



Youth Financial Literacy Landscape

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Objective & Methodology

Objective

The Investor Education Fund engaged Youthography, a leading North American research agency dedicated exclusively to youth, to conduct this study in May 2009.

- The objective of this study is to understand the current high school aged youth landscape in Ontario as it pertains to managing money and finances.

Methodology

- Youthography conducted a quantitative online survey with Ontario high school students:
 - 400 respondents total
 - English only
 - Students aged 14-18
 - Close to even gender split

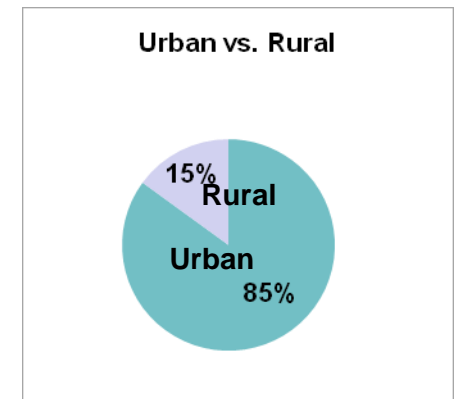
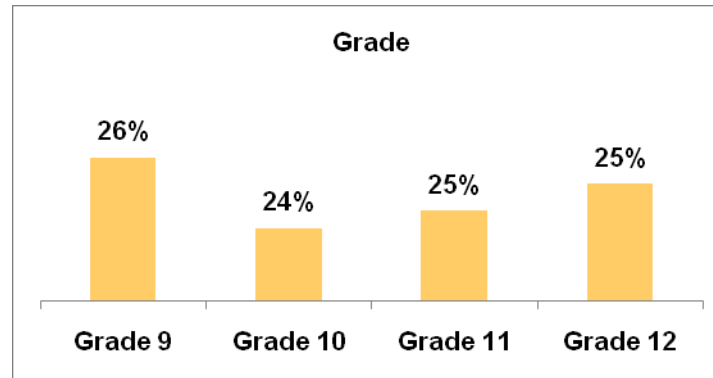
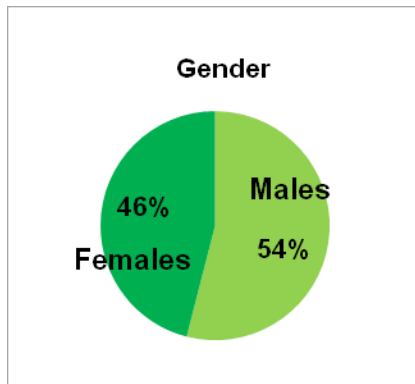
Sample								
Total	Female	Male	Urban	Rural	Grade 9	Grade 10	Grade 11	Grade 12
399	184	215	338	61	104	96	98	101

Respondent Profile: basic breakdown of the survey respondents

	Total Number	Confidence Interval*
No. of Respondents	399	+/- 4.9 % 19 times out of 20
Female	184	+/- 7.2 % 19 times out of 20
Male	215	+/- 6.7 % 19 times out of 20
Grade 9s	104	+/- 9.6 % 19 times out of 20
Grade 10s	96	+/- 10.0 % 19 times out of 20
Grade 11s	98	+/- 9.9 % 19 times out of 20
Grade 12s	101	+/- 9.8 % 19 times out of 20

Demographics

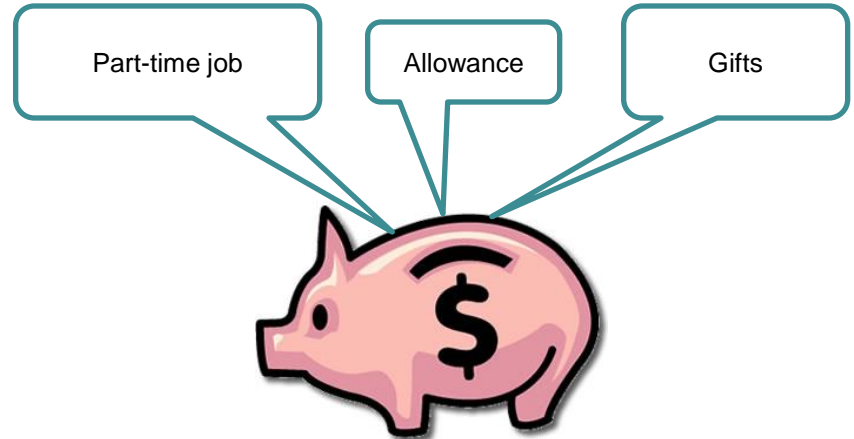
- The survey sample was an even representation of all high school students, both males and females
- Respondents are an accurate representation of urban and rural populations





