

What VT Teen Girls Say...



About Money Matters

2009 Executive Summary



Girl Scouts of the Green and White Mountains is a leading voice and expert on girl growth and development, and provides activities that promote healthy living and leadership for girls.

And, since 1964, the Vermont Commission on Women has been the only state agency singularly focused on women's issues, and it continues to evolve and respond to the needs of Vermont women and girls.

Both organizations are engaged in bringing the diverse perspectives and voices of girls in Vermont to the public dialogue on important issues impacting their lives.

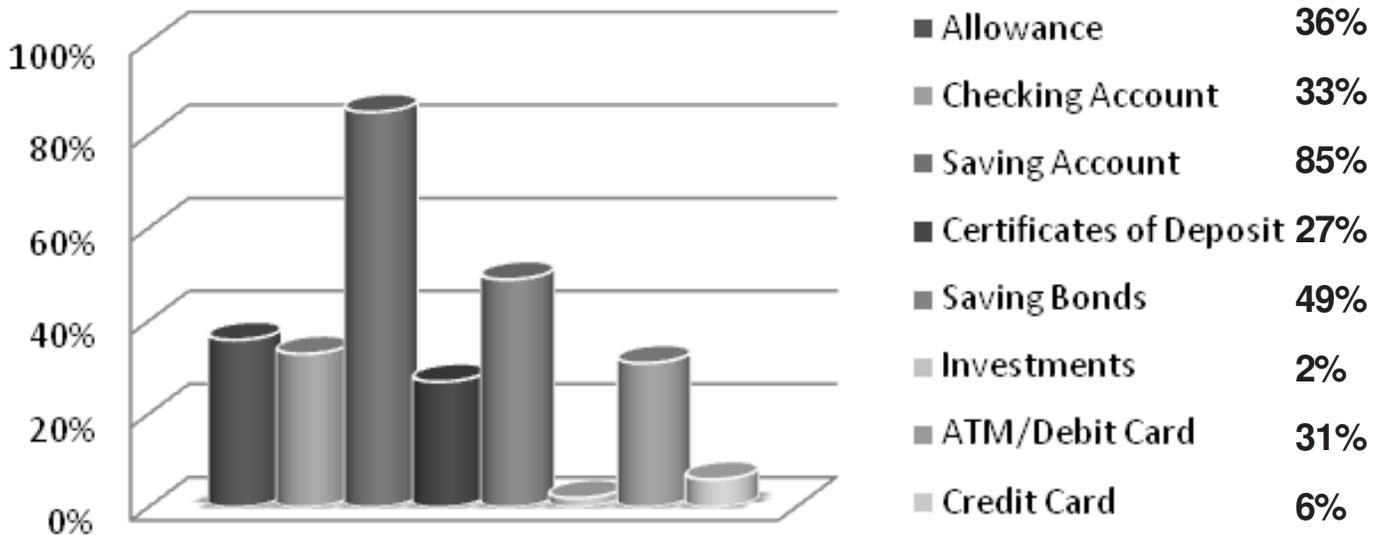
This is our 4th Annual "What Girls Say" report. It is our hope that the concerns, viewpoints, and voices of girls contained in this summary will serve to inform the policies and programs affecting their lives.



The nation's current economic crisis provides a timely backdrop for this year's teen survey, "What Vermont Teen Girls Say about Money Matters."

Money Matters to teens, and once again Vermont's teen girls have some interesting things to tell us about finances, fiscal knowledge, and their hopes and dreams with regard to money. These survey results represent the voices of 100 Vermont Teen Girls from 42 schools and every region of Vermont.

Practical Experience with Financial Institutions



Teens Experience with Financial Institutions

Every teen reported using the financial services of a bank or financial institution. Those relationships vary, with the most common service being a personal savings account (85%). Savings accounts were common at all ages: 70% of 11-14-year-olds have a savings account, while 92% of girls ages 15-18 have one.

