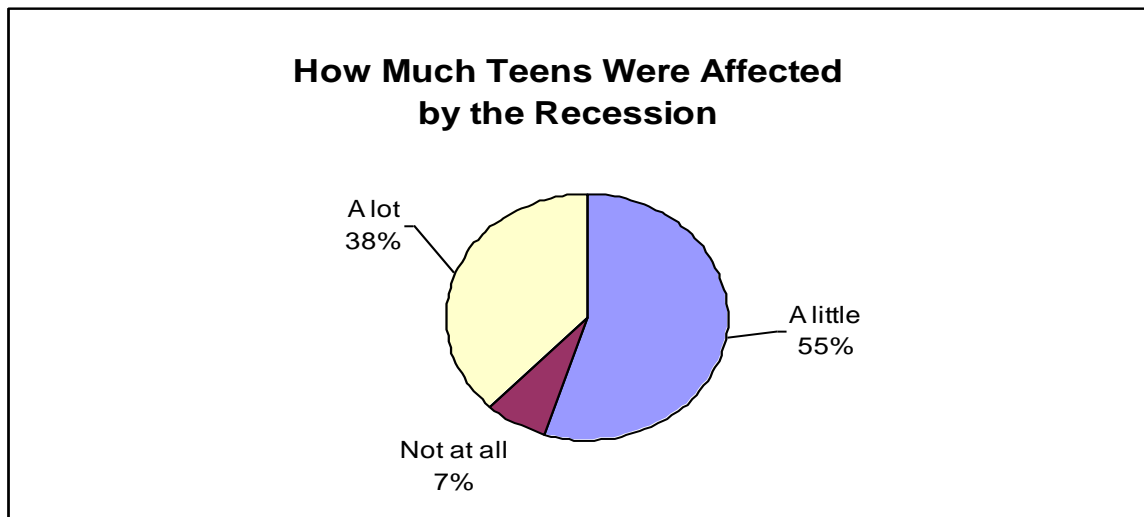


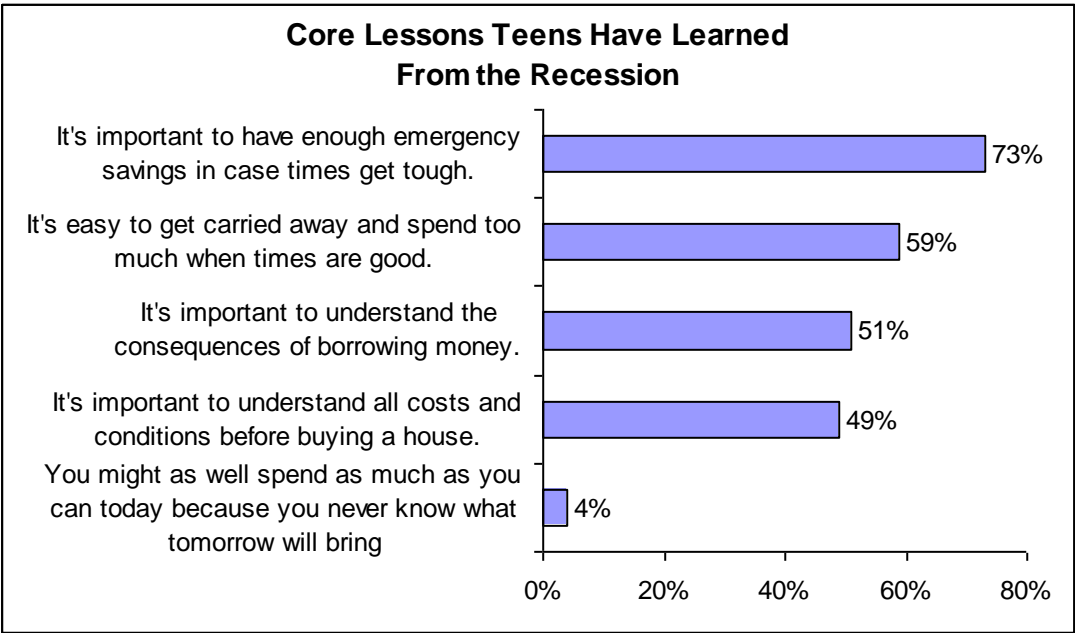
Charles Schwab 2011 Teens & Money Survey Findings
Insights into Money Attitudes, Behaviors and Expectations of 16- to 18-Year-Olds