The Youth Financial Literacy Landscape

Students earn money from PT jobs or allowance and think of ‘savings’ when asked about finances



- More than double those in grade 12 have earned money from part time work than those in grade 9.
 - 73% grade 12s have earned money from a PT job vs. 28% in grade 9
- “Saving” is one of the top responses when asked for top of mind comments about “personal finances and managing money”

Top of mind thoughts on “managing money and personal finances”
(n=282)

Bank/ Banking/ Bank Accounts	34%
Saving	28%
Money	10%
Work/Career/Job	6%
Budget	7%
Parent	5%
Responsibility	5%
Business	2%

Clothes are the top item to save for while school related costs lead as biggest concern

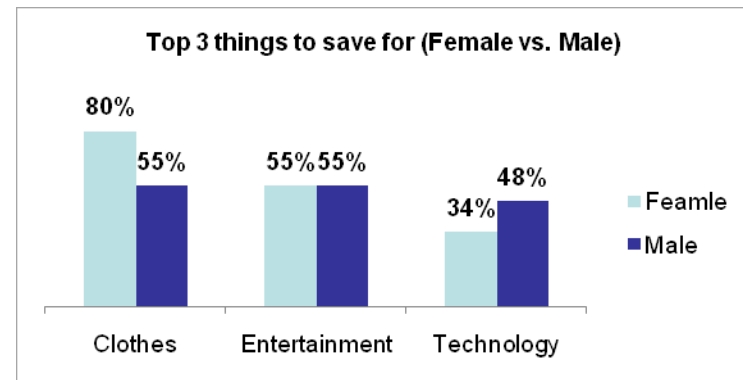
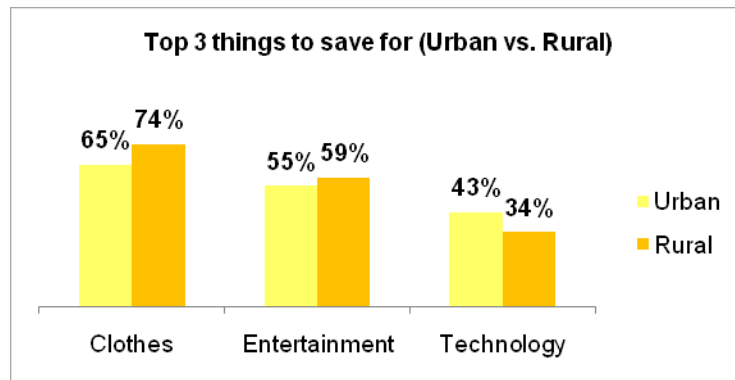
- The top items that all students save for are “clothes” and “entertainment” (66% and 55%)
 - Yet, there is difference between the grades for the top third spot. Grade 9s save for “gifts for others”, grade 10s and 11s save for “technology” and grade 12s save for “education”
- For all high school students “paying off tuition and school expenses” is the number one financial concern (30%)
 - Those in grade 10 are slightly more concerned about “buying or paying for a car or house”(12%) than “having enough money to do what I want” (10%)

Top three things students usually save for				
	Grade 9 n=101	Grade 10 n=91	Grade 11 n=96	Grade 12 n=97
#1	Clothes 66%	Clothes 76%	Clothes 68%	Clothes 57%
#2	Entertainment 49%	Entertainment 60%	Entertainment 60%	Entertainment 51%
#3	Gifts for others 48%	Technology 43%	Technology 45%	Pay for my education 41%

Top three “biggest” financial concerns	
	Total n=399
#1	Paying for tuition and school expenses 30%
#2	Finding a job/ career, being well paid 16%
#3	Having enough money to do what I want 11%