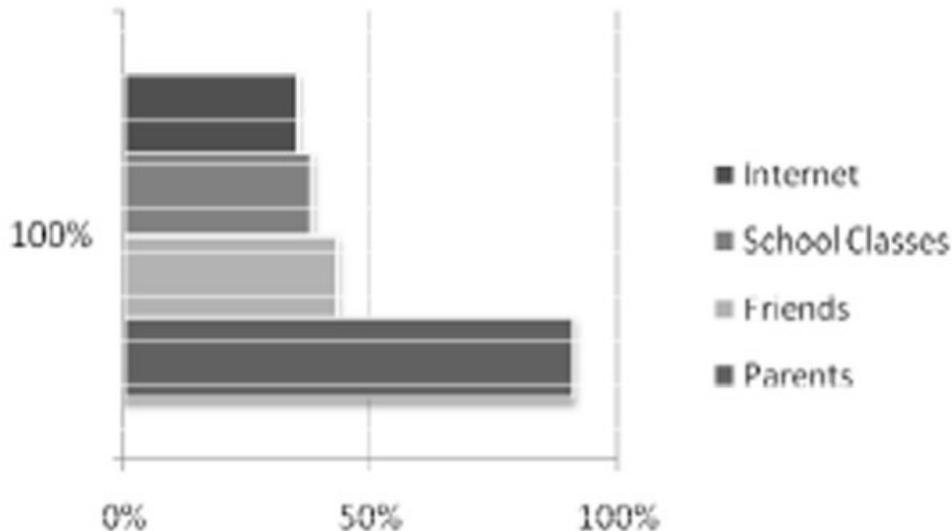
Checking accounts are uncommon for girls under 17. As teen girls get older, they acquire debit /ATM cards: 12% of girls ages 11-14 have debit cards, which grows to 45% of girls ages 15-18.

There is great room for educating girls on financial matters. Although 100% reported using financial services of some kind, only 26% report that they get information on money matters and finances from a financial institution.

While 33% of girls report having a checking account, only 22% of those reported they knew how to *balance* their check book, and only 18% know how to use their bank statement. As expected, their knowledge climbs as girls get older, but there remains a gap between girls who have accounts and those that follow good fiduciary practices when managing those accounts.

So, Where Do Girls Get Information and Education on Financial Management?

Of note, 91% report their primary source of information and education is their parents. Of concern is that 43% of girls surveyed report using information from friends, who may also be inexperienced in managing money, as their next most common source for information.



Teens Girls and Family Finances

The current unstable economic situation does not escape notice by Vermont teen girls. While they are worried about typical things like the cost of the prom or clothes, the survey also reflects worries that are part of their family situation.

In a time when teens are often portrayed as solely focused on boys, friends, and their looks, the survey revealed that 5% of teen girls report money is their *greatest* worry, and 35% report worrying about money weekly, daily, or all the time. While 36% of teen girls have discussions with their parents about current family financial worries, even more girls sense their parents' worries. Of girls surveyed, 70% report their parents are worried about how to fund their future college costs, 50% say their parents are worried about how to pay their mortgage or rent, and 40% identify paying medical bills and credit cards as their parents' financial worries.

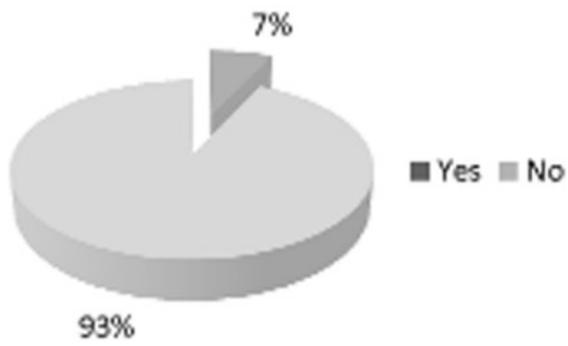
What Teen Girls Say...

Just as Vermont demographics reflect a population along a long continuum of economic means, so do our teen girls – 27% report “My friends have no idea how wealthy my family is” while 37% report “My friends have no idea how poor my family is.” Nearly one quarter of girls surveyed report taking money from someone else without their knowledge, and 7% report having shop lifted to get something they wanted but couldn’t afford.

