



# HAVING IT ALL



GIRLS & FINANCIAL LITERACY



**Financial literacy** is a growing concern given the state of the U.S. economy over the past five years. The recession has led to high unemployment, foreclosures, personal and national debt, inflation, and financial uncertainty. In order to properly grasp these concepts and prepare themselves for their financial future, today's youth need a solid understanding of age-appropriate money management and economics. This is especially important given the fact that financial literacy is not currently a standard component of the K-12 education curriculum in the United States, and thus the responsibility for teaching these skills has fallen to parents, families, and out-of-school-time programs.

Few research studies have looked at youth and financial literacy. Preliminary data suggests that children are most likely to go to their parents for information on money and finances, but parents often fail to communicate with and teach them about these issues. Studies have also demonstrated that teenagers appear to have a basic understanding of money matters such as saving and spending, but less knowledge about credit, debt, and long-term savings. Other research indicates that young people are burdened by finances and more pessimistic about the country's employment and economic outlook than in past generations.<sup>1</sup>

While some research has suggested that girls have lower financial literacy than boys and also lower confidence in their financial knowledge, very few studies have focused on girls specifically. To address this gap, the Girl Scout Research Institute conducted a nationwide survey with over 1,000 girls ages 8-17 and their parents<sup>2</sup> in an effort to better understand girls' financial literacy and their confidence about, attitudes towards, and experiences with money.

***Having it All: Girls and Financial Literacy* reveals that most girls expect to be independent and financially empowered, see few gender barriers in their way, and have high expectations for their future financial lives. However, there still exist important gaps in their financial acumen, and parents can play a powerful role in filling these gaps by having discussions with their daughters about money and finances. Most importantly, girls need and want financial literacy skills to help them achieve their dreams.**

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<sup>1</sup>References available upon request.

<sup>2</sup>This survey was conducted with the research firm TRU and consisted of an online national sample of 1,043 girls ages 8-17 and 1,040 of their parents. It fielded July 3-July 25, 2012.





# Girls are extremely optimistic about their future lives but admit to lacking the financial confidence and knowledge to achieve their dreams. They are also coming of age in a changing landscape—many distrust large financial institutions and think that debt is a normal part of life.

- Nearly all girls say it is likely that they will have a job or career they enjoy (98 percent); be able to provide for their families (96 percent); and own a home one day (95 percent). They are similarly optimistic about obtaining a college degree (96 percent); being able to retire comfortably (92 percent); being able to save a lot of money (90 percent); and making a lot of money (87 percent).
- A very high percentage of girls also say it is likely that they will give back to society, either to their communities directly (87 percent) or through charity (84 percent).
- However, only half (51 percent) of girls feel confident making financial decisions, with far fewer (12 percent) considering themselves very confident.

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<sup>3</sup>Questions related to financial knowledge were only asked of 11–17 year olds.



- Girls age 11–17 reported having the most knowledge around financial behaviors they perhaps engage in more frequently, like saving money and being a savvy shopper, but are less clear on how credit works and how to invest for their financial futures.<sup>3</sup>
  - ~ Girls claim the highest levels of knowledge on things like how to save money (90 percent) and how to shop for the best values (85 percent). A majority also say they are knowledgeable about how to make a budget (59 percent) and how to pay bills (58 percent).
  - ~ They demonstrate significantly less knowledge on credit-related things like how to establish good credit (46 percent); what a credit score is (38 percent); and how credit card interest or fees work (37 percent).
  - ~ Only a third of girls say they are knowledgeable about how to invest money and make it grow (36 percent) and what a 401K is (24 percent).
  - ~ Financial knowledge grows as girls get older. Fourteen-to-17-year-olds are more likely to feel knowledgeable than their 11–13-year-old peers about things like how to pay bills (64 percent vs. 51 percent); how to establish good credit (52 percent vs. 40 percent); how credit card interest and fees work (44 percent vs. 31 percent); and what a 401K is (28 percent vs. 21 percent).
- In addition, survey respondents do not have complete faith in the financial system—25 percent of girls and 40 percent of parents do not trust big banks or financial institutions.
- Fully 38 percent of girls think that debt is a normal part of life, with almost half (47 percent) of girls ages 14–17 agreeing with this statement.