Clothes are the top item saved for, when we break down the demographic further

- Looking at the urban rural split, the data suggests that those that live in rural areas are more likely to save for “clothes” (74%) than urban respondents (65%)
- Technology as a category to save for appears as more relevant to those in urban centres (43% vs. 34%)
- Looking at the gender break, females lead saving for “clothes” (80%) for the entire demographic and are far more likely to save for clothes than males (55%)
- Males, on the other hand, are more likely to save for “technology” (48%) than females (34%)



Biggest concern for financial future - verbatims

“Having enough money for college so my mom and dad don't have to pay a lot.”

Grade 9, Female

“Paying for my university education. I know it is expensive.”

Grade 9, Male

“Having enough money to do the things that I need and want to do without going into debt.”

Grade 11, Female

“That I'm not going to be able to find work anywhere and I'll be one of those 35 year olds flipping burgers to support her kids.”

Grade 12, Female

“Getting a good paying job and start saving more money.”

Grade 12, Male

Respondents like to spend money more than they worry about finances

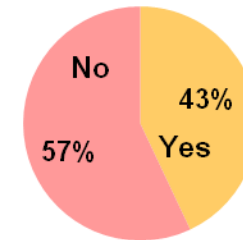
- There are no standout attitudes that define high school students in Ontario
 - The highest ranking consumer attitude is “importance of style” at 52% top 2 box importance
- Students place equal value in shopping and style as they do getting value
- Worrying about finances ranks relatively low for this group

Consumer Behaviour	Total %
Style is very important to me	52%
I love to shop	50%
Getting value for my money is the most important thing	47%
What I wear says a lot about the type of person I am	45%
I like to research things before I buy them	40%
I'm very practical in the things I buy	40%
I like to follow trends	39%
Advertising has a big effect on what I buy	38%
It's important that I treat myself on a regular basis	37%
It's important to me that companies are socially responsible	36%
I don't like to stick out in the crowd	35%
If it comes down to deciding between two similar products or services I'll always choose the one that comes from my own country	30%
My friends have a strong influence on what I buy	29%
I buy products from companies that are fair to its workers	29%
I buy products from companies that are environmentally responsible	29%
I tend to buy a lot of gadgets	28%
I am always on the cutting edge	27%
I tend to buy a lot of things on a whim	27%
I worry a lot about finances	24%
I'm very traditional in what I buy	22%

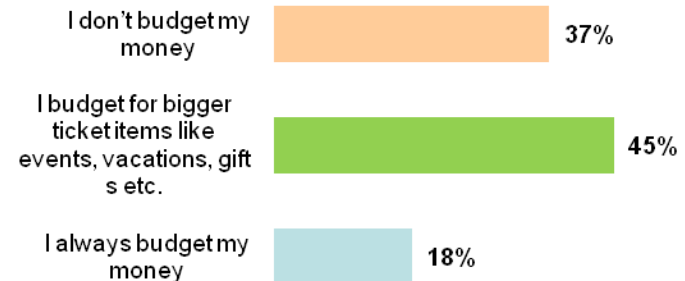
Less than half of students have been shown how to create a budget

- Over half of the respondents have never been shown how to create a budget (57%)
 - 68% of those in grade 9 have not been shown how to budget vs. 50% of those in grade 12
- 45% of respondents say they budget their money for bigger ticket items
 - 37% say they don't budget their money at all

Have you been shown how to create a budget?



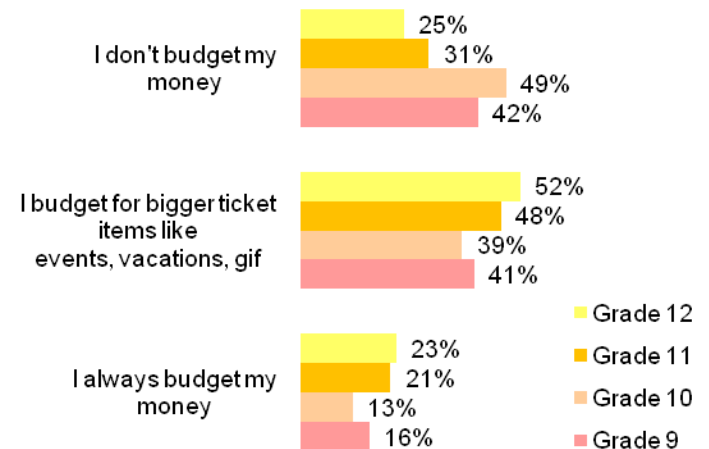
How would you describe yourself?