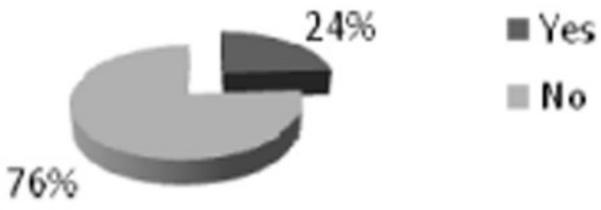
“I’m scared that we will lose our house because we are poor and no one will care. We are living pay check to pay check and I cry sometimes.”

**7th Grader,
Crosset Brook
Middle School**

I have shoplifted to get something I wanted but couldn't afford.



I have taken money from someone else without their knowledge.



Only 17% of girls report they don't pay attention to money or how they spend it because they have more than they need. Conversely, 1 in 25 VT teen girls reported having “skipped meals when her family had no money for groceries”, and 1 in 10 girls reported being “really cold at home because we could not afford to heat our house.”

A senior from Champlain Valley Union High School noted, “there are people out there with absolutely nothing, yet nobody seems to care very much.”

“Education is a worry. More jobs are requiring a college degree, but it is becoming harder to go. College is getting extremely expensive. Vermont is one of the most expensive.”

Sophomore, Canaan High School

Of the teen girls surveyed, 91% plan to go to college or advanced technical training. These goals mirror girls’ primary financial worry. One senior from North Country Union High School explained, “College is the most important thing to a high school senior. It’s incredible how much pressure it puts on a kid to have to think about how she’s going to put herself through college or how her parents will be able to help her. It makes it hard.”

Top Three Financial Worries of Teen Girls Surveyed



■ Paying for college

■ Supporting myself after high school

■ Being a financial burden to my parents

“My mom, who has been a stay-at-home mom, is looking for a job... My dad is losing overtime and he’s cranky all the time... I can feel my family falling apart because of the economy. I worry about how [we’ll] get through this time of anger and worry. I’m concerned that by the time this is over, my family won’t be a family at all. We’ll just be pieces of what was happiness and love before.”

Junior, Essex High School

...About Financial Concerns

The Power of Parents

When asked where they received the most information about money, credit and other financial matters, three out of four girls listed their parents. When asked who is the most financially responsible person in the family, mothers are chosen 47% of the time, while fathers follow closely at 45%. Two out of three girls reported their parents talk to them about or teach the basics of smart money management once a month or more. In contrast, when asked “In the last two years, how often did you have a class or teacher who discussed or taught smart money management?” — two out of three girls reported once a year or less.

“Will I have enough money to support my own children when I am older? Will I have a successful job like my parents?”

