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TEENAGERS USING CREDIT CARDS BEFORE EMPLOYMENT: FINANCIAL
RESPONSIBILITY, PARENTAL ROLE, AND DEBT RISKS

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Research Questions:

- What impact does early access to credit cards have on teens' financial responsibility and debt management before they enter the workforce?
- How do parents influence teenagers' financial literacy and credit card usage habits before they enter the workforce?

Aims of the Study:

- The study aims to examine how credit card ownership affects the financial behaviors and debt management methods of unemployed teenagers.
- The study aims to assess the impact of parental advice and financial education on teens' responsible credit card use before they become financially independent.

Introduction

In today's consumer-driven natural world, teens are increasingly obtaining credit cards, often before securing permanent jobs. This early exposure to credit can have serious consequences for their financial responsibility, parental guidance, and the risks linked with debt accumulation. Understanding these dynamics is critical, especially as financial literacy becomes a necessary skill for navigating adulthood. The purpose of this study is to investigate credit card usage patterns among teenagers, assess their financial responsibility, measure the impact of parental engagement, and determine the associated debt risks.

Literature Review

The expanding drift of credit card utilization among youngsters has raised concerns approximately their budgetary well-being. A precise survey by Hoeve et al. (2014) highlighted that monetary obligation in teenagers and youthful grown-ups is significant, with around 49% announcing a few frame of obligation and 22% encountering budgetary issues. The consider too found solid affiliations between obligation and different components, counting moo self-esteem, pro-debt states of mind, and need of seen control over monetary administration.

Parental impact plays a urgent part in forming teenagers' budgetary behaviors. A consider by Santos et al. (2021) illustrated that monetary instruction gotten from guardians altogether impacts youthful adults' monetary self-confidence and mindful credit card utilize. The investigate emphasized that parental direction contributes to superior money related decision-making and diminished lament over credit card utilization.

Hancock et al. (2013) inspected the impact of parental intuitive, a long time of work involvement, monetary information, and credit card demeanors on college students' credit card behaviors. The ponder found that understudies whose guardians contended approximately funds were more likely to have higher credit card obligation and numerous



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credit cards. This underscores the significance of positive parental part modeling in monetary things.

Norvilitis and MacLean (2010) investigated how parents' educating and modeling of monetary concepts influence college understudy credit card obligation. The consider uncovered that hands-on parental mentoring of budgetary abilities was emphatically related to lower levels of credit card obligation, intervened by more noteworthy budgetary delay of satisfaction and less incautious credit card obtaining.

Palmer et al. (2001) examined the part of parental association in college students' credit card obligation. The think about bolstered the suspicion that understudies whose guardians are included in their securing of credit cards have essentially lower credit card equalizations than those with no parental association.

A consider by Xiao et al. (2019) emphasized the centrality of parental monetary socialization in advancing economical obligation behavior and well-being among youthful grown-ups. The inquire about shown that children uncovered to hands-on budgetary educating detailed lower levels of credit card obligation in college. Finally, a consider by Wang et al. (2022) explored the affiliations of customer money related information and money related behaviors of credit card utilize. The ponder found that money related information emphatically contributes to dependable credit card behaviors, highlighting the significance of budgetary instruction in advancing sound money related propensities among youthful buyers.

Methodology

Prospective Participants

The think about will target young people matured 16 to 19 who have get to credit cards. Members will be selected through schools, community centers, and online stages. Parental assent will be gotten for members beneath 18.

Research Design

A mixed-methods approach will be utilized, combining quantitative studies and subjective interviews. The study will evaluate credit card utilization designs, money related proficiency levels, and parental association. Semi-structured interviews will dig more profound into individual encounters and discernments with respect to credit card utilize.

Ethical Considerations

Right to Withdraw

Participant shall be informed that at any time they have the right to withdraw from the study without affecting their chances at the particular stage of the study. Noting also that disenrollment will not affect participants' access to any services or relationship with the study, member shall be informed that at any time they have the right to withdraw from the consider without affecting their chances of undergoing the study.