THE IMPACT OF THE RECESSION

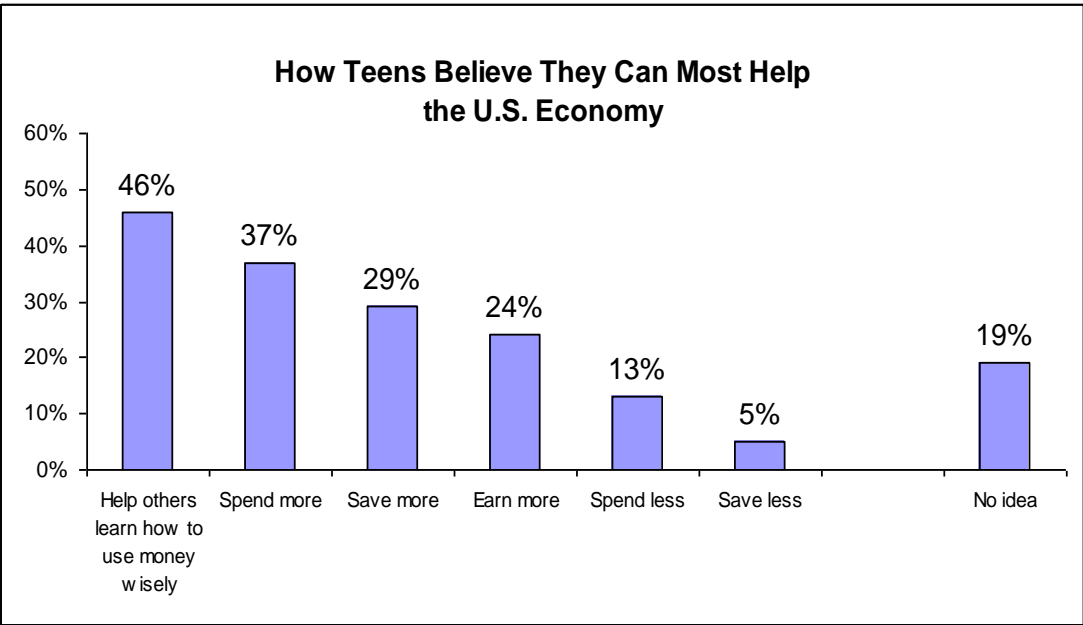
- **The vast majority of American teens say they were affected by the recession:**
 - 93% say their family was impacted by the recession (55% “a little” and 38% “a lot”).



- 80% believe the recession is not yet over, and almost half (45%) believe it will continue beyond this year.
- 75% say their parents have talked to them about the parents’ financial situation in the past year.
- **Teens report a significant shift in perspective due to the recession:**
 - 64% say they are more grateful now for what they have.
 - 58% say they are less likely to ask for things they want.
 - 56% have a greater appreciation for how hard their parents work.
 - 39% appreciate their family more.
 - 34% say their family now talks more about money management.
- **Teens also report they have learned core lessons as a result of the recession:**
 - 73% say it’s important to have enough emergency savings in case times get tough.
 - 59% say it’s easy to get carried away and spend too much when times are good.
 - 51% agree it’s important to understand the consequences of borrowing money.
 - 49% believe it’s important to understand all costs and conditions before buying a house.
 - Only 4% agree with the statement “You might as well spend as much as you can today because you never know what tomorrow will bring.”

