

## **MONEY MISMANAGEMENT BY TEENAGERS AND YOUNG PEOPLE AT SENA CTAPT**

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### **Abstract**

Financial education is globally recognized as an essential life skill and the process of financial knowledge comes from family and school. (Fernando et al., 2024) However, tuition in this regard is scarce. Also, at school, teachers don't usually teach financial education to adolescents and, as a result, they don't know how to manage their finances effectively, which can head them up to bad financial habits. Moreover, teenagers and youth are callow, consequently social pressure and impulsiveness can make them make bad decisions about money and how to invest it. And this behavior is seen at SENA, an institution full of teens. Many of them mismanage their money and spend it very fast. One reason could be that this money comes from their parents and not from their effort. Therefore, they don't mostly care if they waste it. So, if they want to buy whatever they want no matter the consequences, they will do it. This is a big problem because, in the future, they won't know how to manage money properly. (Kilroy, A., 2024) This investigation was created with the purpose to educate teenagers about the disadvantages of wasting money and give them some tips to manage their finances very well.

Key words: Money, teenagers, youth, financial habits.

### **Resumen**

La educación financiera es reconocida mundialmente como una habilidad esencial para la vida y el proceso de conocimiento financiero proviene de la familia y la escuela. Sin embargo, la enseñanza en este sentido es escasa. Además, en la escuela, normalmente los maestros no enseñan educación financiera a los adolescentes y, como resultado, no saben cómo administrar sus finanzas de manera efectiva, lo que puede llevarlos a tener malos hábitos financieros. Incluso, los adolescentes y jóvenes son inexpertos, en consecuencia, la presión social y la impulsividad pueden hacer que tomen malas decisiones sobre el dinero y cómo invertirlo. Y este comportamiento se ve en el SENA, una institución llena de adolescentes. Muchos de ellos administran mal su dinero y lo gastan muy rápido. Una razón podría ser que este dinero proviene de sus padres y no de su esfuerzo, por lo tanto, muchas veces, no les importa si lo malgastan. Entonces, si quieren comprar lo que quieran sin importar las consecuencias, lo harán. Este es un gran problema porque, en el futuro, no sabrán cómo administrar el dinero adecuadamente.

Palabras clave: Dinero, adolescentes, jóvenes, hábitos financieros.

## Introduction

It is well known that teenagers, in general, are more likely to waste money. By a metaphorical way, they don't accept the idea that money "does not grow on trees" and waste it lightly (Foucault, B., et al., 2022) Why? We know that financial education is globally recognized as an essential life skill and the process of financial knowledge comes from family and school. When parents control financial resources and nurture independence, they inevitably exert influence on financial attitudes and behaviors in the next generation. Grusec & Davidov, in Yue (2019). However, the tuition of this regard is scarce, and the shortage of financial knowledge is few; maybe the problem is, parents' responsibility. This may be caused by unfavorable teaching from family (parents) regarding money and saving when they were children. Simultaneously, at school, teachers don't usually teach financial education to adolescents and, as a result, they don't know how to manage their finances effectively, which can head them up to bad financial habits (Fox, M., 2021)

Furthermore, currently, they are exposed to a huge number of advertisements that incites them to excessive consumption and the idea that having material things is synonymous with success (Tantawi, I., 2023). As Zhang (2024) states that the mass media and manufacturers create social trends, stimulate people's desire to consume, and guide people's consumption behavior using highly attractive advertisements and inflammatory propaganda. These things can lead young people to get into debt early and easily. Moreover, teenagers and youth are callow, consequently social pressure and impulsiveness can make them make bad decisions about money and how to invest it.

And this behavior is seen at SENA, an institution full of teens. Many of them mismanage their money and spend it very fast. One reason could be that this money comes from their parents and not from their effort. Therefore, they don't care if they waste it. So, if they want to buy whatever they want no matter the consequences, they will do it. In this case their parents are guilty because they pamper them and make them spoil. Others, if they work, still live with their parents. So, it doesn't matter if they misspend their money.

This is a big problem because, in the future, they won't know how to manage money properly. This investigation was created with the purpose of educating teenagers about the disadvantages of wasting money and give them some tips to manage their finances suitably. For that reason, we saw relevance to purpose as a general objective. Make students aware about the correct use of finances in teenagers and young people.

