Thought **Leadership**

Teens & Financial Wellness

Presented by: Citizens Junior Achievement

Introduction

According to the American Psychological Association (APA), prolonged stress can adversely affect physical and emotional well-being. Other research by the APA shows that concern about money is the leading cause of stress for many Americans. With high costs for housing, medical care, food, education, and more continuing to weigh over many U.S. households, Junior Achievement USA and Citizens surveyed 1,000 teens between the ages of 13 and 18 through Wakefield Research to determine what the impact is on young people's financial wellness. This thought leadership piece summarizes those findings and possible solutions to the challenges identified.

Teens and Family Money Stress

According to the research, 65 percent of teens believe their future happiness will be based on how much money they will eventually make as adults. In all, 78 percent are stressed out about money, fueled by the financial challenges faced by their parents or caregivers. In fact, 74 percent of teens see their family's money situation as a barrier to accomplishing their own future goals.

Half of teens (50%) say their parents or caregivers are feeling stress over their ability to pay bills. More than a third (37%) report their parents or caregivers are working more hours to pay bills, with around one in five saying their parents or caregivers are borrowing money from family members or friends (22%), fighting over finances (22%), or crying or being upset over finances (21%).

This has translated into money-related stress for teens. Nearly a third of teens (30%) are stressed about not being able to afford education after high school, with nearly as many being stressed at not being able to pay basic bills (29%), and almost a quarter (24%) expressing worry about losing their home. Teens were asked how they feel about the role money plays in their lives, with the top answer being "concerned" (32%), followed by "hopeful" (25%), "scared" (24%), "happy" (19%), "interested" (18%), and "sad" (18%).

Despite parents' or caregivers' struggles with money, they are the top source of information on how to manage money for nearly two-thirds of teens (61%), followed by the internet or social media (28%), school or teachers (27%), and friends (23%).

A Positive Outlook Despite Concerns

Despite feeling stressed, teens are motivated and interested in taking control of their finances. Specifically, 80 percent of teens agreed that if they knew more about how to manage their money, they would have more positive feelings about the role money plays in their lives, and 73 percent of teens expressed interest in taking money management classes.

However, there is a gap between the level of interest and the 42 percent of teens who report that they have had access to financial literacy classes in school. While there have been major strides to expand financial education in schools, with a surge in the number of states requiring financial literacy education, it is shown that further investment is needed to ensure that we are preparing all teens for success.

Our Response

Financial literacy is one of the key pillars of Junior Achievement's learning experiences. In the most recent academic year, Citizens supported the delivery of JA learning experiences in 23 communities across the United States, reaching more than 5,400 students in grades K through 12, with plans to reach even more in the years ahead.

What the Research Says

Junior Achievement's approach gives students the tools to increase their chances of achieving economic security as adults. Research results from Ipsos include:

- 82 percent of JA Alumni agree they have a strong financial footing.
- 68 percent of JA Alumni between the ages of 18 and 29 say they are financially independent of their parents. According to the Pew Research Center, 30 percent of Americans in that age range say the same.
- The average age JA Alumni report paying off student loans is 30.

JA Alumni also report purchasing their first home at 29. The National Association of Realtors reports the average age Americans purchase their first home is 36.

Survey Methodology:

The Junior Achievement and Citizens Financial Wellness Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 nationally representative US Teens ages 13-18, between February 27th and March 4th, 2024, using an email invitation and an online survey. Data was weighted to ensure a reliable and accurate representation of U.S. teens ages 13-18.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.