

Personal Finance 2003

Executive Summary

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Notes on Methodology

Students from 127 JA locations across the country participated in the 2003 JA Interprise Poll™ focusing on Personal Finance. This is the fourth time this survey has been conducted. The 1,183 students who completed the online survey were made aware of the Poll through their JA classes and volunteered to participate. Because the respondents were not randomly selected, the survey results cannot be represented as a scientific cross-section of American students between the ages of 13 and 18+. However, the ethnic/racial mix of respondents approximates the national distribution of the U.S. population by ethnic origin and race, indicating that the responses and attitudes provided in the results may be a broad indicator of student perceptions and preferences nationally.

Throughout the report, segmentations were prepared by gender, age, or race/ethnic origin to provide further insights to the survey results. Not all ethnic/racial designations were used because the few responses in some ethnic groups/races were not enough for meaningful analysis.

Overview of Teen Spending

According to Teen Research Unlimited (TRU), teens spent \$170 billion in 2002, down only slightly from the year before when teen spending was estimated at \$172 billion. The 2002 figure means that nearly 32 million teen consumers spent an average of \$101 per week. This amount includes their own discretionary spending as well as spending undertaken on their parent's behalf, whether for personal or household purchases.

Teen spending is consistent with overall consumer spending which continued to climb in 2002, despite a stagnant economy. TRU reasons that teens are more isolated from economic realities than other consumers. Many have regular part-time jobs and those that don't can take odd jobs for needed cash or request money from their parents. Far from being pessimistic about their opportunities to make purchases in the next year, 48% of teens think that they will spend more in the next 12 months and only 16% indicate they will probably spend less than last year.

Computer-savvy teens are comfortable making purchases over the Internet. Jupiter Communications estimates that on-line teen spending approximated \$1.3 billion in 2002.

A study conducted by Ohio State University in 2000, found that teens averaged about \$50 per week from parental handouts. Though many teens indicated that they received no allowance or a minimal allowance, parental allocations (often for specific items such as clothes or a movie) added up to significant amounts.

Teen spending is not restricted to purchasing items for themselves. With a greater number of families headed by single parents or with both parents working, teens have more responsibilities for overall family purchases such as groceries.

Teens influence more than their specific segment of the market. Clothing manufacturers, beverage companies, automobile companies, and other producers of consumer goods often gear their advertising and products to a teen market, even though the majority of individuals purchasing the product may be older than teens. With the mystique of youth attractive to all Americans, teen music, language, and fashion find a way of permeating broader segments of society.

Survey Highlights

Detailed results of the 2003 JA Interprise Poll™ focusing on “Personal Finance” can be found in the Survey Results section that follows.

- ✓ Teens overwhelmingly indicated that they influenced household buying decisions with 68.1% providing a “yes” response to this question. There was no significant gender gap in teen perception about influencing their parents’ buying decisions with 68.5% of girls and 67.8% of boys responding affirmatively.
- ✓ Overall, teens were closely divided according to their preference for spending free time shopping at the mall (53.5%) compared to hiking or going on a family outing (46.5%). That gap widens when gender is taken into account, with 47.0% of male teens selecting the shopping alternative compared to 59.5% of their female colleagues.
- ✓ Slightly less than 40% of teens indicated that they receive an allowance (39.7%) compared to 43.7% of students who responded in the affirmative in last year’s Interprise Poll™. When results are segmented by age, it is evident that as teens get older and are able to earn some income on their own, parents are less likely to provide an allowance.
- ✓ Nearly half of all students (49.4%) receiving an allowance indicated that the amount received is less than \$40 per month.
- ✓ Less than 13% of teens indicated that they have their own credit cards, with that distribution reflected evenly among female (12.3%) and male teens (12.9%). Credit card ownership leaps among older age groups. Among teens 18 years of age and older, 34.6% own their own credit card while 17.4% of teens age 17 own cards.
- ✓ Only 15.3% of students indicated that they own stock, compared to 20.7% of teens in last year’s Poll and 25% in the two years prior to that. There are three possible explanations for this drop in teen shareholders. Teens may have sold their shares, been reluctant to make initial share purchases due to market conditions, or stocks they purchased may no longer have value.
- ✓ Less than half the students surveyed (44.0%) believed that Social Security would be around in its current form by the time they were 65, slightly higher than last year’s 42.3% results. There is a direct correlation between age and the expectation that Social Security will no longer be available by the time these teens are 65. Only 9.0% of 13-14 year-olds believed this program would be defunct by the time they were 65 compared to 13.7% of teens age 15-16, 23.6% of 17 year olds, and 25.3% of teens 18 and older.
- ✓ Teens overwhelmingly indicated that taxes are currently too high (71.3%), a figure nearly identical to the 69.3% response to the same question asked in the 2002 Interprise Poll™. Female students (74.0%) were more likely than male teens (67.9%) to perceive that the tax burden was excessive.

