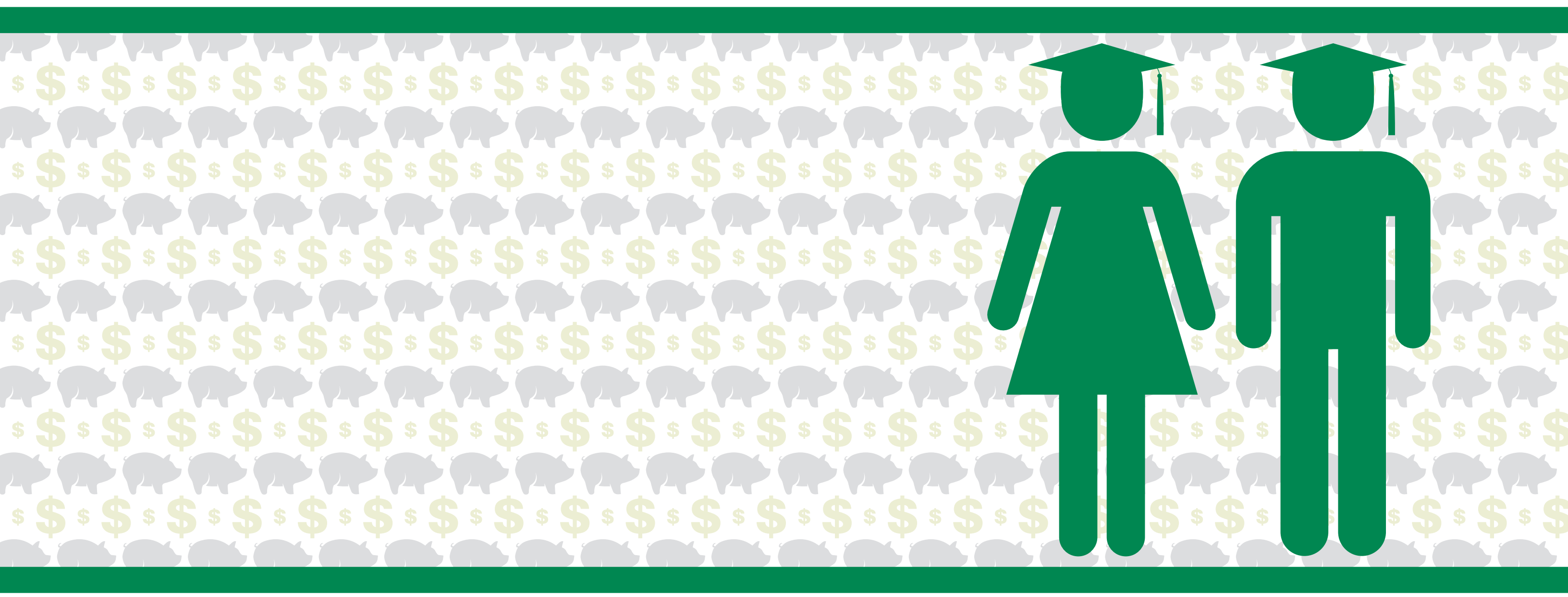
Junior Achievement®

2013 TEENS AND PERSONAL FINANCE SURVEY



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A Snapshot of Teens' Attitudes About Money Management

Junior Achievement's annual Teens and Personal Finance Survey provides a snapshot of teens' behaviors and attitudes around money management. We examine how teens view the importance of effective spending, saving and budgeting—and their opinions around how well they are executing those tasks. By doing so, we gain understanding around the future financial health of our country through the lens of tomorrow's consumers.

