Thought Leadership

Teens & Retirement
Perceptions Survey

Presented by:

MissionSquare
Foundation

Junior Achievement
Introduction
According to the Survey of Consumer Finances, nearly half of U.S. households (46%) report having nothing saved for retirement. While economic factors, such as rising prices and lack of income, contribute to this situation, research by Bankrate also shows that many Americans either don’t save for retirement or don’t save enough due to “poor spending habits,” and “not knowing where to start.” Additionally, a significant percentage of Americans don’t begin seriously saving for retirement until it’s almost too late. With this in mind, Junior Achievement USA and the MissionSquare Foundation surveyed 1,000 teens between the ages of 13 and 18 through Wakefield Research to determine teens’ perceptions of the realities of retirement planning. This thought leadership piece summarizes those findings and possible solutions to the challenges identified.

Teens’ Thoughts on Retirement
One might not immediately think of teenagers when the topic of retirement planning comes up, but the fact is teens do think about how or if they are going to retire someday. This may be due to the financial situations of older family members or based on what they see on social media. Considering many young adults could start putting money away for retirement once they start working and don’t, there may be an opportunity to help young people better understand retirement planning.

The survey by Junior Achievement and the MissionSquare Foundation shows that 83 percent of teens have already given thought to their retirement, and 78 percent believe they will be able to retire comfortably when the time comes. However, just 60 percent of respondents accurately view retirement as living on investments and savings after leaving work, believing instead retirement could mean taking extended time off for travel, study, illness, or taking care of family matters.

When asked to rank the best ways to save for retirement, the surveyed teens ranked the following top to bottom: saving as much as possible in a secure bank account (58%) instead of using an investment strategy; followed by investing in stocks and bonds with the help of a financial advisor (45%); investing in stocks and bonds researched online (38%); buying real estate or property (30%); and buying cryptocurrency/NFTs (15%).

While saving and investing both have a role to play in planning for the future, in order to gain a return that will outpace inflation and position one for a secure retirement, investing needs to be part of the strategy. Many teens, however, do not seem to understand the distinction between the two, based on the survey findings.
Perception vs. Reality
The research also revealed that budgeting/saving for the future is teens' second largest financial concern – behind paying for college and ahead of buying clothing/entertainment. Yet, two-thirds of teens (67%) believe that a good retirement is achievable for most Americans. Twenty-eight percent expect to be financially independent from their parents/caregivers by age 20. According to the Pew Research Center, 55 percent of Americans between 18 and 34 are not completely financially independent from their parents.

The takeaway from the survey of teens is that while they understand the importance of planning for retirement, they may have unrealistic expectations of what is involved in getting to a secure retirement. Though this should be expected, their interest in the topic opens the doors for them to learn more and become better prepared adults.

Our Response
Financial literacy is one of the key pillars of Junior Achievement’s learning experiences. Since 2022, the MissionSquare Foundation has invested significantly in promoting financial literacy education through Junior Achievement. This has included a two-year commitment to support an educational case study for JA's 3DE program in the Washington, DC-area.

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 that they are on a strong financial footing.
- 84 percent of JA Alumni agree that their JA experience helped them with financial literacy.
- 73 percent of JA Alumni report saving for retirement.
- 65 percent of JA Alumni between 18 and 34 say that they are saving for retirement. This compares to 40 percent of the general population, according to CFP Board.

Survey Methodology:
The Junior Achievement Teens & Retirement Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 nationally representative US Teens ages 13-18, between February 28th and March 3rd, 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.