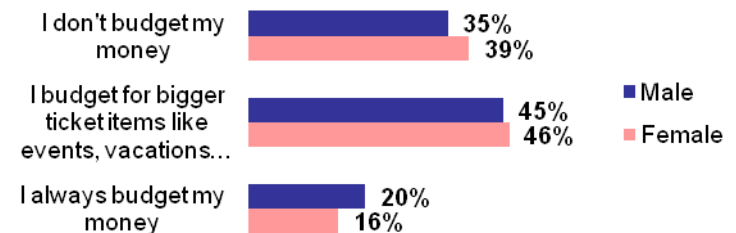
Budgeting behaviour appears to change as students progress through school

- As students go through high school, their behaviour towards budgeting appears to change
 - By grade 12 fewest proportion do not budget their money (25% in grade 12 do not budget vs 42% in grade 9)
 - Slight increase in per cent who claim to always budget in grade 12 vs. those in junior grades
- Males and females have very similar budgeting habits

Budgeting by grades



Budgeting By Genders

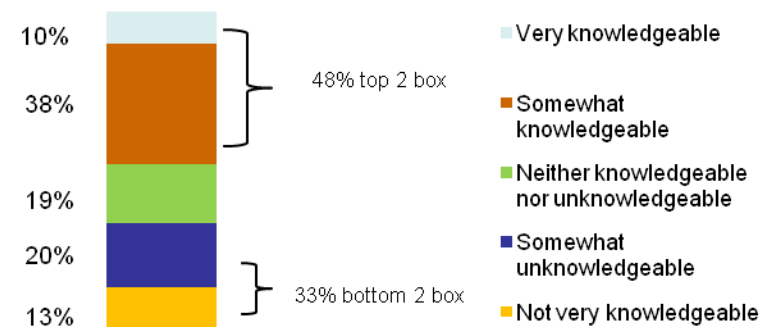


Q23. Thinking about budgeting, please indicate which of the following statements best describes you
 Grade 9 n=104 Grade 10 n=98 Grade 11 n=98 Grade 12 n=101 Female n=184 Male= 215

While most high school students self assess themselves as having moderate financial literacy, less than a third report confidence in this area

- One in ten students claim to be very knowledgeable when it comes to managing money. Close to 40% claim to have some knowledge
 - Only 28% indicated *“I’m knowledgeable about money and make the right decisions when it comes to spending it”*, suggesting room for improvement