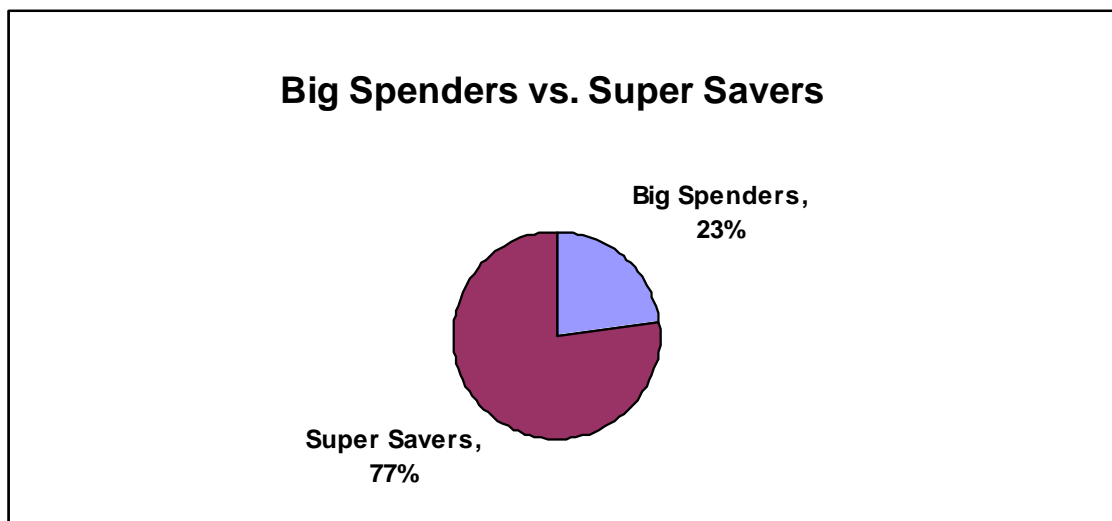


- **Sharing their knowledge and helping others learn how to use money wisely tops the list of ways they think they can best help the economy:**
 - Close to half (46%) feel that sharing their knowledge and helping others learn how to use money wisely is how they can help the U.S. economy most.
 - However, just 18% say they've actually learned about money management from their friends.

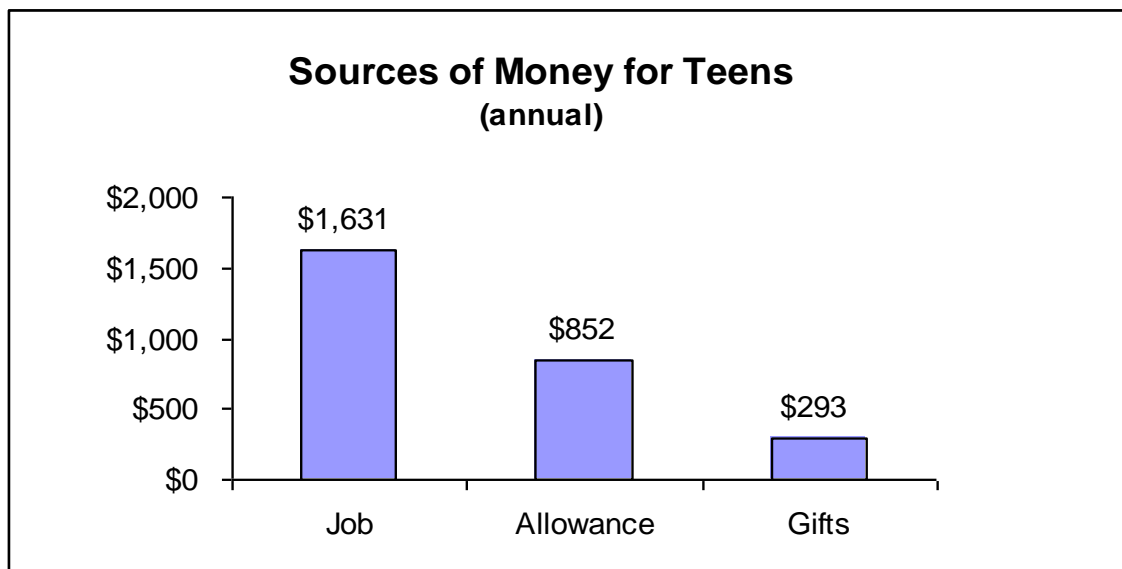


SAVING, SPENDING & BORROWING

- **American teens consider themselves “super savers” as opposed to “big spenders”:**
 - 77% describe themselves as “super savers,” and only 23% “big spenders.”



- The top two reasons they're saving are for college (76%) and for an emergency (46%)
- On average, teens report they have saved \$966.
- **Where teens get their money:**
 - 67% of teens have some form of job, and 59% receive monetary gifts (during the past year, teens earned \$1,631 from working and received \$293 from gifts).



- 34% of teens 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).
- More than a quarter of teens (28%) are borrowing, too: On average, they owe \$252. They most frequently owe money to their parents/guardians, their school or their friends.

