



Research Report 2026

Rewriting the future of Youth

An Analysis of Youth Financial Behavior
competency in the Digital Age

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EXECUTIVE SUMMARY

The Financial Action Gap

This report analyzes youth in countries to identify a systemic Action Gap between financial knowledge and real-world execution. While 86% of youth desire financial education, only 20% utilize that knowledge for investment and growth. Data shows that financial confidence is driven by behavior, 45% of students save over 30% of their income, yet this discipline rarely translates into market participation.



86%

Interested in
financial
education



20%

Taking Action in
growth
activities



45%

Save more
than 30%
of income

The Vision

Traditional financial education emphasizes budgeting and scarcity management. The data shows a rising demand for education on investing, asset budgeting, and wealth strategy. Therefore, the Youth Economics Initiative is pivoting from traditional scarcity-based budgeting toward a "Future Focus" on wealth-building strategy.



Traditional Focus
Budget
Management



Future Focus
Wealth Building
strategy

INTRODUCTION

The Current Landscape



Digital Shift

Youth today are managing money earlier than any previous generation, with increased access to digital payments and investing platforms.



Education

Financial teaching has struggled to keep pace with the complexity of modern financial tools. Allowing poor financial habits to take place.



Action Gap

Understanding how financial habits form during adolescence and early adulthood is critical, as these behaviors shape long-term economic outcomes, diminishing the Action Gap

Objective:

To examine the relationship between youth financial habits, particularly saving behavior and income sources, and key outcomes such as financial confidence and investment participation, to identify gaps in current youth financial education.

Hypothesis:

Students with higher levels of financial literacy and consistent habits will report greater financial confidence and a higher likelihood of participating in investment activities.

RESEARCH METHODOLOGY

Analysis method:

Descriptive statistics and comparative analysis were used to examine differences in financial confidence across savings behaviors. Gap analysis was conducted to compare levels of financial literacy and educational interest with actual investment participation.

Data collection:

Data were collected through an anonymous online survey distributed globally between November 2025 and January 2026.

9+ COUNTRIES

Variables:

Independent variables:

Savings frequency, savings rate(percentage of income saved), and primary income source

Dependent variables:

Self-reported financial confidence level (measured on a 1-5 scale), investment participation(investing vs not investing)

Sample Characteristics:

The final sample consisted of respondents, primarily aged 16–18. The majority of individuals were high school students, with additional representation from post-secondary students.

Limitations:

Since the data are self-reported and cross-sectional, results reflect associations rather than causal relationships.

SAVINGS-CONFIDENCE

KEY INSIGHT: HABITS VS. NUMBERS

Economic confidence is a habit, not a number. Data indicate a direct link between strict savings behavior and self-reported financial confidence. It is not about how much money a student has, but how often they choose to save it. This regular action builds a sense of control over their future.

THE CONFIDENCE METRIC

"Always" Savers (4.3 / 5.0): Students who save every time they receive money report the highest confidence, suggesting that consistent saving helps them feel better prepared for the modern economy.

Infrequent Savers (2.1 / 5.0): Those who save rarely or never report much lower confidence and feel more uncertain about managing money long-term.

General Sentiment: 43% of respondents report high confidence when they follow strict saving habits, indicating that confidence is closely tied to personal discipline.

THE DISCIPLINE THRESHOLD

High Savings Rates: 45% of youth demonstrate "High Discipline," saving over 30% of their monthly income. This is a very high percentage, showing that many students are willing to give up spending today to have money tomorrow.

The Action Gap in Tools: While 70.7% utilize formal bank accounts to keep their money safe, only 19.5% utilize investment applications. This shows that most youth are "passive savers"—they keep money in a bank but are not yet using tools to help that money grow.

Confidence vs. Reality: Although 59% of students feel confident in their ability to save, only 14.6% actually save every time they get money. This gap shows that many youth have a positive attitude toward money but struggle to keep a consistent routine.

SUMMARY OF FINDINGS

The data shows that youth are saving at high rates, but they are stuck in "safe" methods like bank accounts. The high confidence seen in disciplined savers suggests that teaching students how to build a simple routine is the best way to lower financial stress.

