

# Millennials Unsatisfied With Their Finances, But Remain Ever Optimistic

**m o n e y**

**u n d e r**

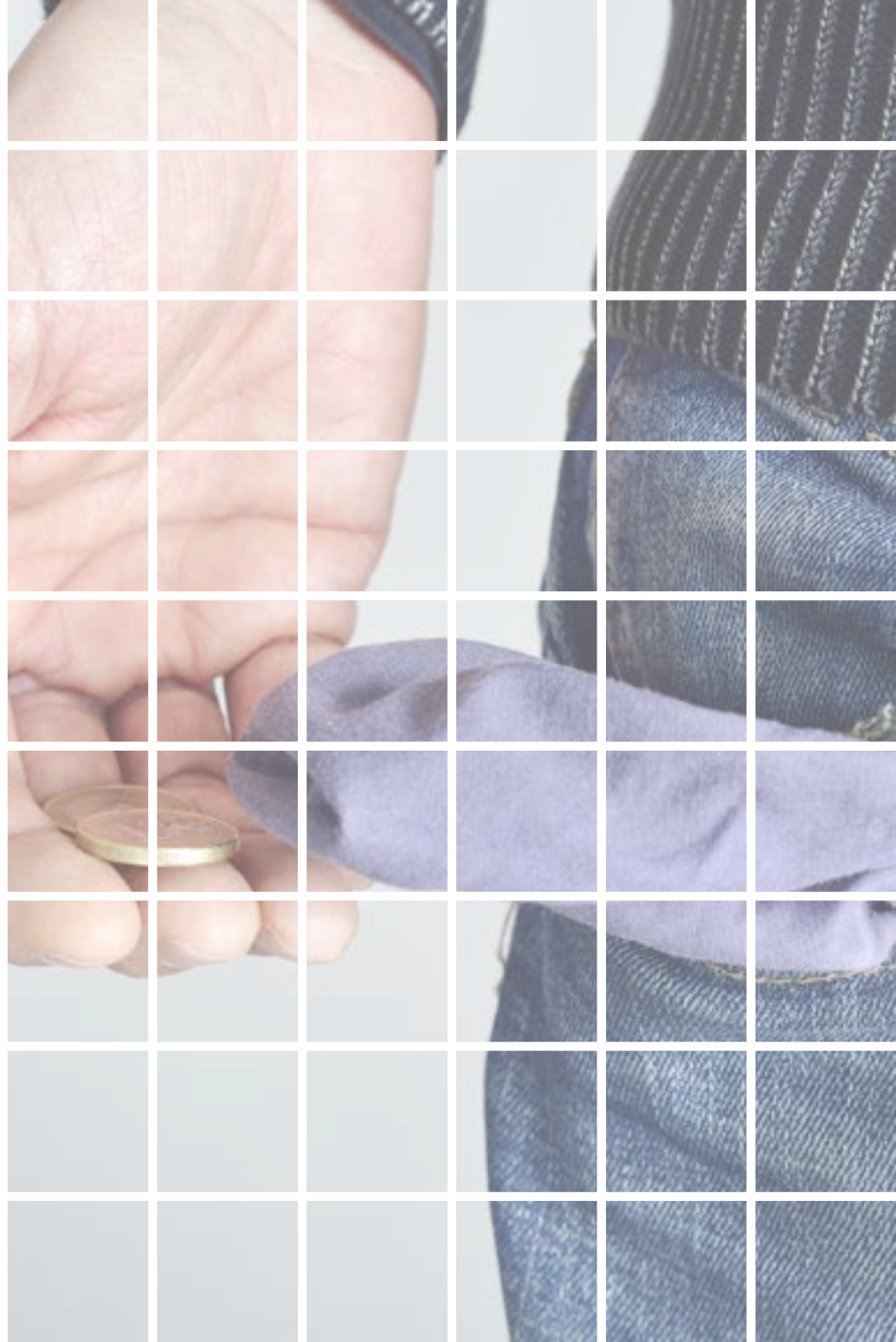
**3 0**

# The Unique Millennial Economic Situation

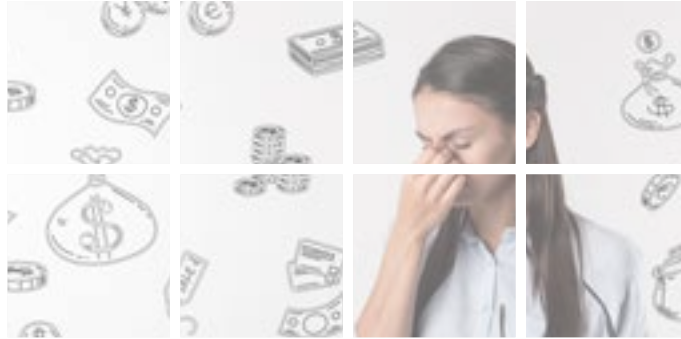
We're all very familiar with the way Millennials are stereotyped.

They mooch off their parents. They're entitled. They spend all their money on avocado toast.

But Millennials face financial challenges that are unique in the American economy. We at MU30 conducted a survey designed to test the financial health of Millennials, and to identify how that cohort differs from other Americans.