# Financially confident parents are key influencers.

- Girls say they learn about money and finances primarily from their moms (85 percent); dads (61 percent); teachers or guidance counselors (20 percent); financial classes in school (14 percent); and friends (12 percent).
- The majority (86 percent) of parents consider themselves to be financially confident, with dads more likely to say this than moms (92 percent vs. 83 percent).
- Financially confident parents are more likely to teach their daughters about money management and financial literacy. Specifically, they are more likely than non-confident parents to say that they:
  - ~ Teach their daughters the differences between needs and wants (98 percent vs. 82 percent);
  - ~ Teach their daughters how to save money (95 percent vs. 72 percent); and
  - ~ Set a good example for their daughters for managing money responsibly (93 percent vs. 54 percent).

Financially confident parents are also more likely to report already having talked to their daughters about:

- ~ The importance of saving money (91 percent vs. 78 percent);
- ~ How to manage their own money (85 percent vs. 70 percent); and
- ~ The benefits of investing money at a young age (49 percent vs. 26 percent).



# Girls are quite clear that they need and want financial literacy skills to help them achieve their dreams.

- Nine in ten girls (90 percent) say it is important for them to learn how to manage money and 87 percent say that it is important to set financial goals.
- Three-quarters of girls (76 percent) say they want to learn about money and finances from their moms, 58 percent from their dads, and 43 percent from a financial class at school. Other desirable sources of this information are teachers or guidance counselors (28 percent); banks (23 percent); online programs (18 percent); and after school programs (13 percent).
- When asked what skills they are most interested in learning more about, girls' most popular choices relate to how to save and plan: for their future goals in general (68 percent); to make big purchases, like a home or car (46 percent); and to pay for education (45 percent).
- A third of girls (35 percent) are interested in learning how to make a budget and how to establish good credit (29 percent), with 20 percent wanting to learn more about the basics of how to run a business.



# Tips for Adults

*Having it All: Girls and Financial Literacy*, reveals that most girls expect to be independent and financially empowered, see few gender barriers in their way, and have high expectations for their future financial lives. However, there still exist important gaps in their financial acumen, and parents and other significant adults can play a powerful role in filling these gaps by engaging girls in activities that promote financial literacy, having discussions with their girls about money and finances, and providing a supportive setting for girls to achieve their goals. Most importantly, girls need and want financial literacy skills to help them achieve their dreams. Here are some tips that parents and other adults who have girls in their lives can use to help girls develop financial literacy skills now and in the future.

## For All Adults

**Tip #1:** *Support girls with the opportunities to develop the skills they need to reach their goals.*

Girls are extremely optimistic about their futures. They want and expect to “have it all”—a college education, a career they enjoy that allows them to provide for their families, a nice house, and money enough to live happily and retire comfortably. Girls want to live the American dream! But in order for them to follow their dreams and achieve their goals, adults must teach them how they can get there with smart financial planning and money management.

Encourage girls to work hard and not give up in math—math offers essential skills for everyday life and is used in many different careers, including those that involve money management. Encourage girls to pursue fields of study that help with financial empowerment, like mathematics, accounting, finance, and business.

Even if you are supporting a girl who is too young for a job, encourage her to start her own business in the community, like selling lemonade, having a tag sale, or babysitting. When she has some money, she can better manage it and figure out what she should use it for.





**Tip #2:** *Support girls' goals and expectations for their financial future by steering clear of stereotypes about girls, women, and money.*

Girls have high hopes for their future in regards to education, career, and money. However, gender-stereotypes can hold girls back or make them feel disempowered.

There are some things you can do as an informed adult to make sure negative stereotypes about girls and money are not reinforced. Don't assume that girls are irresponsible with money, only like to shop and spend, and can't be trusted with the credit card. How will they learn how to manage their money if they aren't given the opportunity to use it?

Steer clear of comments that indicate that you might be uncomfortable with math. Don't assume that girls are bad at or afraid of math and numbers. Budgeting money, planning for future purchases, and many careers require a solid understanding of math. Encourage your daughter to pursue math and business fields like finance and economics—we need more women in these fields.

