2011 TEENS & MONEY SURVEY FINDINGS
INSIGHTS INTO MONEY ATTITUDES, BEHAVIORS AND EXPECTATIONS OF 16- TO 18-YEAR-OLDS
### THE IMPACT OF THE RECESSION

#### THE VAST MAJORITY OF AMERICAN TEENS SAY THEY WERE AFFECTED BY THE RECESSION

- **93%** say their family was impacted by the recession.
  - **55%** "a little" impact
  - **38%** "a lot" impact
  - **7%** "not at all" impact

- **They say their parents have talked to them about their family's financial situation in the past year**
  - **75%** "yes"
  - **25%** "no"

#### TEENS REPORT THEY HAVE LEARNED CORE LESSONS AS A RESULT OF THE RECESSION

- **73%** say it's important to have enough emergency savings in case times get tough.
- **59%** say it's easy to get carried away and spend too much when times are good.
- **51%** say it's important to understand the consequences of borrowing money.
- **49%** say it's important to understand all costs and conditions before buying a house.
- **4%** say you might as well spend as much as you can today because you never know what tomorrow will bring.

#### TEENS REPORT A SIGNIFICANT SHIFT IN MINDSET

- **64%** say they are more grateful now for what they have.
- **58%** say they are less likely to ask for things they want.
- **56%** say they have a greater appreciation for how hard their parents work.
- **39%** say they appreciate their family more.
- **34%** say they say their family now talks more about money management.

### HELPING OTHERS LEARN HOW TO USE MONEY WISELY IS HOW TEENS THINK THEY CAN BEST HELP THE ECONOMY

- **46%** say close to half of them feel that sharing their knowledge and helping others learn how to use money wisely is how they can help the U.S. economy most.
- **18%** say however, just 18% say they've actually learned about money management from their friends.

#### TEENS ARE MORE LIKELY TO BE MONEY LEADERS THAN FOLLOWERS AMONG THEIR PEERS.
MONEY BELIEFS AND EXPECTATIONS

TEEN EXPECTATIONS VS. REALITIES

$150,000

$73,000
AVERAGE EXPECTED STARTING SALARY

$70,000
AVERAGE EXPECTED SALARY ONCE ESTABLISHED IN A CAREER

$50,000
AVERAGE OF WHAT TEENS BELIEVE IS THEIR FAMILIES’ HOUSEHOLD INCOME

MEDIAN HOUSEHOLD INCOME IN 2009 AS REPORTED BY THE U.S. CENSUS BUREAU*

TEENS SAY THEIR GENERATION’S MONEY ISSUES ARE DIFFERENT FROM THOSE OF THEIR PARENTS OR GRANDPARENTS

79%
COLLEGE IS MUCH MORE EXPENSIVE NOW.

68%
THERE IS MORE PRESSURE TO HAVE MORE THINGS, LIKE COMPUTERS, CELL PHONES AND CLOTHES.

57%
IT IS HARDER FOR ME TO GET A JOB.

53%
PEOPLE ARE MORE OBSESSED WITH MONEY THESE DAYS.

51%
THERE ARE MORE FINANCIAL CHOICES AND DECISIONS TO MAKE.

WHAT WILL MOST DRIVE TEENS’ CHOICE OF CAREER

15% “HOW MUCH I CAN EARN”

11% “HOW MUCH GOOD I CAN DO FOR PEOPLE”

3% “HOW EASY IT IS TO GET A JOB IN A GIVEN PROFESSION”

65% “HOW PASSIONATE I AM ABOUT THE WORK ITSELF”

46% “THERE’S GREATER WILLINGNESS TO SPEND MONEY BY MY GENERATION.”

18% “MY GENERATION HAS A GREATER ABILITY TO MAKE MONEY.”

YET 59% BELIEVE THEY WILL DO BETTER FINANCIALLY THAN THEIR PARENTS

*www.census.gov

2011 TEENS & MONEY SURVEY. © CHARLES SCHWAB & CO., INC., ALL RIGHTS RESERVED. MEMBER SIPC. (0511-XXXX)
WHAT TEENS KNOW ABOUT MONEY

MOST TEENS BELIEVE THAT THEY ARE FINANCIALLY SAVVY

77%

TEENS WHO SAY THEY ARE KNOWLEDGEABLE ABOUT MONEY MANAGEMENT, INCLUDING BUDGETING, SAVING AND INVESTING.