Freshman, Mount Mansfield Union High School

Girls and Shopping – More than Meets the Eye

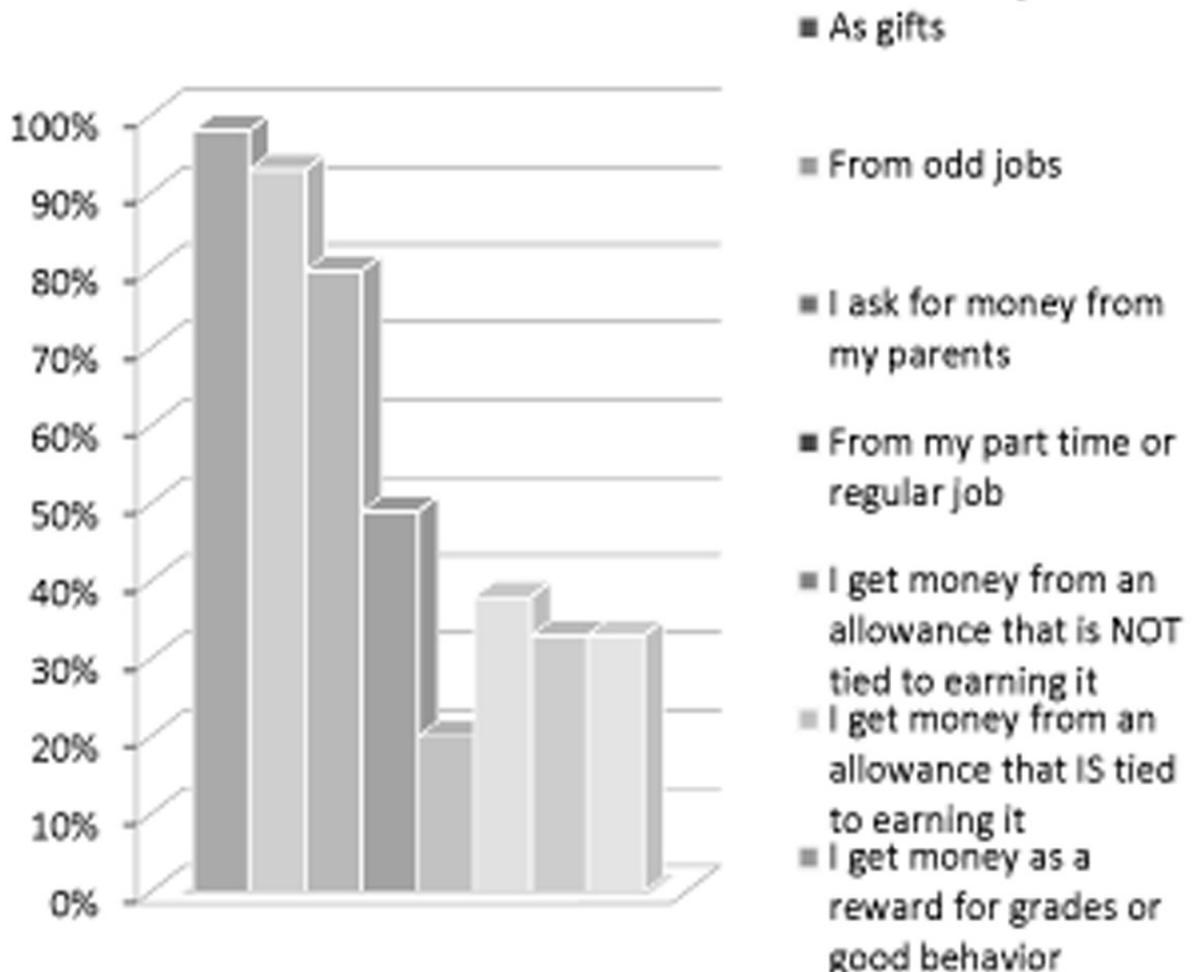
Girls have incredible consumer power, and advertisers spend countless dollars marketing to them, so we looked at their shopping behavior more closely. Parents, particularly mothers, are linked to girls’ shopping habits. Mothers are their daughters’ shopping companions more often than friends or other family members, and girls report that shopping provides them with a way to spend time with their mothers. Of concern, 50% of teen girls admitted that shopping is used as a form of entertainment, and generally their money spent is directly related to the hours they spend shopping each week.

Time Spent Shopping	Less than 1 hour per week	1-3 hours per week	4-6 hours per week	> than 10 hours per week
Amount Spent per Week				
0-\$20	74%	23%	3%	0%
\$21-\$40	43%	50%	4%	4%
\$41-\$60	20%	60%	0%	20%
\$61 and over	50%	0%	50%	0%

How Do Teens Manage Their Money and Where Do They Get It?

Only 36% of teen girls report getting a regular allowance, and fewer girls get an allowance as they get older. However, girls have access to money and the average Vermont teen reports spending \$11-\$20 each week. While they are all along a continuum of having money, 46% of girls report they have a normal amount of spending money for someone their age – like most of their friends. Another 44% say they are more careful with spending compared to others. And, although their personal banking skills may be minimal, most girls appear to have sound money management instincts – 64% say, when there’s something they really want to buy, they save for it and then buy it and 81% say they know how to shop for the best deal when making a purchase (this may be reflective of skills learned while shopping with a parent).