Don't assume that girls don't care about budgeting, saving money, and investments. Our research shows that a high percentage of girls care about these things, but a high percentage of girls also lack proper knowledge in these areas. Girls know that they need financial literacy skills in order to be successful in the future.

## For Parents

**Tip #3:** *Girls' financial literacy comes primarily from parents—Involve your daughter in your day-to-day financial activities and teach her money management skills any chance you get!*

Encourage your daughter to help you with the financial tasks that you do on a daily basis, like going to the bank or ATM, cashing checks, making a budget, saving money, paying back loans, giving out allowances, paying bills, and shopping for food and other household necessities. When she understands the complexities of money and finances, and the importance of regular budgeting and planning, she will develop an understanding of the value of money, the concept of saving, and the importance of getting a job in the future that can financially support her goals and dreams. Too often, children only see the spending side of money, or hear abstractly that the family “just can’t afford that” without seeing the process of earning, spending, taking out a loan, paying back a loan, etc. Show your daughter that you don’t just spend money; rather, you pay bills from an account that needs to be filled, that there are limits to spending, and that important decisions need to be made.

Talk to your daughter about the importance of saving, managing, and investing money at a young age. Teach her the difference between needs and wants. Does she really *need* a new pair of jeans, or is that just something she *wants*? Work with your daughter to develop a budget so she can save for that big item she may want to buy. Most girls say they learn about finances from their moms, and many also learn from their dads. If you are not teaching your daughter about money and finances, start now!



## **Tip #4:** *Include your daughter in discussions involving family finances and model shared decision making.*

Include girls in discussions about family finances. Empowering girls to take part in “adult” conversations about money, budgets, and financial decisions will help them better understand family finances, money matters, and overall financial literacy. Girls want to be included in these discussions, and if they are to understand what it’s like to help manage household expenses and make big decisions regarding family finances, they *should* be. Ask your daughter for her opinion when you are thinking of making a big purchase or have a tough financial decision to make.

Girls envision a world where they can share family responsibilities with their spouse, such as contributing financially to the family and raising the children. They reject traditional notions of gender roles in which the man makes all the money and the woman raises the children.

Model shared decision making when it comes to finances. Show your daughter that decisions about budgeting, planning for large expenses, and setting a cap for spending are made jointly between spouses or adults in the household, and that each person plays an important role in this decision making. Even if only one parent makes the money, the other parent or adult in the home might be involved in managing and budgeting this money, as well as in making key financial decisions that impact the family.

There is no better time to involve girls in a financial literacy program or class. In Girl Scouts, girls learn financial empowerment and develop important skills through our K–12 Financial Literacy Badge curriculum; through our empowering online video series, *It’s Your Business—Run It!*; and through participation in the Girl Scout Cookie Program, the largest girl-led business in the world. To find out more about financial empowerment at Girl Scouts, check out:

[www.girlscouts.org/program/gs\\_cookies/pdf/2012\\_Financial\\_Empowerment\\_singlepages.pdf](http://www.girlscouts.org/program/gs_cookies/pdf/2012_Financial_Empowerment_singlepages.pdf)



### About the Girl Scout Research Institute

The Girl Scout Research Institute ([girlscouts.org/research](http://girlscouts.org/research)), formed in 2000, is a vital extension of Girl Scouts of the USA's commitment to addressing the complex and ever-changing needs of girls. Comprised of a dedicated staff and advisors who are experts in child development, academia, government, business, and the not-for-profit sector, the institute conducts original research, evaluation, and outcomes-measurement studies; releases critical facts and findings; and provides resources essential for the advancement of the well-being and safety of girls living in today's world. The GSRI also informs program, public policy, and advocacy for Girl Scouting.

### About Girl Scouts of the USA

Founded in 1912, Girl Scouts of the USA is the preeminent leadership development organization for girls, with 3.2 million girl and adult members worldwide. Girl Scouts is the leading authority on girls' healthy development, and builds girls of courage, confidence, and character, who make the world a better place. The organization serves girls from every corner of the United States and its territories. Girl Scouts of the USA also serves American girls and their classmates attending American or international schools overseas in 90 countries. For more information on how to join, volunteer or reconnect with, or donate to Girl Scouts, call 800-GSUSA-4-U or visit [www.girlscouts.org](http://www.girlscouts.org).

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