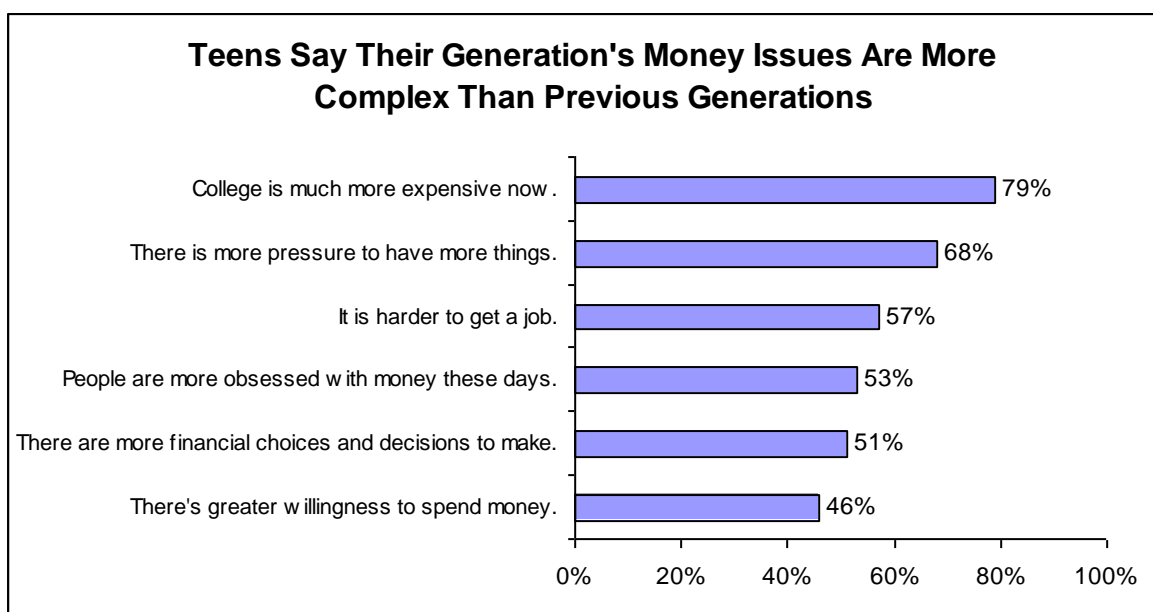
- **What would they do with a financial windfall? That depends on how much it is:**
 - With a \$500 windfall, 67% would spend it on things they want (like money and clothes); and only 43% would save it for college.
 - With a \$5,000 windfall, only 29% would spend it on things they want, and 84% would save it for college.

- **Teens as consumers:**
 - Teens typically spend an average of \$18.50 per week.
 - 84% of teens have their own cell phone.
 - 76% have an iPod or MP3 player.
 - 66% have their own computer or laptop.
 - 46% have their own TV.
 - 27% have their own car.
 - With respect to financial products, 52% have a savings account, 42% have an ATM/debit card, and 33% have a checking account.