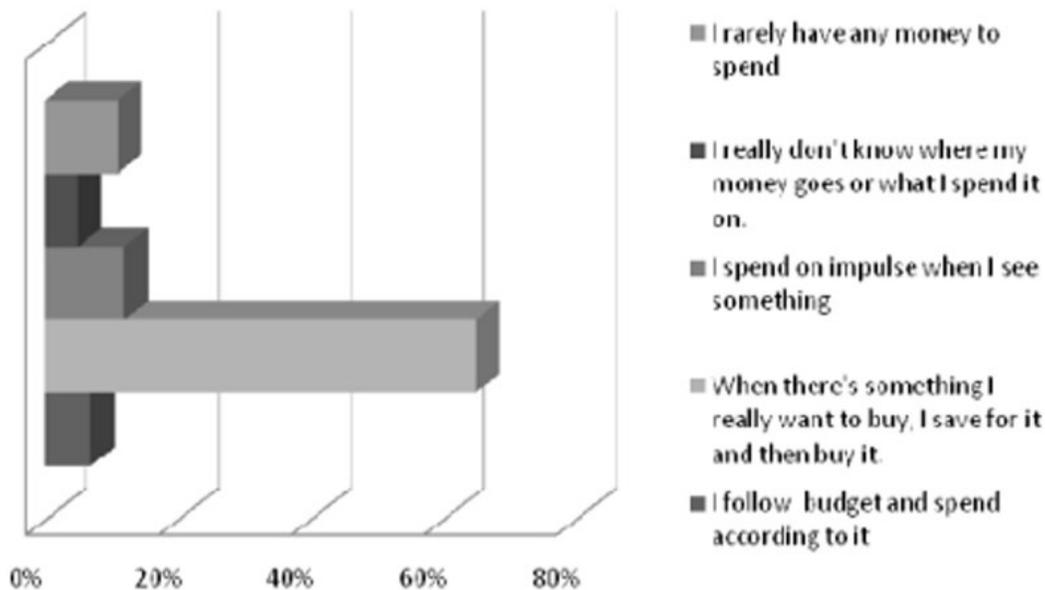
Where Teens Get Their Money



What Do Teen Girls Do with Their Money

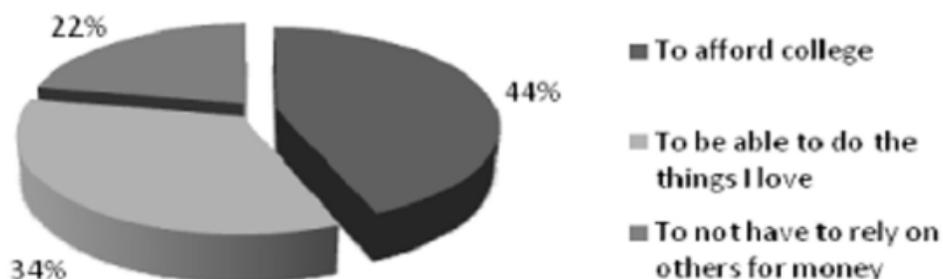
There's a great deal of good news about the way girls manage their money and what they do with it. While their answers varied, 77% of all girls, regardless of age, said that when they have money they save part and spend part. And, of those that save their money, almost 50% reported they save over half of the money they earn or are gifted. Only 11% of girls reported they didn't save any or that they didn't feel they needed to save yet. When teens spend, the top four items they purchase are: clothes, books, music, and food/snacks.

