charles SCHWAB

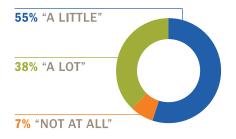
2011 TEENS & MONEY SURVEY FINDINGS

INSIGHTS INTO MONEY ATTITUDES, BEHAVIORS AND EXPECTATIONS OF 16- TO 18-YEAR-OLDS

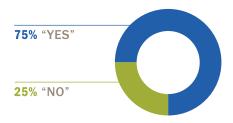
THE IMPACT OF THE RECESSION

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

93% SAY THEIR FAMILY WAS IMPACTED BY THE RECESSION



THEY SAY THEIR PARENTS HAVE TALKED TO THEM ABOUT THEIR FAMILY'S FINANCIAL SITUATION IN THE PAST YEAR



80% OF TEENS BELIEVE THE RECESSION IS NOT OVER

45% BELIEVE IT WILL CONTINUE BEYOND THIS YEAR

TEENS REPORT A SIGNIFICANT SHIFT IN MINDSET

64%

THEY ARE MORE GRATEFUL NOW FOR WHAT THEY HAVE.

58%

THEY ARE LESS LIKELY TO ASK FOR THINGS THEY WANT,

56%

THEY HAVE A GREATER APPRECIATION FOR HOW HARD THEIR PARENTS WORK

39%

THEY APPRECIATE THEIR FAMILY MORE

34%

THEY SAY THEIR FAMILY NOW TALKS MORE ABOUT MONEY MANAGEMENT

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

73%

IT'S IMPORTANT TO HAVE ENOUGH EMERGENCY SAVINGS IN CASE TIMES GET TOUGH.

59%

IT'S EASY TO GET CARRIED AWAY AND SPEND TOO MUCH WHEN TIMES ARE GOOD.

51%

IT'S IMPORTANT TO UNDERSTAND THE CONSEQUENCES OF BORROWING MONEY.

49%

IT'S IMPORTANT TO UNDERSTAND ALL COSTS AND CONDITIONS BEFORE BUYING A HOUSE.

4%

YOU MIGHT AS WELL SPEND AS MUCH AS YOU CAN TODAY BECAUSE YOU NEVER KNOW WHAT TOMORROW WILL BRING.

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

46%

CLOSE TO HALF (46%) 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%

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

\$73,000

AVERAGE

EXPECTED

STARTING

SALARY

\$150,000



AVERAGE
EXPECTED
SALARY ONCE
ESTABLISHED
IN A CAREER

\$70,000



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



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.

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



WHAT WILL MOST DRIVE TEENS' CHOICE OF CAREER

6% UNSURE

15% "HOW MUCH
I CAN EARN"

65% "HOW PASSIONATE
I AM ABOUT THE
WORK ITSELF"
PEOPLE"

PROFESSION"

3% "HOW EASY IT IS TO GET A JOB IN

A GIVEN

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.

SAVING, SPENDING AND BORROWING





23%
BIG SPENDERS

ON AVERAGE, TEENS REPORT THEY HAVE SAVED \$966.

TOP REASONS WHY TEENS SAVE

76%

COLLEGE

46%

FOR AN EMERGENCY

43%

BIGGER PURCHASES (iPOD®, COMPUTER)

41%

FOR A CAR

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

13%

WITH A \$500 WINDFALL, ONLY 43% WOULD SAVE IT FOR COLLEGE

84%

WITH A \$5,000 WINDFALL, 84% WOULD SAVE IT FOR COLLEGE

WHERE TEENS GET THEIR MONEY

67%

HAVE SOME FORM OF JOB.

DURING THE PAST YEAR, TEENS EARNED \$1,631 FROM WORKING.

59%

RECEIVE MONETARY GIFTS.

DURING THE PAST YEAR TEENS RECEIVED \$293 FROM GIFTS.

34%

RECEIVE A WEEKLY ALLOWANCE, ON AVERAGE JUST OVER \$16 PER WEEK.
TEENS SPEND THEIR ALLOWANCE ON DISCRETIONARY ITEMS AS WELL AS
NECESSITIES (LIKE FOOD AND TRANSPORTATION).