YET MANY AREN’T SAVVY ABOUT IMPORTANT SPECIFICS:

38%

HOW TO ESTABLISH GOOD CREDIT

35%

HOW TO BALANCE A CHECKBOOK OR CHECK THE ACCURACY OF A BANK STATEMENT

35%

HOW TO MANAGE A CREDIT CARD

31%

HOW CREDIT CARD INTEREST AND FEES WORK

31%

WHAT A CREDIT SCORE IS

25%

WHETHER A CHECK CASHING SERVICE/STORE IS GOOD TO USE

22%

HOW INCOME TAXES WORK

17%

WHAT A 401(K) PLAN IS

MATTERS THEY CLAIM TO BE MORE KNOWLEDGEABLE ABOUT

66%

HOW TO SHOP FOR THE BEST DEAL WHEN MAKING A PURCHASE

60%

HOW TO WRITE A CHECK

60%

THE DIFFERENCE BETWEEN DEBIT AND CREDIT CARDS

57%

HOW TO BUDGET

50%

HOW TO PROTECT INFORMATION ONLINE

MOST TEENS ARE INTERESTED IN LEARNING MORE ABOUT MONEY

86%

SAY THEY WOULD RATHER LEARN ABOUT MONEY MANAGEMENT IN A CLASS BEFORE MAKING MISTAKES IN THE REAL WORLD.

75%

SAY THAT LEARNING MORE ABOUT MONEY MANAGEMENT, INCLUDING BUDGETING, SAVING AND INVESTING, IS ONE OF THEIR TOP PRIORITIES.

2011 TEENS & MONEY SURVEY, © CHARLES SCHWAB & CO., INC., ALL RIGHTS RESERVED, MEMBER SIPC. (0511-XXXX)
SAVING, SPENDING AND BORROWING

TEENS CONSIDER THEMSELVES "SUPER SAVERS" AS OPPOSED TO "BIG SPENDERS"

77% SUPER SAVERS
23% BIG SPENDERS

ON AVERAGE, TEENS REPORT THEY HAVE SAVED $966.

TOP REASONS WHY TEENS SAVE

- COLLEGE: 76%
- FOR AN EMERGENCY: 46%
- BIGGER PURCHASES (iPod®, COMPUTER): 43%
- FOR A CAR: 41%

WHAT WOULD THEY DO WITH A FINANCIAL WINDFALL? IT DEPENDS ON HOW MUCH IT IS.

- WITH A $500 WINDFALL, ONLY 43% WOULD SAVE IT FOR COLLEGE
- WITH A $5,000 WINDFALL, 84% WOULD SAVE IT FOR COLLEGE

WHERE TEENS GET THEIR MONEY

- HAVE SOME FORM OF JOB: 67%
  DURING THE PAST YEAR, TEENS EARNED $1,631 FROM WORKING.
- RECEIVE MONETARY GIFTS: 59%
  DURING THE PAST YEAR TEENS RECEIVED $293 FROM GIFTS.
- RECEIVE A WEEKLY ALLOWANCE: 34%
  ON AVERAGE JUST OVER $16 PER WEEK.
  TEENS SPEND THEIR ALLOWANCE ON DISCRETIONARY ITEMS AS WELL AS NECESSITIES (LIKE FOOD AND TRANSPORTATION).
- ARE BORROWING: 28%
  ON AVERAGE THEY OWE $252.
  THEY MOST FREQUENTLY OWE MONEY TO THEIR PARENTS/GUARDIANS, THEIR SCHOOL OR THEIR FRIENDS.

TEENS AS CONSUMERS

TEENS WHO OWN:

- A CELL PHONE: 84%
- AN iPOD® OR MP3 PLAYER: 76%
- A COMPUTER OR LAPTOP: 66%
- A TV: 46%
- A CAR: 27%

TEENS WHO HAVE:

- A SAVINGS ACCOUNT: 52%
- AN ATM/DEBIT CARD: 42%
- A CHECKING ACCOUNT: 33%

TEENS TYPICALLY SPEND AN AVERAGE OF $18.50 PER WEEK

2011 TEENS & MONEY SURVEY, © CHARLES SCHWAB & CO., INC., ALL RIGHTS RESERVED. MEMBER SIPC. (0511-XXXX)
THE OPPORTUNITY FOR PARENTS

HOW TEENS LEARN TO MANAGE MONEY

82% PARENTS
65% REAL-LIFE EXPERIENCE
49% SCHOOL

77%
SAY THEIR PARENTS HAVE BEEN GREAT ROLE MODELS
WHEN IT COMES TO MONEY MANAGEMENT AND HAVE TAUGHT THEM A LOT

TOPICS TEENS WOULD LIKE TO LEARN MORE ABOUT

62% THE KINDS OF INSURANCE I’LL NEED WHEN I’M ON MY OWN
61% HOW TO INVEST MONEY TO MAKE IT GROW

53% HOW INCOME TAXES WORK
51% STRATEGIES FOR SAVING MONEY

TOPICS PARENTS TALK TO THEIR TEENS ABOUT A LOT

THE COST OF COLLEGE 65%
CLEANING MY ROOM 59%
DRUGS AND ALCOHOL 47%
SMART MONEY MANAGEMENT 46%
DATING/SEX 44%
MY APPEARANCE 37%
THE ECONOMIC RECESSION 32%
PROTECTING MY PERSONAL INFORMATION ONLINE 31%
POLITICS 29%

TOPICS TEENS WOULD LIKE THEIR PARENTS TO TALK ABOUT MORE

44% HOW TO INVEST MONEY
42% HOW TO ESTABLISH GOOD CREDIT
34% THEIR CAREER ASPIRATIONS
33% HOW TO BUDGET MONEY

2011 TEENS & MONEY SURVEY, © CHARLES SCHWAB & CO., INC., ALL RIGHTS RESERVED. MEMBER SIPC. (0511-XXXX)
TEENS CONTINUE TO EXPECT THAT BOYS WILL HAVE GREATER EARNING POTENTIAL

$162,300
$126,500
$79,700
$66,200

THE AVERAGE STARTING SALARY BOYS EXPECT TO EARN IS SIGNIFICANTLY HIGHER THAN WHAT IS EXPECTED BY GIRLS.