How Teens Girls Manage Money

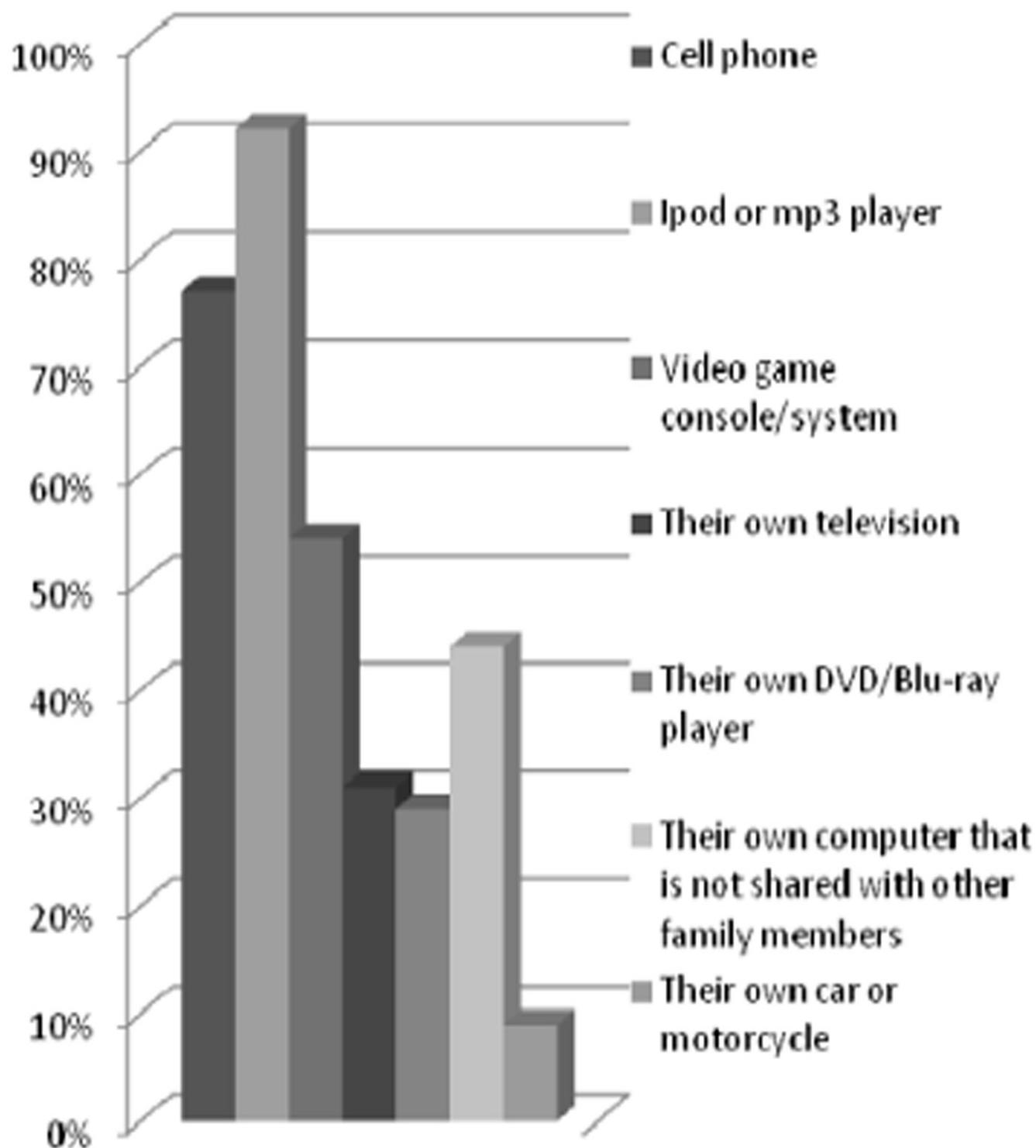


Lots of things motivate teens to manage their money, but the top three reported were to have money for college, to be able to do what they love, and to achieve self-reliance.

What Motivates Girls to Manage their Money?



What Girls Own



What Teen Girls Say About...

“I just think that learning how to afford college and how to manage your money are the most important issues in my life and in other girls’ lives right now.”

Junior, Bellows Free Academy Fairfax



“It is important for me to have my own income, but that’s just not happening right now. My parents don’t pay me an allowance anymore. But, I’m 15 and not old enough for a ‘real’ job in Vermont. So for now, it’s the occasional babysitting job. It’s not enough.”

Sophomore, Champlain Valley Union High School

...Managing Their Money

Teen Girls Hope for the Future

There's good news about the way girls manage their money and what they do with it. While their answers varied, 77% of all girls, regardless of age, said that when they have money they save part and spend part. And, of those that save their money, almost 50% reported they save over half of the money they earn or are gifted. Only 11% of girls reported they didn't save any or that they didn't feel they needed to save yet. In addition, we found teen girls to be extremely optimistic when given positive and negative statements with which to identify:

Statement	Percent of girls who agree
Once I'm on my own, having a job I love will be more important to me than the amount of my salary.	93%
I think I'll be earning plenty of money when I'm out on my own.	85%
I have a lot to learn before I'm ready to be on my own.	93%
I would like and expect my parents to stop supporting me before age 25.	88%
I am very confident about my financial future.	70%
I know I will succeed in life.	90%
I believe I'll be earning "plenty of money" when I'm out on my own.	67%
I believe that financially I will do better than my parents/guardians.	58%