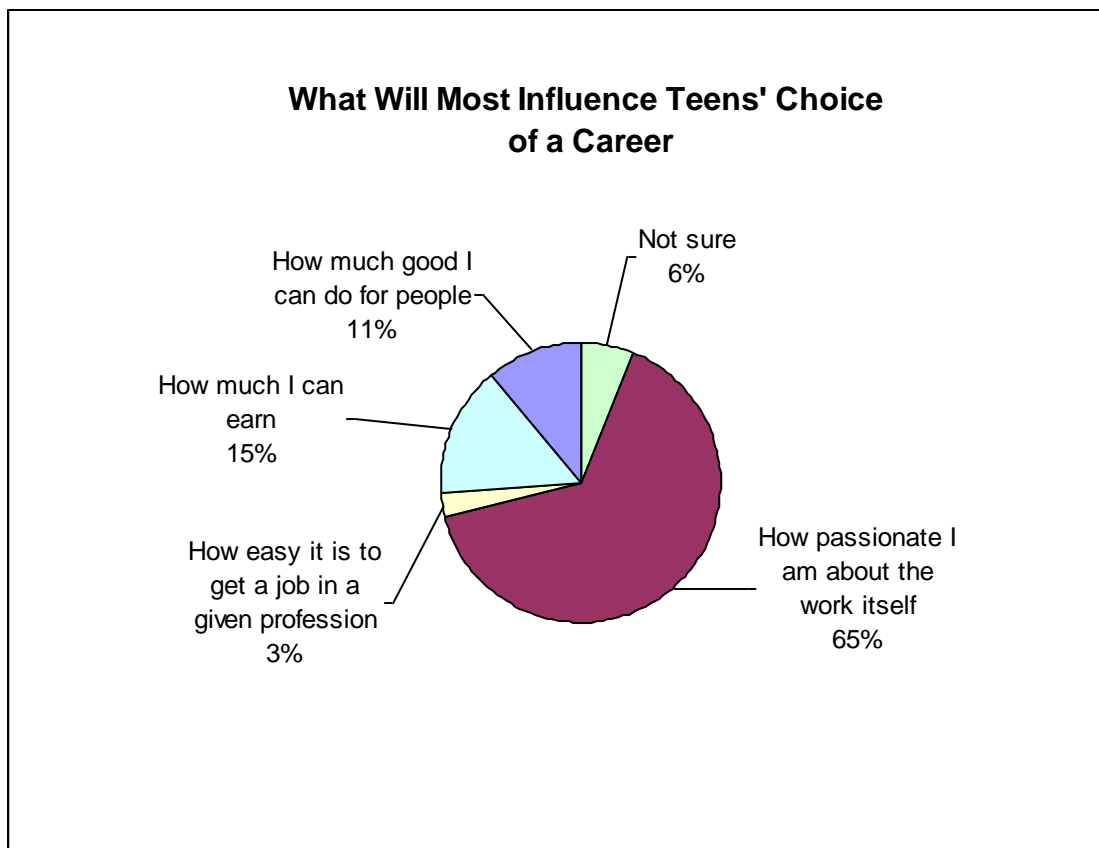
MONEY BELIEFS AND EXPECTATIONS

- **Teens expect to earn good salaries once they're out on their own:**
 - They expect their average starting salary to be just over \$73,000.
 - On average, they expect to earn about \$150,000 a year once they are established in their career.
 - In comparison, they report their families' household incomes to average just under \$70,000, and the median household income in the U.S. was approximately 50,000* in 2009.

- **They see their generation's money issues as being different from those of their parents or grandparents:**
 - 79% say college is much more expensive now.
 - 68% report there is more pressure to have more things, like computers, cell phones and clothes.
 - 57% say "It is harder for me to get a job."
 - 53% agree that people are more obsessed with money these days.
 - 51% say there are more financial choices and decisions to make.
 - 46% say there's greater willingness to spend money by my generation.
 - Only 18% say "My generation has a greater ability to make money." (Yet 59% believe they will do better financially than their parents.)



- **What will most influence teens' choice of a career:**
 - 65% say "how passionate I am about the work itself" will determine their career choice.
 - Only 15% say "how much I can earn," 11% "how much good I can do for people" and 3% "how easy it is to get a job in a given profession" will determine their choice.