Some of the theoretical underpinnings that support this theory are enlisted under the following ideas. It is relevant to talk about money management because this topic is of high interest for kids, teenagers, adolescents, and adult people at all times. Getting to know about the correct use of finances, investments and profits can influence well or badly depending on the education people have. Money management, along with financial information seeking and the ability to plan and save for important purchases and unexpected expenses, makes people financially capable (Warren et al., 2018). Taking this into consideration, there were stated specific objectives in order to make an informational handbook containing strategic tips for saving money, to demonstrate theoretically disadvantages of money mismanagement at a short long term and to make a suggested budget plan using

a template to control their money income and expenses.

As advice for saving money, good habits are learnt from childhood. It is valuable that parents may encourage their kids toward Learning to save, which is an essential money skill. Teaching children about the value of money and the importance of saving could be one of the most valuable life lessons you could impart. (Gray, C., Bridge, S., 2024). Piggy banks are great for younger kids. coins help kids see and understand money. They can see their money grow as they save. Opening a savings account is a good way to introduce kids to banking, saving and interest. (Dieterich Bank, 2024). Setting money goals helps your kids avoid impulse buys by teaching them to set goals and priorities how they spend their money. These tips also apply for adolescents and young people who are not trained in the saving money culture. (Money Smart)

- Disadvantages of money mismanagement

“Julie likes shopping for shoes, but when she thinks back on her purchases, she realizes that on several occasions, she has bought shoes that she never used. Indeed, Julie's closet has numerous items that have been lying unused for years”.

Koley (2023) There are many consequences of wasting or mismanaging money. One of them is the inability to save. For example, a car crash happens but you don't have enough money to pay the damages or even, a hospital in case of human injury. Well, it couldn't be a car crash, but life is full of surprises and not having enough money now in case of emergency, It could cost your life.

But the problems are not only physical, but also mental. “Money issues affect the mental health of many people, making them feel hopeless, depressed, and unable

to focus on work and other important tasks - says an article about this topic - People who are constantly worrying about their finances are also twice as likely to suffer from depression as those who don't”. A medical review about mental health mentions that a person who overthinks (in this case, about money) can suffer depression, panic disorders, obsessive-compulsive disorder (OCD), etc. (Nelson, L., 2023). And teenagers are more likely to develop these mental issues because of money mismanagement, not to mention other causes.

On the other hand, money mismanagement has an economical issue in the future. You will get into debt early because of buying material things or investing in bad business or going into bankruptcy. And it is easier to cheat you, because you are callow, and you don't know how to manage your finances. Wherever you see it, It is a big problem for you, dear young.

Most parents avoid teaching their children about economies; however, it is essential to put into practice this valuable principle. The child who goes with you to the grocery store can be given a list and a budget or can just wander around giving you more tasks as you spend more time on discipline than on buying groceries. “When supermarket shopping, in-store or online, challenge your kid to find the least expensive cereal brand” (Crouch et al., 2023).

It is a priority to train young people in the effective use of money. An experienced author argues: “Teaching kids how to budget is one of the most important money lessons you can impart as a parent or guardian”. Lake (2022).

## Methodology

Technological, Agro-industrial, Livestock and Tourist Complex (C.T.A.P.T. acronym in Spanish), Apartado-Turbo, where the

youth population are aged around 16-25 years old, come from low-income families. Some groups from different programs were surveyed (in Spanish) through an open ended google form with twelve multiple choice questions with qualitative and quantitative information to be explored. It was intended to know the financial behavior, the source of their incomes, how do they spend it, also how much they know about financial education; Whether or not was important financial training for them and how they manage their economic resources. So, the objectives of this project help us to lead the community to proper data about money management.

The investigation was descriptive, because we gave descriptions about the circumstances and problems of financial mismanagement. Through inquiry and detailed inspection to SENA teen's community.

Next, let us append some of the most relevant questions

**Results**

The data collected indicates that a significant portion of the SENA population (C.T.A.P.T. acronym in Spanish) relies primarily on limited financial resources from parents and family. Furthermore, their level of financial education is minimal, and many do not have a regular saving habit. According to data collected, we saw some possible causes of the lack of financial education:

Financial education is not always included in the curriculum of SENA training programs, what carries to instructors to think unnecessary teaching financial education, limiting themselves in this area. Another one would be that SENA focuses primarily on technical and professional training, which may leave financial education aside.

By the other hand, low financial education form family affects the lives of our

apprentices. They may not learn basic financial concepts, such as the importance of saving, money management and financial planning. Without financial education, apprentices may make impulsive or uninformed financial decisions, leading them to long-term financial problems. These long-term consequences would be debt problems, lack of savings, limited career opportunities and mental health problems (Nelson, L., 2023).