Confidentiality

All information collected will be kept private. Individual identifiers will be expelled, and information will be put away safely.



Anonymity

Participants' characters will stay mysterious in all distributions and introductions coming about from the ponder.

Proposed Data Analysis

Qualitative Data Analysis

Meet transcripts will be analyzed specifically to distinguish common designs and bits of knowledge into teenagers' encounters with credit card utilization.

Quantitative Data Analysis

Overview information will be analyzed utilizing measurable strategies to decide relationships between credit card utilization, monetary proficiency, and parental association.

Conclusion

The initial introduction of credit cards to teenagers has both benefits and drawbacks. On the one hand, having access to credit can teach independence and budgetary responsibility, and enable young people to establish a good credit history. On the other hand, if left to their own devices, it raises the stakes of excessive spending, accumulation of debt, and the development of bad money management habits that can carry over to adulthood.

This research points to the strong influence parents have on the money behavior of teenagers. Parental influence, through direct instruction, frank discussion of financial obligations, or demonstration of prudent spending practices, markedly mitigates the threat of abusive credit use. Financial education is also a key factor in teaching teenagers the knowledge and self-control to apply credit wisely.

Recommendations

Parental Involvement: Parents can encourage financial literacy at home by educating children on budgeting, saving, and the impact of debt. Discussion of credit card bills and spending limits together can help sensitize.

School Programs: Schools should make financial literacy classes a part of the curriculum, emphasizing credit management, debt avoidance, and long-term saving.

Policy Implications: Banks extending credit card services to teenagers must have controls like spending limits, co-signatures from parents, and compulsory financial education literature prior to providing the cards.

Teen Responsibility: Teenagers must be taught to exercise restraint in their expenditure, keep track of their spending, and distinguish between needs and wants.

Therefore, while the early use of credit cards can serve as a foundation for financial management, it should be closely monitored and guided. With the joint effort of parents, teachers, and policymakers, teenagers can become financially independent individuals with minimal debt and long-term financial security.

Appendix

Interview Guide, Appendix A

Introduction

a. Quick overview of the research purpose and the consent of participant.



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- b. The interviewer will introduce themselves and attempt to establish a rapport.

Background Information

- a. Inquiries about demographic data, such as age, gender, and educational attainment.
- b. Questions related to credit card usage behaviors (how frequently credit cards are used, what types of transactions they are using it for, and at what age they began using credit cards).

Credit Card Use Experience

- a. What made you begin using a credit card?
- b. What do you usually use to decide if to use your credit card or not?
- c. Has it ever been a problem to pay back the balance on your credit card?
- d. Have you faced unexpected problems from using a credit card?
- e. What advantages do you think having a credit card provides to you at your current age?

Parental Involvement and Guidance

- a. Have parents or guardians talked to you about credit card use?
- b. Do your parents monitor spending? If yes, how?
- c. How do you feel about your parents' involvement in your financial decisions, if any?
- d. Have your parents assisted in managing or paying off your credit card debt?

Financial Responsibility and Decision-Making

- a. Would you consider yourself financially responsible? Why or why not?
- b. Are you going to track spending or budget your dollars? How will you do this?
- c. Do you think you would have used credit differently if you had been working?
- d. What guidance, support or information would you have liked to have before applying for a credit card?

Closing

- a. Is there any further comment or information you want to add?
- b. Thank the participant for their time and participation.
- c. Remind the participant they have identified means to withdraw from the research and remind them once again of the confidentiality agreement minimum.

Appendix B: Survey Questionnaire

(The survey will collect information on the demographic, credit card, and debt levels, parental guidance, and financial literacy of the participants. There will be similar questions to those in the interview guide as per the themes).



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Appendix C: Informed Consent Form

(The Informed Consent Document shall provide brief description of the study's purpose, procedures, risks and benefits, as well as to inform participants of their confidentiality and voluntary nature. The document will also serve as the record of the participant's informed consent).

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