Self assessment on overall level of money management knowledge

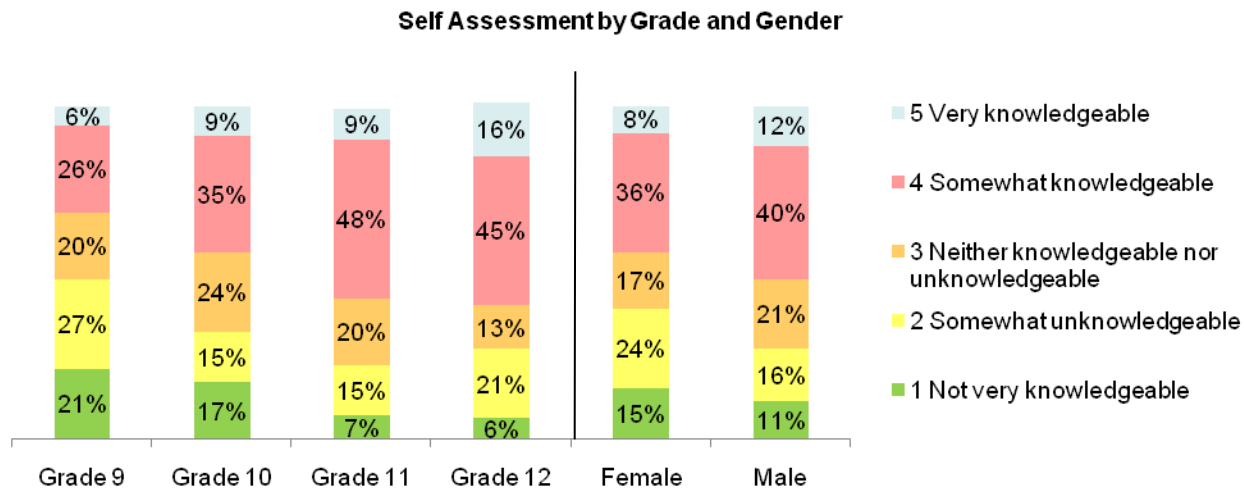


Personal Financial Knowledge can be improved



Those in higher grades claim higher level of knowledge when it comes to managing money

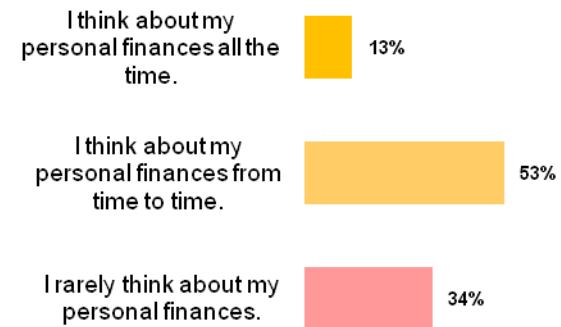
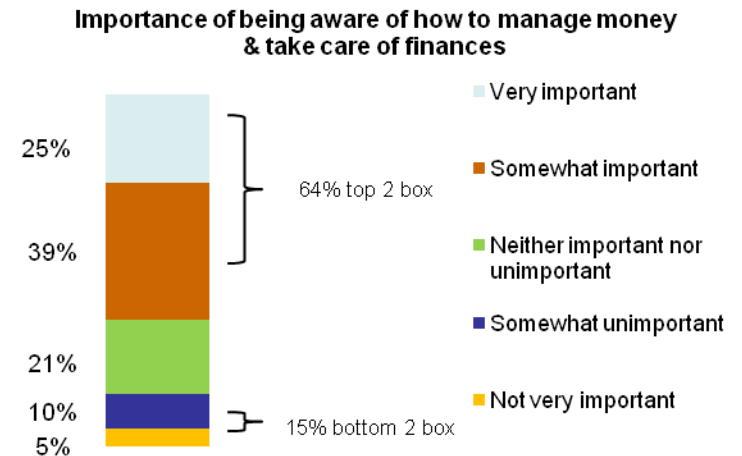
- Grade 12 students claim to have the highest level of knowledge with 60% top 2 box scores.
 - Grade 9 students have 32% top 2 box score
- Slightly more males claim to have more knowledge than females (52% vs. 44% top 2 box score)



Q8. Please rate your overall level of knowledge when it comes to managing money
 Grade 9 n=104 Grade 10 n=96 Grade 11 n=98 Grade 12 n=101 Female n=184 Male n=215