One area where girls were not as optimistic was on the issue of equal pay. According to the Bureau of Labor Statistics 2008, women employed full-time in Vermont earned 81.5% of the salary of employed men resulting in less money for the typical Vermont family to take care of basic needs. This fact is reflected in the responses of our teens surveyed. While the vast majority of girls feel they have equal access to financial education and learn about money management just as easily as boys, 72% expect that their male counterparts will earn more money than they will. And speaking of salaries, when asked what they expected to earn in their first job after high school, the majority of girls anticipate a salary of \$20,000 to \$30,000. Only 4% anticipate earning \$75,000 or more.

Tips for Parents and Mentors

Money Management and Your Teen

- **Have an age-appropriate conversation about the basics of money.** Explain that money is earned by working and that it must be saved for the future as well as spent on necessities and a few fun things if there's money left over. Further, model philanthropy - give some of your money to causes that ignite the most passion for you, and encourage her to do so as well.
- **Prepare her for lean times.** Whether during college or when she has her first job or child, there will be lean times and you want her ready. If you are living paycheck-to-paycheck, it's important that they know that so the family can work through tough times together. Don't hide family money issues. Approach your situation in an open, confident way, so your teen will learn how to rule money rather be ruled by it. Help them understand your family's financial picture and engage them in making good spending decisions with you.
- **Set up an age-appropriate allowance** with your young teen, so that she can experience financial planning firsthand. Ask her to divide her allowance into three categories — saving, spending, and sharing. Impart your own values — different for each family. When she has a job or begins earning her own money, she will have a basic understanding of money management.
- **Know your teen's money personality.** Does she hoard her allowance and expect you to pay for her “goodies?” Be ready to say, “bring your wallet in case you want to buy something.” Expectations must be very clear up front as to what parents buy vs. what teens buy. If she is a borrower be sure to have her set up a pay-back schedule so she will understand how real loans work.
- **Help her become a savvy shopper.** Many girls love to shop and some are following in their parents' footsteps. Shopping can be very expensive entertainment that plants the seeds for “shopaholic” behavior which can spiral into excess and debt. If you shop with your daughter, use this time to teach her good consumer skills. If you are charging an item, let her know what the cost

will truly be reflecting interest added. Help her learn to read labels, to figure out actual costs when shopping, and to realize that sometimes sales aren't really a "savings." Go shopping without buying anything. Make a list of items needed to stock her first kitchen or college dorm room and cost things out. Challenge her to come up with the most economical budget possible.

- **Model healthy financial behavior.** It is your walk, not your talk, that will resonate most deeply with your teen. If she sees you setting financial goals and doing what it takes to meet them, giving to others, and delaying gratification, this will have a profound impact on her financial success. Make certain your teen knows basic banking and money management. Teach her how to balance her checkbook. Base new privileges on acquired skills and make sure she can read and work through her monthly statement before she starts using a debit or credit card. Get your teen to talk about what she wants and how she plans to save for it. Share your savings goals with her as well, and set up a system to cheer each other on. Older teens with jobs will have paychecks, and that also gives parents the opportunity to talk to them about withholding and taxes. Be open and honest about your priorities for meeting family needs before budgeting for family wants. Find ways to get her involved in family finance management at some level. Let her do the grocery planning and shopping one week a month, write out checks for the mortgage or electric bill, or do her tax forms with your guidance. Money management takes a mixture of confidence and responsibility, and her small successes and failures now will help her become financially responsible.
- **Be careful of the excesses you buy.** If you don't take financial management seriously, she won't either. Teens are constantly observing your behavior and emulating it — including your money habits. If you're excessively spending on shoes, makeup, and lattes, then your daughter will learn to do the same with regard to her favorite indulgences. If you can combine smart money talk, good modeling, and the opportunity for your teen to start practicing how to manage her own money while she still has your experience to guide her, you will have prepared her for a wonderful financial future.



Girl Scouts.

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