This dissertation contributes to our understanding of the nature, development, and significance of mood variability during adolescence. The results of the reported studies suggest that daily emotions can be reliably assessed and compared across adolescence. The studies further demonstrate that adolescence is a period in which most boys and girls come to grips with their moods, although some adolescents struggle with increasingly instable moods. This emphasizes the importance of addressing interindividual differences in adolescent mood development. Lastly, heightened mood variability is shown to contribute to the development of both internalizing and externalizing problems as well as difficulties in parent-child relationships during adolescence. Overall, the results of this dissertation indicate that adolescents deal with emotional challenges during this transformational period and about one in ten may need help to regulate fluctuating emotions to set the stage for a healthy development.