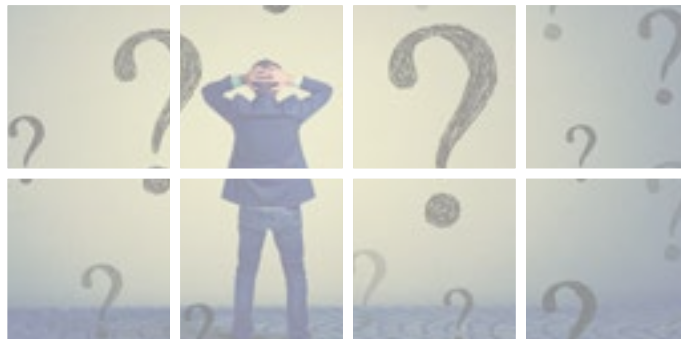


# Our survey has exposed three main themes regarding millennials




Millennials are currently less satisfied than other Americans with their current financial situation.

Despite being unsatisfied at present, Millennials are more optimistic about their future financial situations than their compatriots.



Millennials are woefully unprepared to become financially healthy adults.

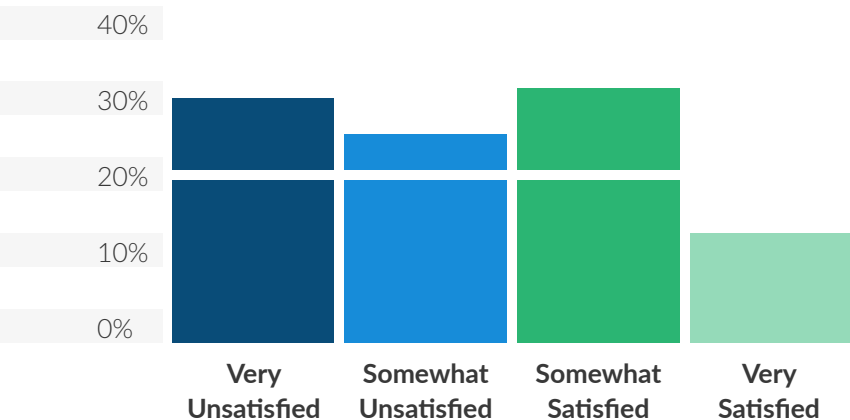


We conducted the survey with a representative sample of 612 Americans. Our survey has a 95% confidence level and a 4% margin of error.