28%

ARE BORROWING, TOO: 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:

84%

52%

A CELL PHONE

A SAVINGS ACCOUNT

TEENS WHO HAVE:

76%

42%

AN iPOD® OR MP3 PLAYER

AN ATM/DEBIT CARD

66%

A COMPUTER OR LAPTOP

33%

A CHECKING ACCOUNT

46%

A TV

27%

A CAR

TEENS TYPICALLY
SPEND AN AVERAGE OF
\$18.50 PER WEEK

THE OPPORTUNITY FOR PARENTS

HOW TEENS LEARN TO MANAGE MONEY







82% PARENTS

65%
REAL-LIFE EXPERIENCE

49% SCH00L

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



65%

THE COST OF COLLEGE

59%

CLEANING MY ROOM

47%

DRUGS AND ALCOHOL

46%

SMART MONEY MANAGEMENT

44%

DATING/SEX

37%

MY APPEARANCE

32%

THE ECONOMIC RECESSION

31%

PROTECTING MY PERSONAL INFORMATION ONLINE

29%

POLITICS

TOPICS TEENS WOULD LIKE THEIR PARENTS TO TALK ABOUT MORE

44%

42%

34%

33%

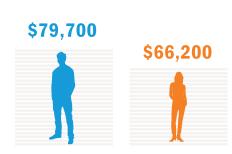
HOW TO INVEST MONEY

HOW TO ESTABLISH GOOD CREDIT THEIR CAREER ASPIRATIONS

HOW TO BUDGET MONEY

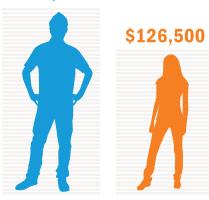
GIRLS VS. BOYS

TEENS CONTINUE TO EXPECT THAT BOYS WILL HAVE GREATER EARNING POTENTIAL



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

\$162,300



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

\$1,880

\$1,372

BOYS REPORT HAVING EARNED MORE MONEY THAN GIRLS IN 2010

27%

36%

MORE GIRLS REPORT SAVING THEIR MONEY FOR SMALL PURCHASES LIKE MUSIC OR CLOTHES

48%

37%

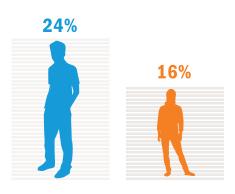
MORE BOYS REPORT SAVING THEIR MONEY FOR BIGGER PURCHASES, LIKE AN IPOD® OR COMPUTER

51%

40%

BOYS ARE MORE LIKELY TO HAVE THEIR OWN TV

GENDER DIFFERENCES EXTEND TO TEENS' PARENTS



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%

HOW TO PROTECT THEIR PERSONAL INFORMATION ONLINE

37%

26%

HOW CREDIT CARD INTEREST AND FEES WORK

28%

21%

WHETHER A CHECK CASHING SERVICE/STORE IS GOOD TO USE

21%

13%

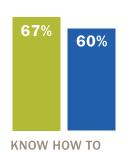
WHAT A 401K PLAN IS

WHAT CHANGED SINCE THE 2007 TEENS & MONEY SURVEY

2007

2011

KNOWLEDGE OF MONEY MANAGEMENT SEEMS TO HAVE DECLINED



WRITE A CHECK

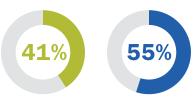


BUT THE DESIRE TO LEARN ABOUT MONEY MANAGEMENT **HAS INCREASED:**

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



TEENS ARE SPENDING LESS





FEWER TEENS HAVE CARS



TEENS WHO OWN A CAR

FEWER TEENS HAVE BANK ACCOUNTS





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



HOW TO WRITE A CHECK



HOW TO SHOP FOR THE BEST DEAL WHEN MAKING A PURCHASE



60% 43%

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



HOW CREDIT CARD INTEREST AND FEES WORK

39% 29%

WHETHER A CHECK CASHING SERVICE IS GOOD TO USE

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.

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