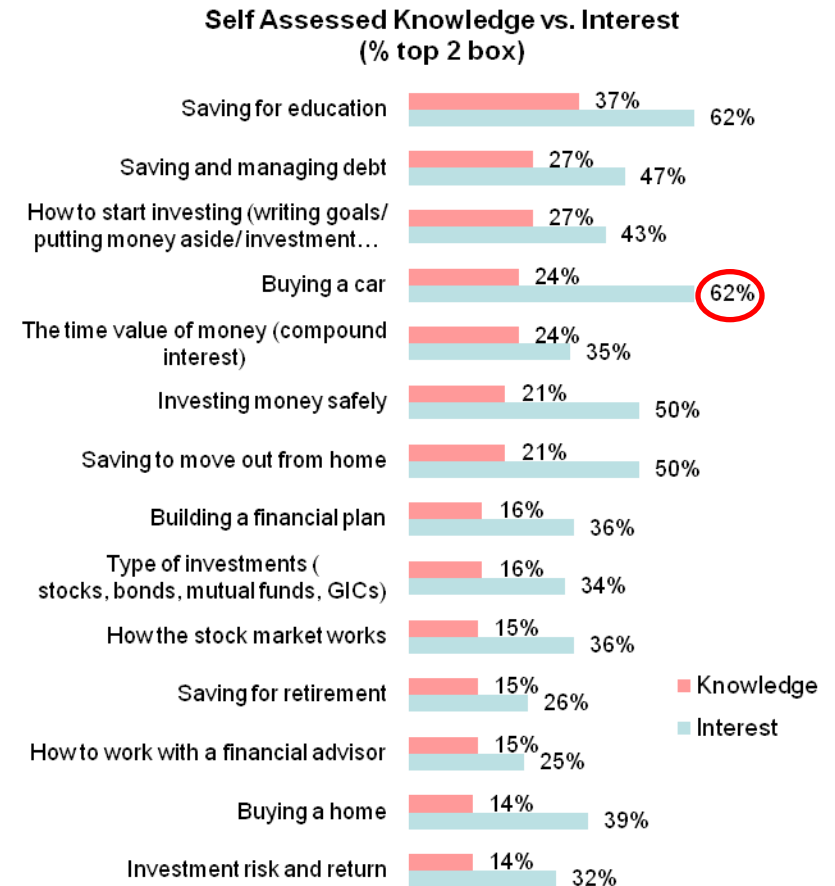
Two-thirds of students say it is very/somewhat important to be aware of how to manage money

- The importance of being aware of how to manage money increases with grade level
 - grade 12s are 20% more likely to think it's important to be aware than those in grade 9 (77% vs. 57% respectively)
- Over half of respondents say they think about their personal finances from time to time (53%)
 - 47% of grade 9s indicate they "rarely think about personal finances"
- Most respondents classify themselves as being both a "saver and spender" (61%)
 - One in five classify themselves as either a 'saver' or a 'spender' (this is more or less consistent across all grades)



Overall, self-assessed knowledge is low but interest higher.

- High school students assess themselves as being the most knowledgeable about “saving for education” (37% top two box score)
- There is generally low top box scores for all the specific topics asked about
 - Suggests there is a knowledge gap in this overall topic area



Respondents reported the most interest in learning about topics closest to them.

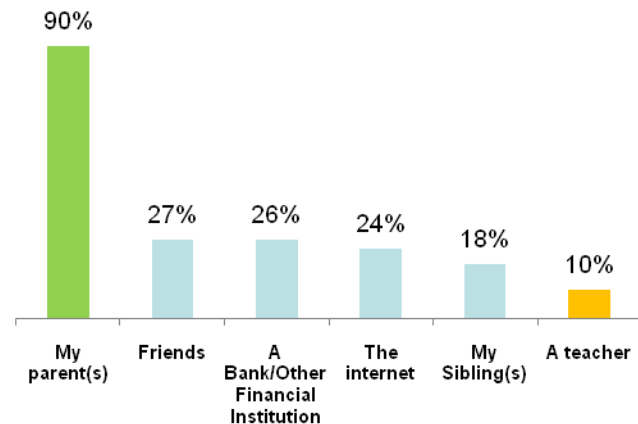
	Knowledge	Interest	Gap
Buying a car	24%	62%	38%
Investing money safely	21%	50%	29%
Saving money to move out from home	21%	50%	29%
Saving for education	37%	62%	25%
Buying a home	14%	39%	25%

Close to half of students do not report discussing money and finances among friends

- When it comes to giving and receiving advice, 46% of students indicate they “don’t talk about money and finances” with their friends
 - 26% say they and their friends share advice equally
 - 20% say they give more advice to their friends than they receive
- There are more students talking about finances with their friends as they enter the senior year
- Students reported turning to their parents when they needed information about finances in the past (90%)
 - When forced to choose, students consider their parents to be their most trusted source for information on finances (80%)

