

# Teenagers expect high life by 25

This is Money

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Teenagers vastly underestimate the amount of debt they will accumulate over the course of their university lives and are in serious need of financial education.

The survey tracks the beliefs of 8,500 young people aged between 11-19 on such topics as earnings, budgeting, debt and hopes for their future finances.

Its initial findings found they were indeed hopeful for their future.

Nearly three-quarters expect to own their own car by the age of 21, almost a third believe they will not get into debt in the future, and half believe, if they do rack up any student debt, they will begin to pay it off even before they leave university.

To round off their dreams, they expect on average to be earning a salary of £31,000 and own their own home at the age of 25.

In contrast, 22 to 29-year-olds earn on average £17,817 in the Great Britain today with average student debt of £12,363 following the introduction of top-up fees.

One possible reason for the optimism is young people's lack of financial knowledge - three quarters of them were unable to correctly identify the cheapest loan option from a list of four. .

In the survey, young people from higher earning families optimistically expect to be earning an average of £35,507 at the age of 25.

This contrasted with young people from lower socio-economic groups, who estimate significantly lower earnings of £22,848 on average.

Ultimately, the more young people are exposed to financial issues, and the younger they become aware of them, the more likely they are to become responsible, forward-planning adults who manage their finances confidently and effectively

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