SURVEY RESULTS

2003 Personal Finance

Respondent Demographic Characteristics

Who were the 1,183 students responding to the survey? Responses were slightly tilted to female teens by a 52% to 48% margin. The age ranges are representative of students in seventh through twelfth grade, with students 17 and older comprising nearly 42% of responses. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

A. Gender

	Frequency	Percent
Male	554	47.7
Female	608	52.3
Total	1,162	100.0
<i>No response</i>	<i>21</i>	

B. Age

Age Range	Frequency	Percent
13-14	364	31.1
15-16	318	27.1
17	307	26.2
18 or older	183	15.6
Total	1,172	100.0
<i>No response</i>	<i>11</i>	

C. Race or Ethnic Origin

Ethnic Origin	Frequency	Percent
Asian/Pacific Islands	67	5.7
Black/African American	139	11.8
Hispanic/Latino	153	13.0
Mixed Race	37	3.2
Native American	2	0.2
White	732	62.4
Other	43	3.7
Total	1,173	100.0
<i>No response</i>	<i>10</i>	

Teen Influence on Parents' Buying Decisions

Question: Do you influence your parents' buying decisions?

Teens overwhelmingly indicated that they influenced household buying decisions with 68.1% providing a "yes" response to this question, a full 2% higher than in last year's Poll. Interestingly, there was no significant gender gap in teen perception about influencing their parents' buying decisions with 68.5% of girls and 67.8% of boys responding affirmatively.

When the survey results are segmented by age, the perception that teens influence buying decisions increases gradually until the age category of 18 or older, when the percentage drops. This same decline in the 18+ age range occurred in last year's Interprise Poll™.

Among ethnic/racial designations, Hispanic/Latino students were least likely to indicate that they influenced their parents' buying decisions (62.8%) while Black/African American teens denoted the highest influence (72.6%).

Response	Frequency	Percent
Yes	790	68.1
No	370	31.9
Total	1160	100.0
<i>No response</i>	23	

	MALE		FEMALE	
	Frequency	Percent	Frequency	Percent
Yes	368	67.8	408	68.5
No	175	32.2	188	31.5
Total	543	100.0	596	100.0
<i>No response</i>	11		12	

Age Ranges	13-14	15-16	17	18 +
Yes	64.0	69.2	73.1	66.9
No	36.0	30.8	26.9	33.1
Total	100.0	100.0	100.0	100.0
Responses	358	308	305	178
<i>No response</i>	6	10	2	5

Response	Asian/Pacific Islands	Black/African American	Hispanic/Latino	White
Yes	71.2	72.6	62.8	69.5
No	28.8	27.4	37.2	30.5
Total	100.0	100.0	100.0	100.0
Responses	66	135	148	721
<i>No response</i>	1	4	5	11

Preference for Shopping vs. Hiking or Family Outing

Question: *Would you rather go shopping at the mall OR go hiking or on a family outing?*

Overall, teens were closely divided according to their preference for spending free time shopping at the mall (53.5%) compared to hiking or going on a family outing (46.5%). That gap widens when gender is taken into account with 47.0% of male teens selecting the shopping alternative compared to 59.5% of their female colleagues.

In last year's 2002 Interprise Poll™, 58.2% chose to spend their free time shopping, which includes 69.3% of girls and 47.7% of boys. This year's nearly 10% drop in female preference for shopping accounts for the lower preference of this activity among all students since male teens inclination to shop stayed fairly level.

Students aged 17 are most likely to choose shopping at the mall, while teens just a year older are least likely to select shopping. In the Kids and Careers Poll published earlier this year, students were asked whether they preferred a career that would provide them with "more time for family and fun but less money," or "more money, but less time for family and fun." Students indicating "more time for family and fun" were most likely to select the leisure time preference of hiking or going on a family outing (51.1%) compared to only 38.4% of teens who selected the career option that provided them with "more money, but less time for family and fun."