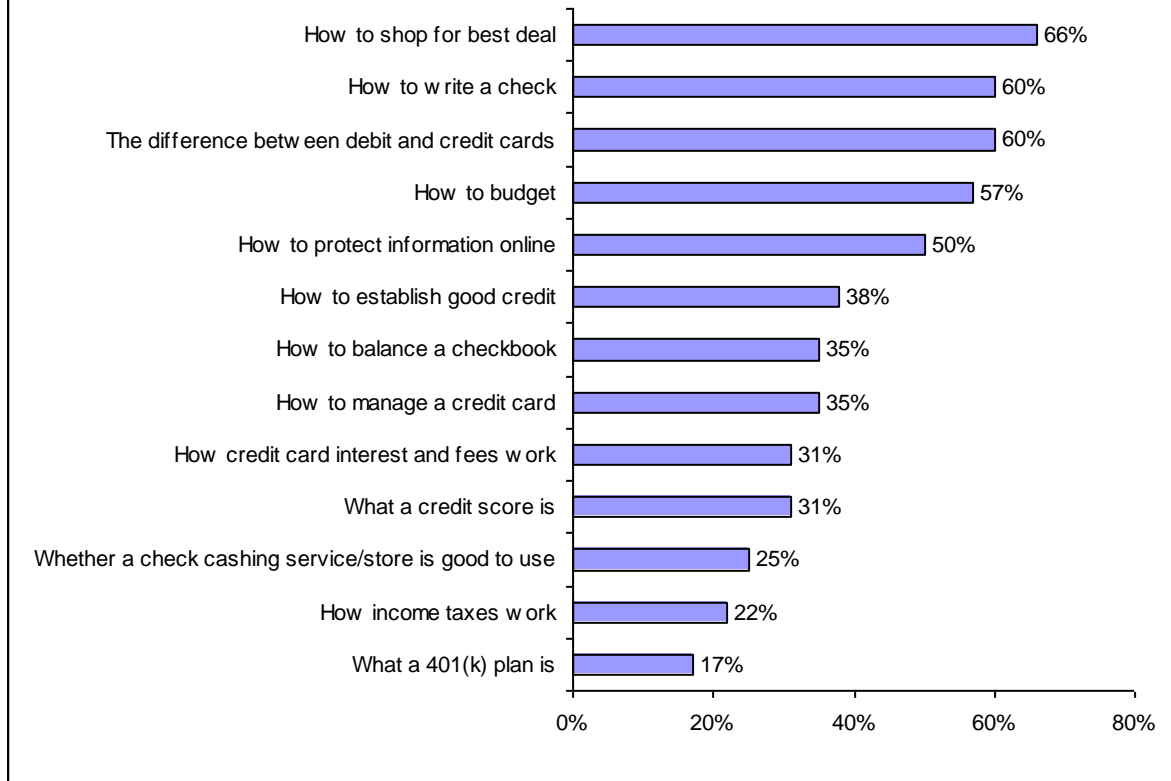


WHAT TEENS KNOW ABOUT MONEY

- **Most teens believe they are financially savvy:**
 - Over three-quarters (77%) of teens say they are knowledgeable about money management, including budgeting, saving and investing.
 - Yet when probed about specific areas of knowledge, they reveal significant gaps. Only 35% know how to balance a checkbook or check the accuracy of a bank statement or how to manage a credit card; only 31% understand how credit card interest and fees work or what a credit score is; only 25% know whether a checking cashing service/store is good to use; only 22% know how income taxes work; and just 17% know what a 401(k) plan is.
 - Teens are also much more likely to say they have no idea of how much car insurance costs (44%) vs. the cost of an iPod® (6%).

How Teens Assess Their Own Financial Knowledge

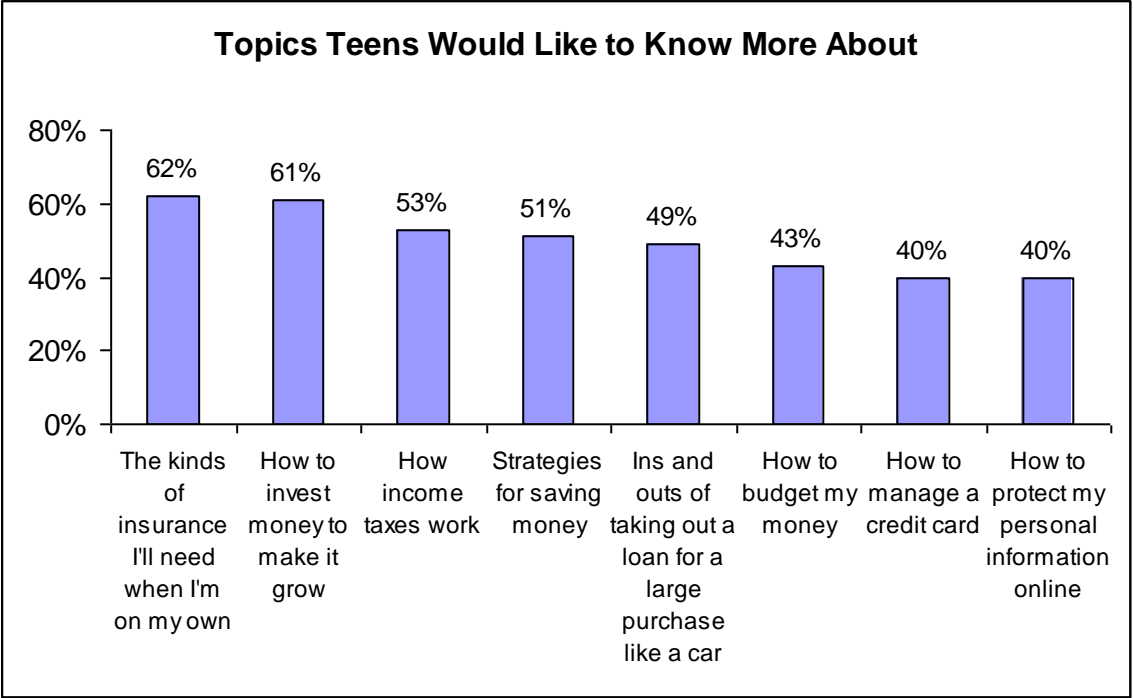
Percentage who say they are knowledgeable of the following:



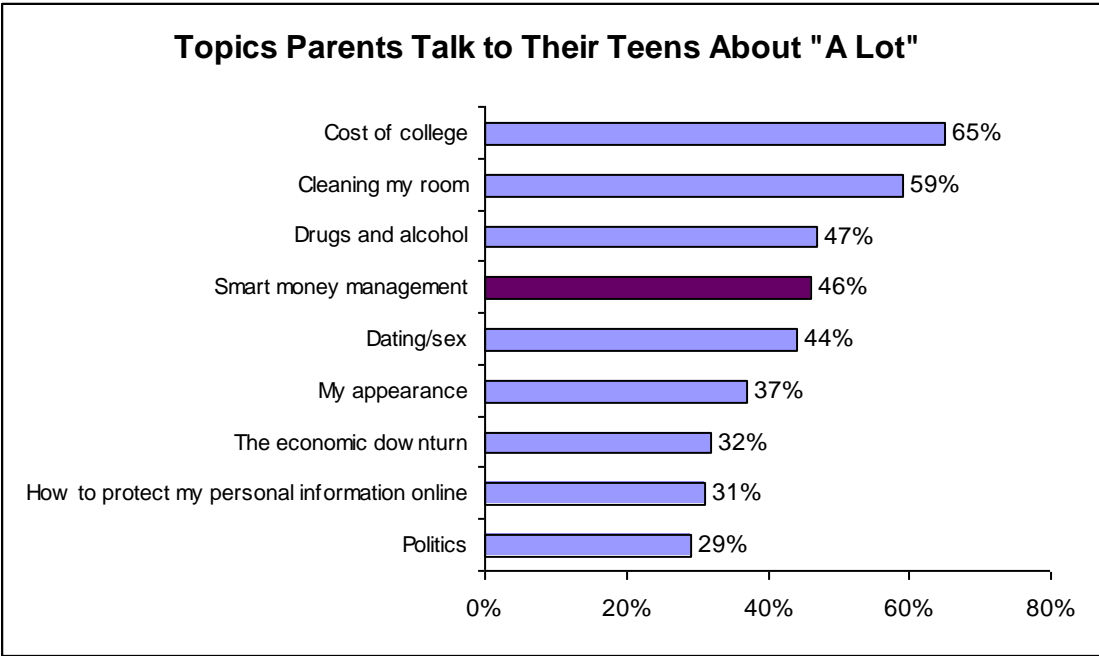
- **Most teens are interested in learning more about money:**
 - 86% say they would rather learn about money management in a class before making mistakes in the real world.
 - 75% say that learning more about money management, including budgeting, saving and investing, is one of their top priorities.

THE OPPORTUNITY FOR PARENTS

- **Most teens have learned about money management from their parents:**
 - 82% say they've learned from their parents, followed by real-life experience (65%) and school (49%).
 - 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 their parents to talk about more include:**
 - How to invest money (44%)
 - How to establish good credit (42%)
 - Their career aspirations (34%)
 - How to budget money (33%)
- **Topics teens would like to learn more about include:**
 - The kinds of insurance I'll need when I'm on my own (62%)
 - How to invest money to make it grow (61%)
 - How income taxes work (53%)
 - Strategies for saving money (51%)



➤ **Money management falls right between drugs/alcohol and dating/sex as topics parents talk to their teens about a lot:**