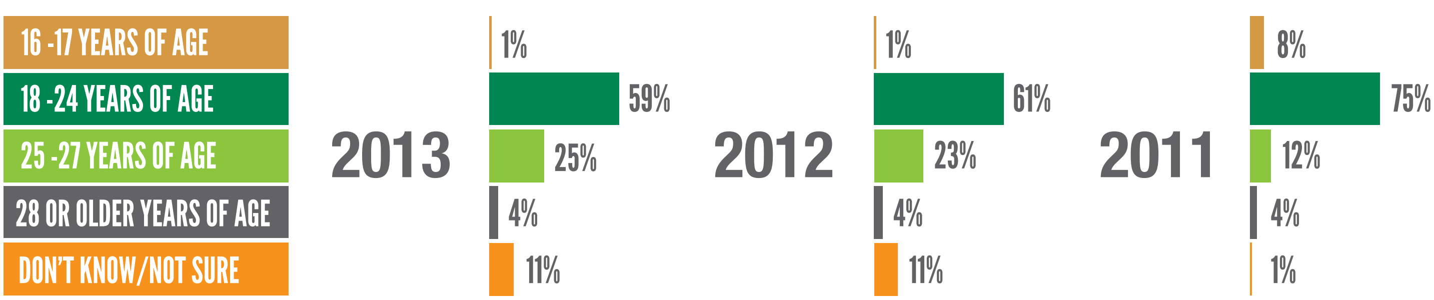
The key findings of Junior Achievement's 2013 Teens and Personal Finance Survey illustrate a teen population that is more optimistic now than in past years about its financial future, yet faces challenges related to effectively managing its money.

In fact, at odds with this sense of increased optimism, more teens say that they will remain financially dependent on their parents for a longer period of time. **The percentage of teens who say they will be able to support themselves between ages 25-27, without parental assistance, has doubled over the last two years, from 12 percent to 25 percent. However, the percentage of teens who feel they will be financially able to support themselves between the ages of 18 and 24 has fallen from 75 percent in 2011 to 59 percent in 2013**. In addition, since 2011 the percentage of teens who don't know or who are unsure if they will be financially better off than their parents has risen significantly, from 4 percent to 28 percent. There is widespread uncertainly among the teen population about their financial security as adults.