Response	Frequency	Percent
Mall	621	53.5
Hiking	540	46.5
Total	1161	100.0
<i>No response</i>	22	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Mall	254	47.0	357	59.5
Hiking	286	53.0	243	40.5
Total	540	100.0	600	100.0
<i>No response</i>	14		8	

Age Ranges	13-14	15-16	17	18 +
Mall	52.9	53.4	55.9	51.1
Hiking	47.1	46.6	44.1	48.9
Total	100.0	100.0	100.0	100.0
Responses	359	309	304	178
<i>No response</i>	5	9	3	5

Segmentation by Career Preference Question

Question: Would you rather have a career that gives you...

More time for family and fun but less money?

More money, but less time for family and fun?

Career Preference	Leisure Time Priority	Frequency	Percent
More time for family and fun but less money			
	Shopping at mall	363	48.9
	Hiking or family outing	379	51.1
More money, less time for family and friends			
	Shopping at mall	247	61.6
	Hiking or family outing	154	38.4
Total		1143	
<i>No response</i>		8	

Teens Receiving Allowance

Question: Do you receive an allowance?

Slightly less than 40% of teens indicated that they receive an allowance (39.7%) compared to 43.7% of students who responded “yes” in last year’s Interprise Poll™. When results are segmented by age, it is evident that as teens get older and are able to earn some income on their own, parents are less likely to provide an allowance. The 2002 Poll reinforced this finding, and found that teens who had a job during the school year were less likely to receive an allowance.

In a gender comparison, girls (43.0%) were more likely to receive an allowance than boys (36.1%). Perhaps this difference reflects compensation for babysitting and other household chores.

Nearly half of all students (49.4%) receiving an allowance indicated that the amount received is less than \$40 per month while another 32.2% note that they receive between \$40 and \$80 per month. Teens who get \$200 or more per month in allowance generally are 18 years of age or older. The higher allowance might be linked to additional family responsibilities.

Response	Frequency	Percent
Yes	459	39.7
No	698	60.3
Total	1157	100.0
<i>No response</i>	26	

Response	Frequency Male	Percent Male		Frequency Female	Percent Female
Yes	194	36.1		257	43.0
No	344	63.9		341	57.0
Total	538	100.0		598	100.0
<i>No response</i>	16			10	

Age Ranges	13-14	15-16	17	18 +
Yes	52.7	42.6	31.5	22.0
No	47.3	57.4	68.5	78.0
Total	100.0	100.0	100.0	100.0
Responses	357	310	302	177
<i>No response</i>	7	8	5	6

Size of Monthly Allowance

Question: If (you receive an allowance) how much do you receive each month?

Response	Frequency	Percent
Less than \$40	252	49.4
\$40 – \$80	164	32.2
\$80 – \$140	49	9.6
\$140 – \$200	21	4.1
Over \$200	24	4.7
Total	510	100.0
<i>No response</i>	673	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Less than \$40	111	49.8	136	48.7
\$40 – \$80	67	30.0	95	34.1
\$80 – \$140	27	12.1	21	7.5
\$140 – \$200	9	4.0	12	4.3
Over \$200	9	4.0	15	5.4
Total	223	100.0	279	100.0
<i>No response</i>	331		329	

Age Ranges	13-14	15-16	17	18 +
Less than \$40	58.6	49.3	36.0	40.8
\$40 – \$80	32.5	27.5	36.9	32.7
\$80 – \$140	4.4	14.8	11.7	12.2
\$140 – \$200	1.5	4.2	9.0	4.1
Over \$200	3.0	4.2	6.3	10.2
Total	100.0	100.0	100.0	100.0
Responses	203	142	111	49
<i>No response</i>	161	176	196	134

Ownership of Credit Cards

Question: *Do you have your own credit card?*

Less than 13% of teens indicated that they have their own credit cards, with that distribution reflected evenly among female (12.3%) and male teens (12.9%). The percentage of teens owning credit cards is up almost three percent compared to last year's results of slightly under 10%.

A better sense of the penetration of credit card ownership among teens can be gained by segmenting results by the age of respondents. Credit card ownership leaps among older age groups. Among teens 18 years of age and older, 34.6% own their own credit card while 17.4% of teens age 17 own cards.

Response	Frequency	Percent
Yes	146	12.7
No	1004	87.3
Total	1150	100.0
<i>No response</i>	33	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	69	12.9	73	12.3
No	467	87.1	521	87.7
Total	536	100.0	594	100.0
<i>No response</i>	18		14	

Age Ranges	13-14	15-16	17	18 +
Yes	3.1	6.6	17.4	34.6
No	96.9	93.4	82.6	65.4
Total	100.0	100.0	100.0	100.0
Responses	353	304	304	179
<i>No response</i>	11	14	3	4

Ownership of Stock

Question: Do you own stock?