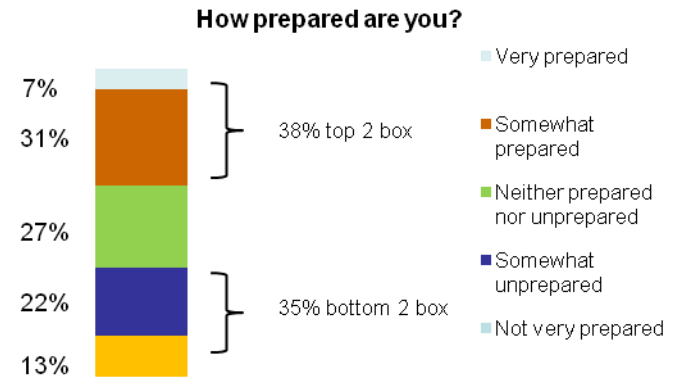
% of students who ‘do not talk about finances with their friends’			
Grade 9 n=52	Grade 10 n=47	Grade 11 n=45	Grade 12 n=38
50%	49%	46%	38%

Students turn to their parents the most and their teachers the least

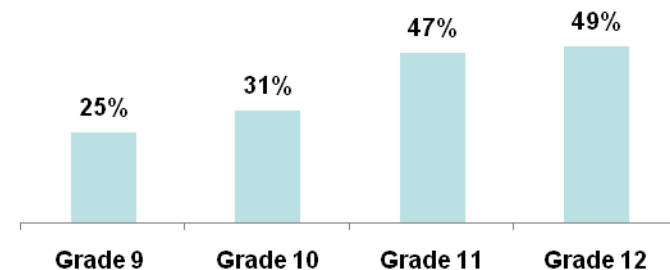


There is no clear indication that students feel prepared to manage their money after graduation

- There are an equal amount of students who perceive themselves as prepared vs. not prepared when it comes to managing their own money after high school
 - There are no key gender differences when it comes to self perceptions of being prepared after high school
- Self perceptions of being prepared to manage money gain strength with increase in grade level
 - 25% of grade 9 students score top 2 box on being prepared vs. 49% of those in grade 12

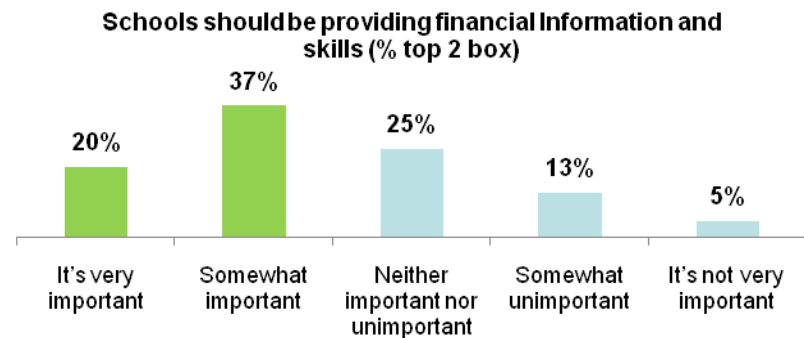
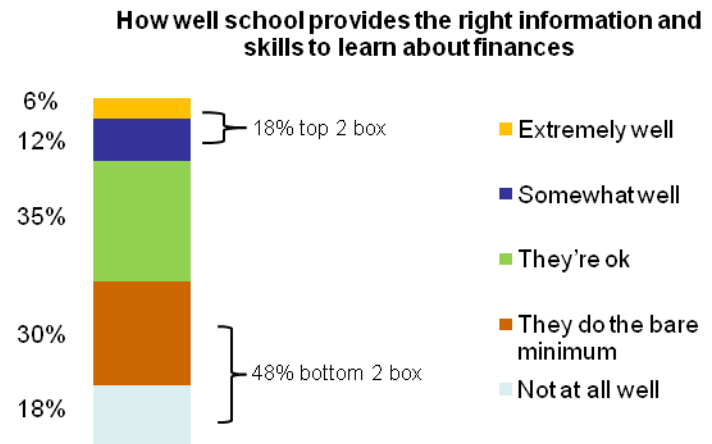


“Preparedness” increases over the course of high school (% top 2 box)