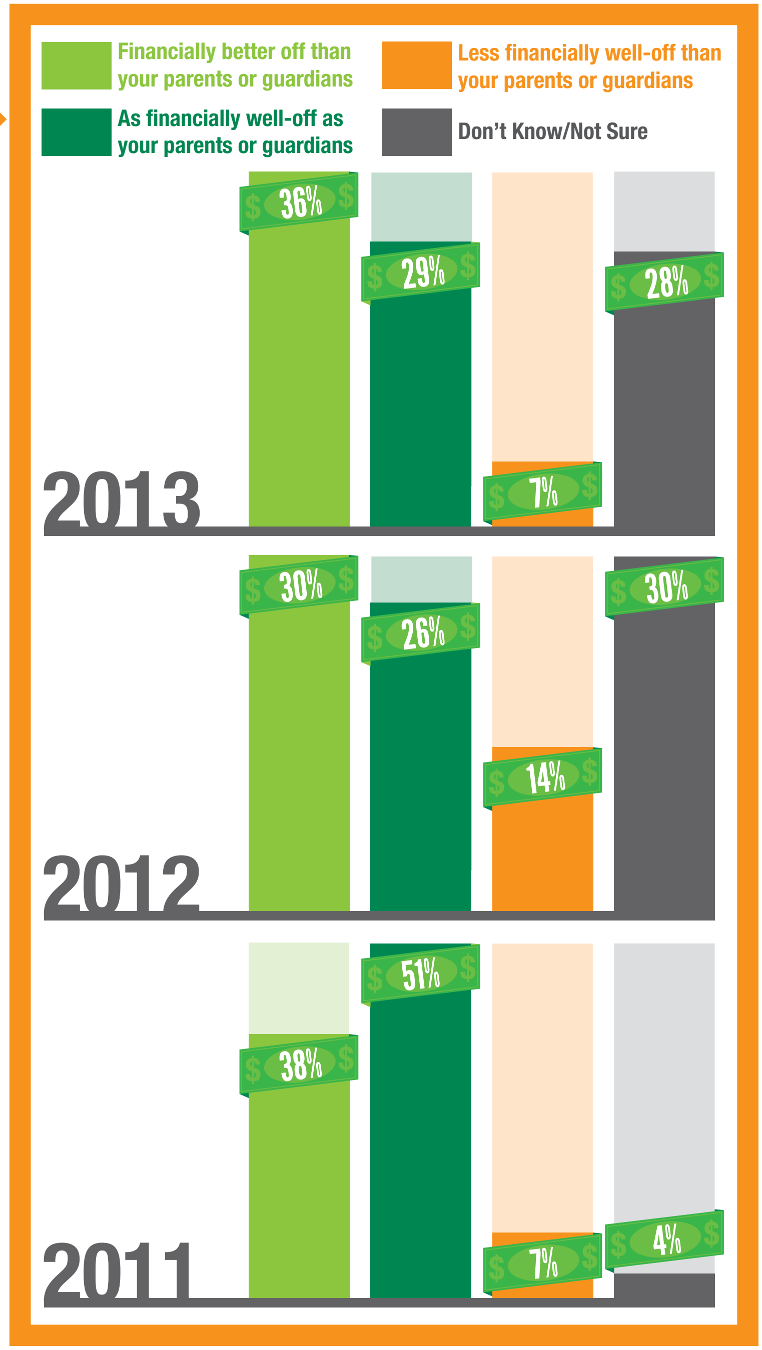
Teen Financial Uncertainty

At what age do you think you'll be able to support yourself financially without your parent's or guardian's help?

Would you say…



Thinking about your own financial future versus your parents' or guardians', do you think you'll be…



Part of the reason teens expect to live with parents longer may be because they are unsure about their ability to budget, use credit cards or invest money:

- 23 percent of teens are somewhat or extremely unsure about their ability to budget successfully
- 20 percent of teens are somewhat or extremely unsure about their ability to use credit cards
- 34 percent percent of teens are somewhat or extremely unsure about their ability to invest money

Compounding the challenges parents face in helping their children be financially self-sufficient is a lack of understanding among teens around the importance of planning to pay for college. **Currently, only 9 percent of teens say they are saving for college.**

A majority of teens (52 percent) believe that students are borrowing too much money for college, and nearly two-thirds (64 percent) have discussed the topic with their parents, yet nearly half of teens indicate they don't know or are unsure about how much they will need to borrow to pay for college.

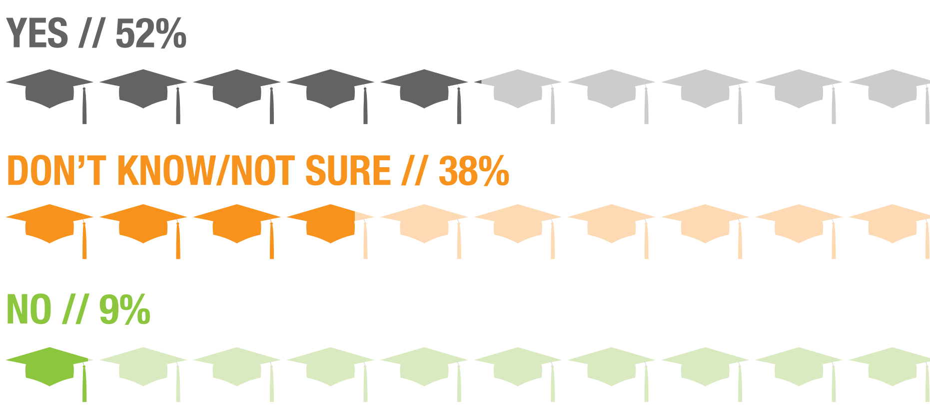
This indicates a lack of financial awareness that could prove damaging to students' future financial health, given the high default rate on student loans—as many as 27 million out of 37 million borrowers have past-due balances of 30 days or more, according to a recent Federal Reserve Bank of New York report cited in *The New York Times*.

"Times have been tough for parents in the current economy, but now is the time to implement steps to secure independent financial futures for themselves and their children."

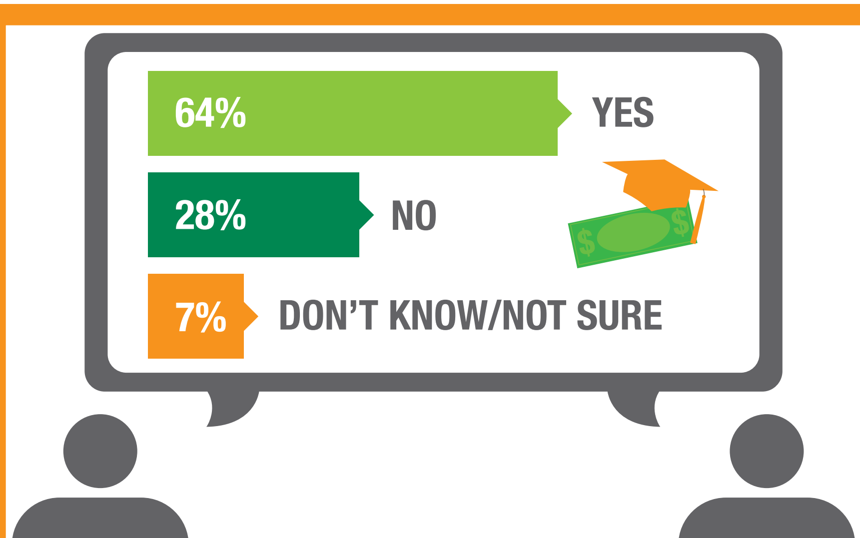
Jack E. Kosakowski
President and CEO
Junior Achievement USA®

