As part of a long-standing commitment to financial education, Charles Schwab periodically conducts research to better understand people’s attitudes and behaviors about money. The current study among U.S. Young Adults was designed to:

- Understand the financial behaviors and attitudes of Young Adults, and understand what differences exist between the experiences of young men and women.
- Provide insights to help Young Adults make smart financial decisions.
- Gauge the financial literacy of Young Adults and identify opportunities for Schwab to enhance financial education for this group.
Approach

Who? 2,000 U.S. Young Adults ages 16-25
1,000 between 16 and 20 and 1,000 between ages 21-25
balanced on age, geography and ethnicity

How? 12 minute online survey fielded between June 12 and June 20, 2018
by independent research firm Logica Research (formerly Koski Research)
Young women demonstrate financial acumen and are driven to be independent. However, data shows they are falling behind their male counterparts, suggesting the financial gender gap starts young.

**Young Women**
- 51% Personal definition of success: living independently without help from family
- Say having a financial plan is very important for reaching financial goals: 76%
- Say parents are the most trusted source of financial information: 40%
- Average Savings: $1,267

**Young Men**
- 40% Personal definition of success: living independently without help from family
- Say having a financial plan is very important for reaching financial goals: 64%
- Say parents are the most trusted source of financial information: 38%
- Average Savings: $2,000

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Young women are more likely to define success as financial independence, compared to young men.
Independence is especially important to young women

**Young Women**
- Becoming completely financially independent is a goal: 78%
- Living independently without financial help from their family comes closest to their personal definition of success: 51%
- They expect to be financially supported by their parents indefinitely: 9%

**Young Men**
- Becoming completely financially independent is a goal: 71%
- Living independently without financial help from their family comes closest to their personal definition of success: 40%
- They expect to be financially supported by their parents indefinitely: 16%

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Young women are taking the first steps by working hard & planning

- 28% of young women took an extra or side job to make ends meet vs. 23% of young men
- 50% of young women chose to work more in order to make extra money vs. 46% of young men
- 76% of young women say putting together a financial plan is very important to reaching financial goals vs. 64% of young men
...and making smart financial decisions

Chose to hold off on buying something they wanted to save money
- Young Women: 73%
- Young Men: 56%

Chose to skip vacation/travel to save money
- Young Women: 36%
- Young Men: 27%
Despite their good intentions, young women face more financial barriers than young men.
Young men and women are equally likely to work, but women are more likely to have part-time or informal jobs vs. a full-time job

- 68% Are employed
- 32% Have a part-time job
- 23% Have a full-time job
- 21% Have income from babysitting, dog walking, etc.

- 66% Are employed
- 27% Have a part-time job
- 29% Have a full-time job
- 17% Have income from babysitting, dog walking, etc.
Young women have saved less than young men of the same age.

Young men have saved on average, more than young women have saved.

- Young men saved $2,000 on average.
- Young women saved $1,267 on average.
Young women are more likely to show signs of financial struggle in their daily lives

- 50% of young women have asked their parents for money to pay for necessities vs. 35% of young men
- 36% of young women skipped a meal because they didn’t have enough money vs. 29% of young men
- 22% of young women missed a bill payment vs. 17% of young men
Investing isn’t as top of mind for young women; however, most young people aren’t investing at all.

Say investing is very important to reaching their goals

- **Young Women**: 6% have an investment account, 48% say investing is very important.
- **Young Men**: 11% have an investment account, 54% say investing is very important.

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What parents can do
Parents are the most trusted source of financial information for young adults

40% Of young women say their parents/family are their most trusted source for financial information (vs. 38% of young men)
Young women are less likely to understand their family’s financial situation

Young men are more likely than young women to say they understand their family’s financial situation extremely well.
Young women are learning about finances through observation or casual conversations

89% of young adults have learned something about finances from their parents

Say they learned about finances through watching their parents

- Young Women: 44%
- Young Men: 36%

Say their parents occasionally talked to them about money but it was pretty casual

- Young Women: 35%
- Young Men: 31%
Young adults, especially women, show a high level of interest in diverse financial topics

Interest in Financial Topics

- Learning how to make enough money to reach my financial goals: 76%
- How to keep my financial information secure: 71%
- How to save enough so I will be set in retirement: 69%
- How to figure out how much money I need for necessities: 68%
- How to build credit: 67%
- How to set up a 3 month emergency fund: 67%

- Learning how to make enough money to reach my financial goals: 67%
- How to keep my financial information secure: 66%
- How to save enough so I will be set in retirement: 62%
- How to figure out how much money I need for necessities: 62%
- How to build credit: 61%
- How to set up a 3 month emergency fund: 56%
Parents can help their children and help close the gap. Here’s advice to get the conversation started.

1. Parents should be having the same conversations with young women and men about money. They should be learning equally about budgeting, saving and investing.

2. Always live below your means. While young men are spending more and saving more, young women are spending prudently yet saving less.

3. Ensure they open a Roth IRA or 401k, and not only save 10-15% of their monthly salary but also invest it when possible.
Thank you