Figure 1. Answers about knowledge in financial education

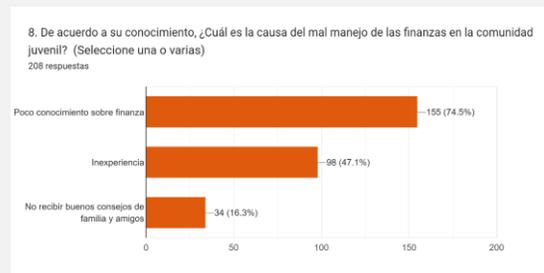


Figure 2. Answers about financial management.

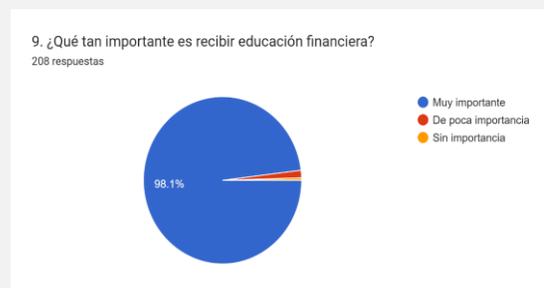


Figure 3. Answers about the importance of financial education

## Discussion

According to data obtained from the survey conducted with CTAPT apprentices (see appended survey [here](#)), the study results revealed the following insights:

Regarding the first question on **periodical income**, specifically what is your fortnightly income?

- 39.4% of apprentices reported earning between \$50,000 and \$200,000 COP.
- 31.3% have an income of less than \$50,000 COP.
- 17.8% earn between \$200,000 and \$400,000 COP.

For the second question, what is your fortnightly outcome? The **periodical expenditure** figures were as follows:

- 71.6% reported spending between \$50,000 and \$200,000 COP.
- 14.4% have expenditures ranging from \$200,000 to \$400,000 COP.
- 9.6% spend between \$400,000 and \$600,000 COP.

In regard with the **source of income**, to the question where does your income come from? The apprentices replied as follows:

- 64.4% of respondents indicated that their income comes from parents or family.
- 26.4% reported earning their income from part-time jobs.

On the topic of **spending habits**, (a multiple-choice questions) the main results were

- 79.3% spend their money on personal needs.

- 60.6% use their income for food and transportation.
- 26% spend their money on paying off debt.

For question fifth, **about financial education awareness**,

- 75.5% stated they know a little bit about financial education.
- 14.9% indicated they do not know anything about financial education.
- 9.6% reported that they know a lot about financial education.

The survey results further revealed the following perceptions. For question six, about **frequency of saving**, as per the question, how often do you save? The outcome is

- 37.5% of respondents save on a weekly basis.
- 32.7% save monthly.
- 20.2% indicated that they do not save at all.

Question number seven, on the **purpose of savings** (also a multiple choice) included the upcoming percentages

- 38.5% save for transportation costs.
- 54.8% save primarily for educational expenses.
- 32.7% save for general purchases.

For question number eight, on the **perceived causes of financial mismanagement among youth**, the main one involved not knowing how to deal with it, then

- 74.5% attributed financial mismanagement to a lack of financial knowledge.
- 47.1% cited inexperience as a significant factor.
- 16.3% believed that poor advice from family and friends contributes to financial mismanagement.

Summarized the response of the ninth question, regarding the **importance of financial education**:

- 98.1% of respondents considered receiving financial education to be very important.

For the tenth question, on **experience with credit**:

- 73.6% of respondents reported that they have never taken out a loan.
- 26.4% indicated that they have taken out a loan at least once.

For the eleventh question, about **knowledge of obtaining credit**, replies to the question have you ever received a credit? Showed the resulting values

- 57.2% stated that they do not know how to obtain credit.
- 42.8% reported that they do know how to obtain credit.

Finally, for question twelve, on **coping strategies for financial shortfalls**:

- In summary, when in need of money and lacking immediate resources, 81.3% of respondents resort to borrowing from friends or family members.

### Conclusions

Given these concerning findings, strategies were developed based on the main and specific objectives. One key strategy involves organizing informative and interactive sessions on financial education and effective money management. These sessions will be conducted weekly across various classes, regardless of their focus area (e.g., natural resources, accounting, administration, graphic design, etc.). The content for these sessions will be grounded in the expertise of financial professionals and authoritative sources on responsible financial management. Our approach ensures that the information provided is credible and well-founded.

As a recommendation, you can check a magazine made exclusively with advice for saving money properly



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