THE AVERAGE SALARY BOYS EXPECT TO EARN ONCE ESTABLISHED IN THEIR CAREER IS EVEN FARTHER AWAY FROM GIRLS’ EXPECTATIONS.

EARNING, SAVING AND SPENDING VARIES BY GENDER

BOYS REPORT HAVING EARNED MORE MONEY THAN GIRLS IN 2010

MORE GIRLS REPORT SAVING THEIR MONEY FOR SMALL PURCHASES LIKE MUSIC OR CLOTHES
MORE BOYS REPORT SAVING THEIR MONEY FOR BIGGER PURCHASES, LIKE AN IPOD® OR COMPUTER

BOYS ARE MORE LIKELY TO HAVE THEIR OWN TV

GENDER DIFFERENCES EXTEND TO TEENS’ PARENTS

24%
23%
16%
13%

BOYS ARE MORE LIKELY THAN GIRLS TO REPORT THAT THEIR PARENTS HAVE SPOKEN TO THEM ABOUT THE PRESSURE TO HAVE MORE THINGS...

...AS WELL AS HOW TO INVEST MONEY TO MAKE IT GROW.

MORE BOYS THAN GIRLS REPORT KNOWING THE FOLLOWING...

54%
47%
37%
26%
28%
21%
13%

HOW TO PROTECT THEIR PERSONAL INFORMATION ONLINE
HOW CREDIT CARD INTEREST AND FEES WORK
WHETHER A CHECK CASHING SERVICE/STORE IS GOOD TO USE
WHAT A 401K PLAN IS

2011 TEENS & MONEY SURVEY, © CHARLES SCHWAB & CO., INC., ALL RIGHTS RESERVED. MEMBER SIPC. (0511-XXXX)
WHAT CHANGED SINCE THE 2007 TEENS & MONEY SURVEY

KNOWLEDGE OF MONEY MANAGEMENT SEEMS TO HAVE DECLINED

<table>
<thead>
<tr>
<th>2007</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>60%</td>
</tr>
<tr>
<td>51%</td>
<td>35%</td>
</tr>
<tr>
<td>31%</td>
<td>25%</td>
</tr>
</tbody>
</table>

- KNOW HOW TO WRITE A CHECK
- KNOW HOW TO BALANCE A CHECKBOOK OR CHECK THE ACCURACY OF A BANK STATEMENT
- KNOW WHETHER A CHECK CASHING SERVICE/STORE IS GOOD TO USE

THE DECLINE IN KNOWLEDGE IS ESPECIALLY PRONOUNCED AMONG 18-YEAR-OLDS

- HOW TO WRITE A CHECK: 74% vs. 65%
- HOW TO SHOP FOR THE BEST DEAL WHEN MAKING A PURCHASE: 72% vs. 61%
- HOW TO MANAGE A CREDIT CARD: 64% vs. 39%
- HOW TO BALANCE A CHECKBOOK OR CHECK THE ACCURACY OF A BANK STATEMENT: 60% vs. 43%
- HOW CREDIT CARD INTEREST AND FEES WORK: 39% vs. 29%
- WHETHER A CHECK CASHING SERVICE IS GOOD TO USE

BUT THE DESIRE TO LEARN ABOUT MONEY MANAGEMENT HAS INCREASED:

MORE 17-YEAR-OLDS SAY THAT LEARNING MORE ABOUT MONEY MANAGEMENT IS ONE OF THEIR TOP PRIORITIES.

<table>
<thead>
<tr>
<th>2007</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>53%</td>
<td>80%</td>
</tr>
</tbody>
</table>

- TEENS ARE SPENDING LESS: 41% vs. 55%
- FEWER TEENS HAVE CARS: 43% vs. 27%
- FEWER TEENS HAVE BANK ACCOUNTS
  - SAVINGS ACCOUNTS: 65% vs. 52%
  - CHECKING ACCOUNTS: 50% vs. 33%

ABOUT THE 2011 TEENS & MONEY SURVEY

The Charles Schwab 2011 Teens & Money survey was conducted by Koski Research, an independent research firm, on behalf of Charles Schwab. The nationally-representative online survey polled 1,132 American teens between the ages of 16-18 from February 21 through March 14, 2011, to better understand their views, behavior and knowledge of spending, saving, borrowing, and earning money. The survey, which has a margin of error of plus or minus 2.97% at the 95 percent confidence level, was conducted using the Harris Interactive Panel.

Apple, the Apple logo and iPod are trademarks of Apple Inc., registered in the U.S. and other countries.