Only 15.3% of students indicated that they own stock, compared to 20.7% of teens in last year's Poll and 25% in the two years prior to that. There are three possible explanations for this drop in teen shareholders. Teens may have sold their shares, been reluctant to make initial share purchases due to market conditions, or stocks they purchased may no longer have value.

Male teens were more than twice as likely to own stock than females. In last year's Interprise Poll™, twice as many female respondents (17.6%) indicated that they owned stock compared to the latest results where only 8.8% of girls reported owning stocks.

White students were the most likely to own stocks (18.2%) followed closely by Asian students (16.7%). Black (10.0%) and Hispanic (5.4%) students were least likely to own stocks. Ownership of stock increases slightly with age.

Response	Frequency	Percent
Yes	176	15.3
No	975	84.7
Total	1151	100.0
<i>No response</i>	32	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	119	22.1	52	8.8
No	420	77.9	540	91.2
Total	539	100.0	592	100.0
<i>No response</i>	15		16	

Age Ranges	13-14	15-16	17	18 +
Yes	12.2	15.6	15.8	19.8
No	87.8	84.4	84.2	80.2
Total	100.0	100.0	100.0	100.0
Responses	352	308	304	177
<i>No response</i>	12	10	3	6

Segmentation by Racial/Ethnic Group

Response	Asian/Pacific Islands	Black/African American	Hispanic/Latino	White
Yes	16.7	10.0	5.4	18.2
No	83.3	90.0	94.6	81.8
Total	100.0	100.0	100.0	100.0
Responses	66	130	148	718
<i>No response</i>	1	9	5	14

Approximate Value of Stock Owned

Question: If you own stock, what is the approximate value of stock that you own?

More than a third (34.3%) of teens owned stock valued at \$1,000 or less, while only 13.9% had equity holdings that exceeded \$10,000 in value. More than a quarter of teens (27.8%) provided a “don’t know” answer in response to the value of their holdings. Segmented by gender, female students were less likely to know the value of stocks they owned (36.5%) compared to male counterparts (23.5%).

Response	Frequency	Percent
Less than \$250	35	15.2
\$250 – 500	26	11.3
\$500 – 1,000	18	7.8
\$1,000 – 5,000	38	16.5
\$5,000 – 10,000	17	7.4
Over \$10,000	32	13.9
Don't know	64	27.8
Total	230	100.0
<i>No response</i>	953	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Less than \$250	21	14.1	14	18.9
\$250 – 500	20	13.4	5	6.8
\$500 – 1,000	13	8.7	4	5.4
\$1000 – 5,000	27	18.1	11	14.9
\$5,000 – 10,000	11	7.4	5	6.8
Over \$10,000	22	14.8	8	10.8
Don't know	35	23.5	27	36.5
Total	149	100.0	74	100.0
<i>No response</i>	405		534	

Age Ranges	13-14	15-16	17	18 +
Less than \$250	15.0	18.0	17.7	9.1
\$250 – 500	16.7	11.5	8.1	9.1
\$500 – 1,000	10.0	4.9	6.5	11.4
\$1,000 – 5,000	13.3	11.5	24.2	18.2
\$5000 – 10,000	1.7	8.2	9.7	11.4
Over \$10,000	10.0	11.5	11.3	25.0
Don't know	33.3	34.4	22.6	15.9
Total	100.0	100.0	100.0	100.0
Responses	60	61	62	44
<i>No response</i>	304	257	245	139

Perception of Social Security's Future

Question: Do you think Social Security will be around when you are 65?

Response choices:

Yes

Yes, but smaller and not paying as much

No, it will be gone by then

Less than half the students surveyed (44.0%) believed that Social Security would be around in its current form by the time they were 65, slightly higher than last year's 42.4% results. Teens expressing the opinion that the Social Security program would be defunct by the time they were 65 grew nearly 3%, from 14.0% in the 2002 Interprise Poll™ to 16.8% in the latest results.

There is a direct correlation between age and the expectation that Social Security will no longer be available by the time these teens are 65. Only 9.0% of 13-14 year-olds believed this program would be defunct by the time they were 65 compared to 13.7% of teens age 15-16, 23.6% of 17 year olds, and 25.3% of teens 18 and older. Male students were more pessimistic about the viability of the program with 19.6% indicating they thought the program would not be around compared to 14.4% of female teens providing the same response.