GIRLS VS. BOYS

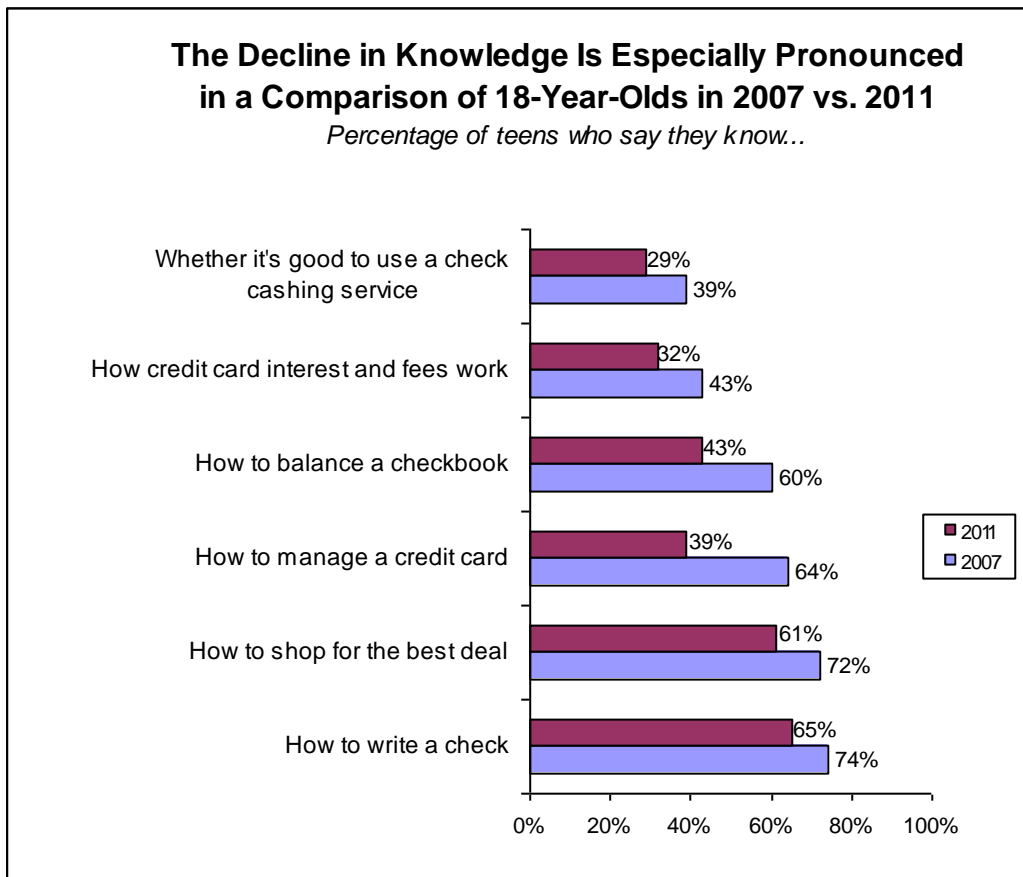
- **Teens continue to expect that boys will have greater earning potential:**
 - The average starting salary boys expect to earn is significantly higher than what is expected by girls (\$79,700 vs. \$66,200).
 - The average salary boys expect to earn once established in their career is even farther away from girls' expectations (\$162,300 vs. \$126,500).
- **Earning, saving and spending varies by gender:**
 - Boys report having earned more money than girls in 2010 (\$1,880 on average vs. \$1,372).
 - Boys are more likely than girls to report saving their money for bigger purchases, like an iPod or computer (48% vs. 37%).
 - Girls are more likely than boys to report saving their money for small purchases like music or clothes (36% vs. 27%).
 - Boys are more likely than girls to have their own TV (51% vs. 40%).
- **Self-reported knowledge varies by gender:**
 - More teen boys than girls report they are knowledgeable about how to protect their personal information online (54% vs. 47%).
 - More teen boys (37%) than teen girls (26%) report they are knowledgeable about how credit card interest and fees work and whether a check cashing service/store is good to use (28% vs. 21%).
 - More teen boys (21%) report knowing what a 401k plan is than girls (13%).
- **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 (24% vs. 16%) as well as how to invest money to make it grow (23% vs. 13%).

WHAT'S CHANGED SINCE THE 2007 TEENS & MONEY SURVEY

- **Teens are spending less per week:**
 - A greater percentage of teens (55%) now spend less than \$20 per week, compared with 41% in 2007.
- **Fewer teens have savings or checking accounts:**
 - 72% of 18-year olds had a savings account in 2007, whereas only 58% report having one now.
 - 75% of 18-year olds had a checking account in 2007, whereas only 51% have one now.
- **Fewer teens have cars:**
 - 43% said they had a car in 2007 vs. 27% in 2011.
- **Knowledge of money management seems to have declined:**
 - 67% of teens in 2007 reported they knew how to write a check vs. 60% in 2011.
 - 51% in 2007 said they knew how to balance a checkbook or check the accuracy of a bank statement, compared to 35% in 2011.
 - 31% in 2007 said they knew whether a check cashing service/store is good to use vs. 25% today.
- **The decline in knowledge is especially pronounced among 18-year-olds:**
 - 74% of 18-year-olds report their parents/guardians have taught them how to use a credit card responsibly.
 - Yet only 39% say they're knowledgeable about how to manage a credit card (vs. 64% in 2007)
 - And only 32% say they know how credit card interest and fees work (vs. 43 percent in 2007).

The Decline in Knowledge Is Especially Pronounced in a Comparison of 18-Year-Olds in 2007 vs. 2011

Percentage of teens who say they know...



- **But the desire to learn about money management has increased:**
 - More 17-year olds in 2011 said that learning more about money management is one of their top priorities (80% vs. 53% in 2007).

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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*U.S. Census Bureau: <http://www.census.gov/prod/2010pubs/acsbr09-2.pdf>

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