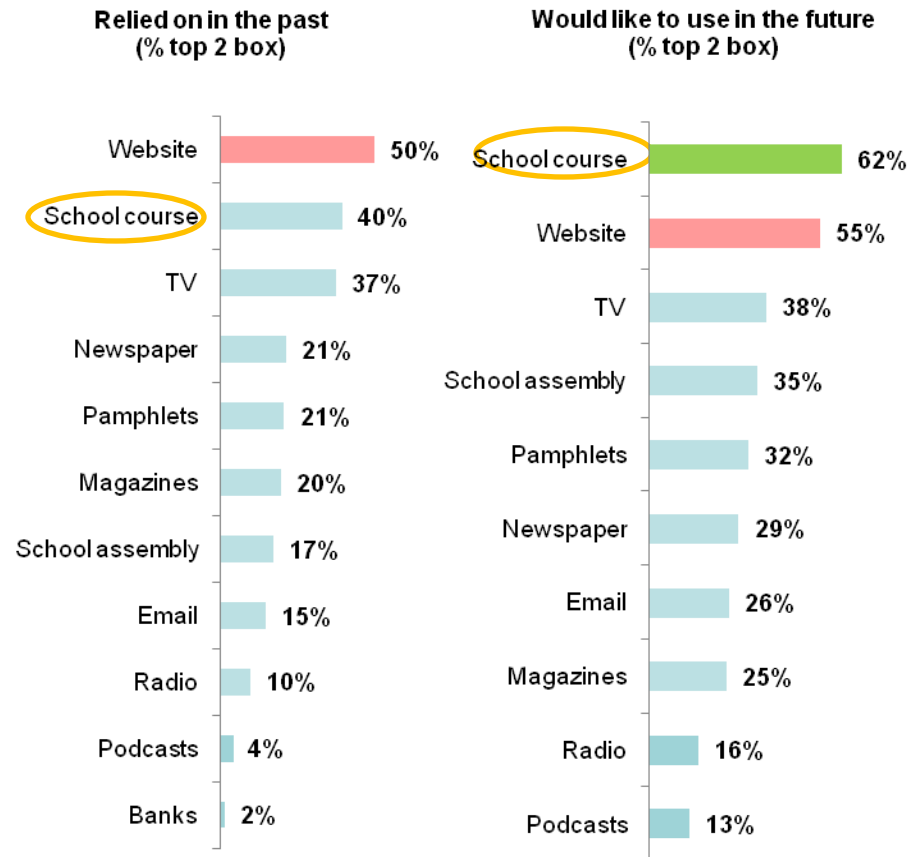
Students indicate schools should provide some information on money management and rate their schools today as weak in this regard

- Close to half of the students surveyed don't believe their school is doing a good job at providing them with information and skills to manage money and personal finances (48% bottom two box)
- 57% believe it's important that schools provide them with information on managing money and personal finances (top two box)
 - This is driven by students in grade 12 - 64% top two box score



Internet and School are key sources for information

- We asked students to tell us what they have relied on in the past and what they would like to use in the future to find out more on information on finances
- The internet and a school course are top tools for finding out more



Overall Observations and Key Findings

Current Youth Financial Literacy Landscape

- Most Ontario high school students have regular access to money but are lacking in knowledge and guidance in terms of financial literacy
 - Students consistently report a higher level of interest in various financial topics compared to level of knowledge of these topics
- Managing money increases in relevance as students go through school
 - Content will resonate better when seen in higher grades
 - The end of high school approaching doesn't appear to be enough of a motivator on its own to encourage conservative financial practices

Key Findings

- ✓ While students self-assess themselves as having moderate financial literacy, just 28% feel that they are knowledgeable about money and make good spending decisions. When asked about specific financial topics, their self-assessed knowledge is low.
- ✓ 64% of students say it is important to be aware of how to manage money yet just 38% feel prepared to manage their money after graduation.
- ✓ 57% of students believe it's important that schools provide them with information on managing money and personal finance yet just 18% believe their school is doing well in this area.
- ✓ 90% of students reported turning to their parents for financial information and 80% of students reported their parents as their most trusted source of financial information. However, students indicate that they would like to use the internet and schools(courses and assemblies) in future to find out more information on finances.