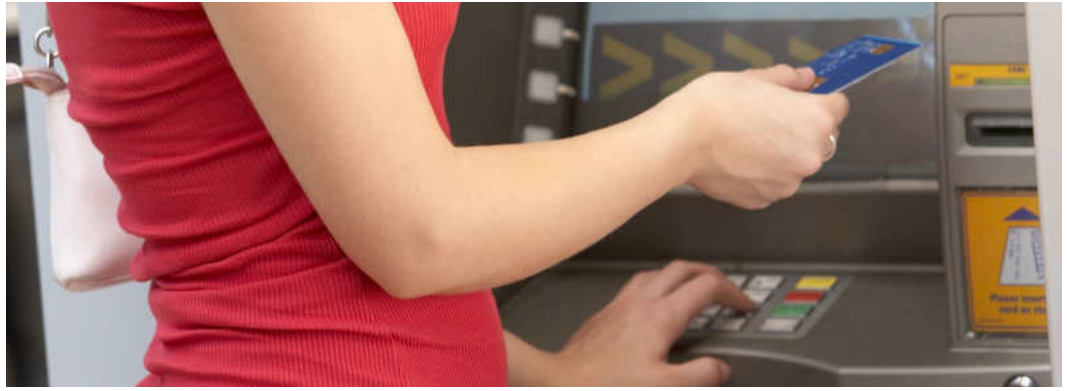




Teens call for a resource for building financial skills during formative school years.

Teens agree that learning the basics of money management at an early age is crucial, according to the survey findings. **And 81 percent of the teen respondents said that the best time to learn money management was during their school years, grades K-12.**

So, where can teens go find the information they need to begin managing their finances? Junior Achievement can provide young people with solid financial skills that can take them into the adult world of work and personal responsibility and help them compete in the 21st-century global marketplace.



Junior Achievement provides a foundation for success.

“Now more than ever, young people need to learn money management. However, many parents do not feel up to the task—Junior Achievement can help bridge this gap. Besides providing a broad range of age-appropriate, K-12, financial literacy curricula delivered by JA classroom volunteers, Junior Achievement has come to the aid of parents with free lessons and activities for talking about money management at home through *Junior Achievement \$ave, USA*.”

*Jack E. Kosakowski,
President and Chief Executive Officer, Junior Achievement USA*

Junior Achievement, in partnership with The Allstate Foundation, has created a series of free, interactive lessons targeted to different age groups to empower young people to own their future economic success. The lessons, the first resource of its kind available from JA, engage with kids in a space they're comfortable and familiar with—the Internet—to learn about money in a fun and entertaining way. Both parents and students can visit www.ja.org to enjoy these lessons, either to kick-start a larger conversation about personal finance at home, or to augment the conversations families are already having, to further inspire children to excel in taking financial responsibility and experiencing the opportunities and realities of the global economy.

Conclusion

The recent recession and continuing economic uncertainties around the globe have focused U.S. teens' attention on the importance of managing their personal finances. Although many of the teens surveyed have taken action to learn more, they do not believe they have all the skills to manage their respective economic futures effectively and responsibly. They need guidance and access to information; they need an easily accessible resource for financial knowledge and money-management tools.

Survey findings also indicate that the majority of teens—81 percent, in fact—think money-management skills should be taught during grades K-12. Junior Achievement's age-appropriate programs foster work-readiness, entrepreneurship and financial literacy skills, and use experiential learning to inspire kids to dream big and reach their potential. In addition, 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 www.ja.org.

The 2011 survey results make it clear that it's more important than ever to invest in today's youth to ensure their personal financial well-being and the continued growth of our economy. It is Junior Achievement's goal to continue empowering young people to own their financial success.

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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 March 3-8, 2011. The survey's margin of error is +/- 3.2 percent.



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