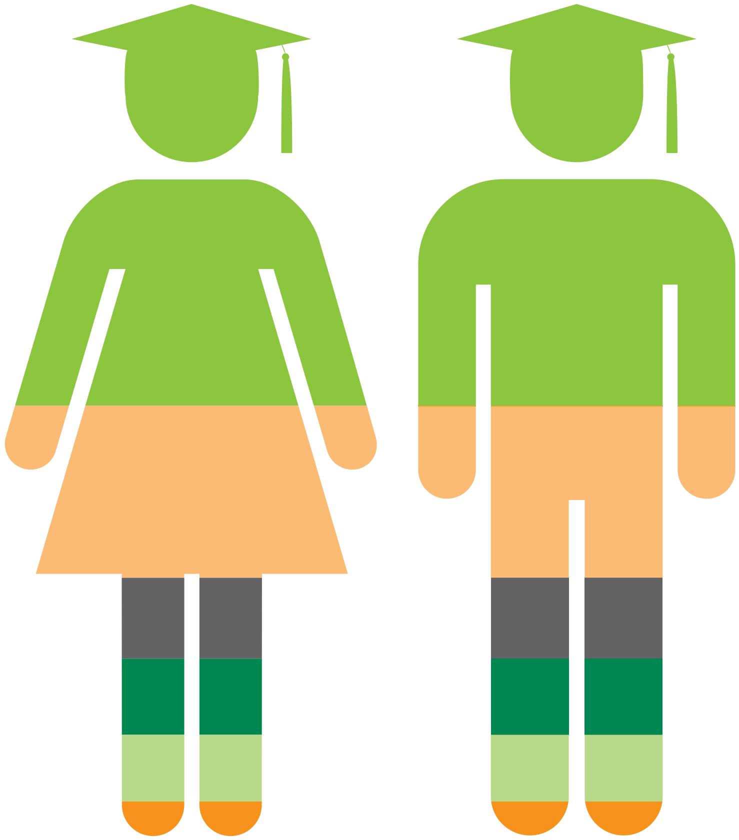
Widespread Uncertainty About Paying for College

Do you think students are borrowing too much money to pay for college?



Have your parents talked to you about paying for college?





How much do you plan to borrow for college?

48% DON'T KNOW/NOT SURE

20% NOTHING

10% BETWEEN $20,000 – $50,000

9% BETWEEN $10,00 – $20,000

8% LESS THAN $10,000

4% MORE THAN $50,000

Conclusion

The findings of Junior Achievement's 2013 Teens and Personal Finance Survey demonstrate improvement in teens' optimism about their financial futures. They need the resources and knowledge to help them make that optimism a reality. Junior Achievement, along with its partner organizations like The Allstate Foundation, provides students in kindergarten through high school with experiential financial literacy, entrepreneurship and work-readiness programs.

To help empower young people to own their economic success, Junior Achievement, with the support of The Allstate Foundation, has created a series of free, downloadable activities for parents, teachers and children. These free, real-world activities—called *Junior Achievement, $ave USA*—illustrate the importance of budgeting in a fun, engaging way.

Methodology

This is the 14th year that Junior Achievement has conducted its Teens and Personal Finance Survey. The survey was conducted by Knowledge Networks, with a sample of 1,025 completed interviews of teens age 14-18 years old. The survey was conducted from February 5-15, 2013, using the KnowledgePanel, which assures representative samples that are statistically valid and projectable to the population of teens 14 to 18. The data was weighted to the population it represents. The survey's margin of error is +/- 3.5% at the 95% confidence level.