Response	Frequency	Percent
Yes	508	44.0
Yes, but...	452	39.2
No	194	16.8
Total	1154	100.0
<i>No response</i>	29	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	224	41.7	273	45.8
Yes, but...	208	38.7	237	39.8
No	105	19.6	86	14.4
Total	537	100.0	596	100.0
<i>No response</i>	17		12	

Age Ranges	13-14	15-16	17	18 +
Yes	50.3	47.4	39.7	34.3
Yes, but...	40.7	38.9	36.7	40.4
No	9.0	13.7	23.6	25.3
Total	100.0	100.0	100.0	100.0
Responses	354	306	305	178
<i>No response</i>	10	12	2	5

Perception of Tax Burden

Question: You may have heard that income taxes were recently cut by the federal government. Do you believe taxes are too high today?

Teens overwhelmingly indicated that taxes are currently too high (71.3%), a figure nearly identical to the 69.3% response to the same question asked in the 2002 Interprise Poll™. Female students (74.0%) were more likely than male teens (67.9%) to perceive that the tax burden was excessive. Interestingly, students aged 17 and older, who probably have more work experience, were less inclined to believe that taxes were excessive than younger teens.

Response	Frequency	Percent
Yes	823	71.3
No	332	28.7
Total	1155	100.0
<i>No response</i>	28	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	363	67.9	443	74.0
No	172	32.1	156	26.0
Total	535	100.0	599	100.0
<i>No response</i>	19		9	

Age Ranges	13-14	15-16	17	18 +
Yes	73.1	76.0	67.4	65.9
No	26.9	24.0	32.6	34.1
Total	100.0	100.0	100.0	100.0
Responses	357	304	304	179
<i>No response</i>	7	14	3	4

Appendix

Four JA locations provided more than 75 responses to the 2003 JA Interprise Poll™. Responses from these areas are segmented below for each of the major questions that were posed.

	Responses	Percent of all students surveyed (1,183)
Canton, Ohio	125	10.6
Dallas, TX	95	8.0
Orlando, FL	87	7.4
Reading, PA	94	7.9
TOTAL	401	33.9

Percent Distribution of Responses for Influencing Parents' Buying Decision (Answering "Yes")

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	68.4	70.2	72.4	58.5
Total Responses	114	94	87	94

Percent Distribution of Responses for Preference to Go Shopping at a Mall OR Go Hiking or on a Family Outing

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Mall	59.0	65.3	51.2	58.1
Hiking	41.0	34.7	48.8	41.9
Total	100.0	100.0	100.0	100.0
Total Responses	117	95	86	93

Percent Distribution of Responses for Whether Teen Receives an Allowance

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	37.9	43.6	52.9	52.7
No	62.1	56.4	47.1	47.3
Total	100.0	100.0	100.0	100.0
Total Responses	116	94	85	94

Percent Distribution of Responses for Amount Teen Receives in Monthly Allowance

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Less than \$40	54.0	42.5	45.3	55.8
\$40 – \$80	28.0	44.7	39.6	25.0
\$80 – \$140	8.0	12.8	3.8	9.6
\$140 – \$200	6.0	---	3.8	1.9
Over \$200	4.0	---	7.5	7.7
Total	100.0	100.0	100.0	100.0
Total Responses	50	47	53	52

Percent Distribution of Responses for Ownership of Credit Card

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	9.1	18.9	12.8	3.2
No	90.9	81.1	87.2	96.8
Total	100.0	100.0	100.0	100.0
Total Responses	110	95	86	93

Percent Distribution of Responses for Ownership of Stock

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	13.9	16.0	9.4	9.6
No	86.1	84.0	90.6	90.4
Total	100.0	100.0	100.0	100.0
Total Responses	115	94	85	94

Percent Distribution of Responses for Future of Social Security

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	64.1	44.1	47.7	41.9
Yes, but...*	31.6	47.3	33.7	40.9
No	4.3	8.6	18.6	17.2
Total	100.0	100.0	100.0	100.0
Total Responses	117	93	86	93

**Yes, but smaller and not paying as much*

Percent Distribution of Responses for Perception that Taxes Are Too High

Response	Canton, Ohio	Dallas, TX	Orlando, FL	Reading, PA
Yes	76.9	64.8	63.2	78.5
No	23.1	35.2	36.8	21.5
Total	100.0	100.0	100.0	100.0
Total Responses	117	91	87	93