THE EXECUTION GAP

The Knowledge-Action Disconnect:

A critical failure exists in the transition from awareness to doing. While students demonstrate a high interest in financial concepts, a significant disparity remains in real-world market participation.

- Investment Participation: Although 56.1% of respondents report an understanding of basic investing concepts, only 34.1% are actively investing.
- Educational Demand: Investing remains the top educational need (58.5%), followed by a desire to learn ways to earn more money (36.6%).

The Savings Barrier:

Despite high confidence and high savings rates, youth are often stuck in "passive" financial cycles.

- The Consistency Gap: 59% of students feel confident in their ability to save, yet only 14.6% actually save every time they receive money.
- Passive Savings: 70.7% utilize bank accounts, while only 19.5% report using investment apps as a wealth-building tool.
- Savings Intensity: Approximately 43.9% of respondents report saving 30% or more of their income.

Spending Oversight and Habits:

Youth spending is heavily concentrated in everyday consumption, often without structured monitoring systems.

- Consumption Categories: Spending is dominated by Food (78%) and Clothing (56.1%).
- Oversight Deficit: Only 45% of respondents actively track their spending, suggesting a reliance on informal management practices.
- Impulse Behavior: While 26.9% report making impulse purchases on a weekly or monthly basis, the majority report doing so rarely or never.

STRATEGIC SHIFT

The Discussion: Transitioning to Engagement

The research identifies a "critical failure" where theoretical awareness does not manifest as market participation. This requires a pivot from teaching financial "literacy" to fostering financial "engagement."

Findings:

- **The Protective Measure Bias:** Youth currently view savings as a defensive shield rather than an offensive tool. This is evidenced by the heavy reliance on 70.7% bank accounts versus only 19.5% investment apps.
- **The Debt Exposure Window:** With 85.4% of respondents reporting no outstanding debt, a unique opportunity exists for preventative education. This "clean slate" allows for intervention before borrowing behaviors become normalized.
- **Lifestyle Priorities vs. Growth:** Spending is concentrated in immediate consumption, specifically Food (78%) and Clothing (56.1%). Value-Based Spending models are needed to show how these everyday patterns directly limit "Growth Potential."

Environmental Context & Opportunity:

The shift is supported by the unique socioeconomic profile and motivation of the youth population.

- **High Interest, Low Application:** While 86% of respondents rate financial education as "Very Important," a 22% gap exists between those who understand investment basics (56.1%) and those who actually invest (34.1%).
- **The Routine Gap:** High confidence (59%) is currently tied to intent rather than action. Only 14.6% of youth save every time they receive money, and only 45% actively track their spending.
- **Growth Orientation:** Demand is highest for Investing (58.5%) and Earning More Money (36.6%), signaling that youth are ready to move beyond traditional "scarcity" education.

EXECUTION MANDATE

For Educators: The Growth Pivot

From Scarcity to Wealth: Shift curricula away from basic budgeting to investing and other activities that emphasize active wealth-building strategies.

Hands-on: Integrate hands-on experiences, such as simulated investing or guided portfolio management, to neutralize the "fear of loss" identified in the data.

The Preventive Window: Utilize the 85.4% debt-free baseline to instill growth habits before high-interest borrowing behaviors become a factor.

For Students: Closing the 22% Disparity

Bridging the Gap: Successfully transition from the 56.1% (Knowledge) segment into the 34.1% (Action) cohort.

Institutionalizing Habit: Replace informal spending practices with structured tracking and automated savings to turn intent into routine.

Optimizing Capital: Move from growth-neutral "Passive Safety" (Bank Accounts) toward growth-oriented "Wealth Building" (Investment Apps).

The Strategic Objective:

Bridging the Action Gap requires an immediate pivot from awareness-based literacy to confidence-driven empowerment. The research confirms that knowledge alone is insufficient; we must now move the youth population from theoretical understanding to active market participation.

"The era of basic awareness has ended. It is time to leap from knowledge to application."



**Youth
Economics
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