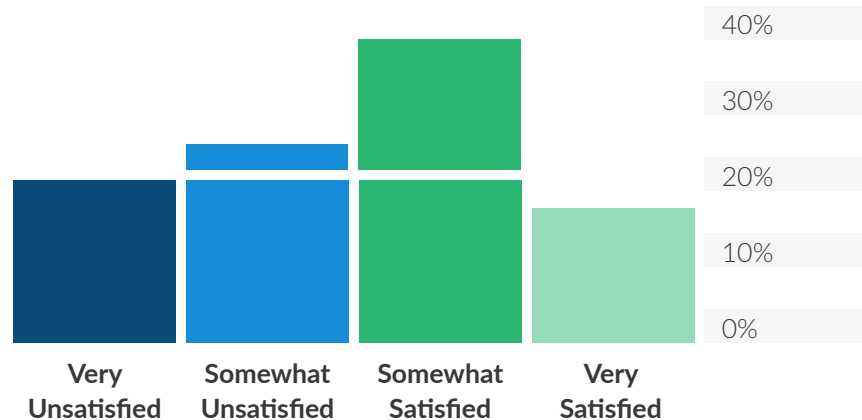
# 1

Millennials are currently less satisfied than other Americans with their current financial situation

Consider your financial situation (income, saving, debt).  
For your age, how satisfied are you with your finances?



Millennials



Other Americans

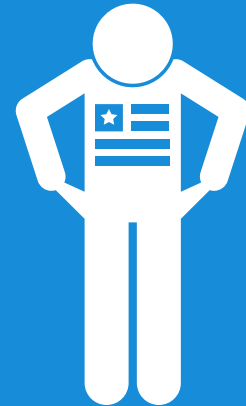
# Results and highlights

56%



56% of Millennials are either very unsatisfied or somewhat unsatisfied with their current financial situation

44.6%



Compared with only 44.6% of the rest of the American population

What's leading to this significant intergenerational disparity?

It's about expectations, or rather the gap between reality and expectations.

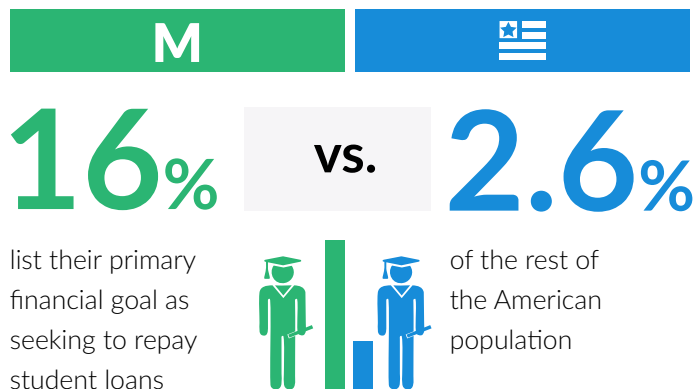
For whatever reason – be it that they were coddled into believing they're special or buffed by the ambition and success of their baby boomer parents – Millennials have high expectations of life. Right now, they're by and large failing to meet those expectations, at least financially, producing a dissatisfied outcome.



# There are two main factors anchoring the circumstances of millennials

## Student Loans

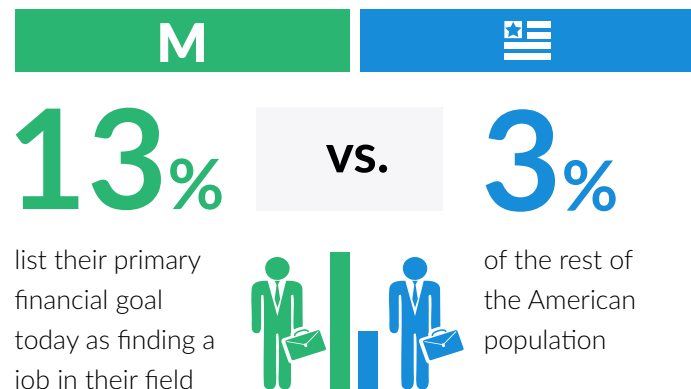
The cost of tuition has skyrocketed in the United States over recent decades, and there has been a commensurate rise in student loans.



Millennials are younger, so a difference here makes sense. But it is also true that the burden of student loans is one that is affecting the Millennial generation in a way that is totally unique in the American experience.

## Job Hunting

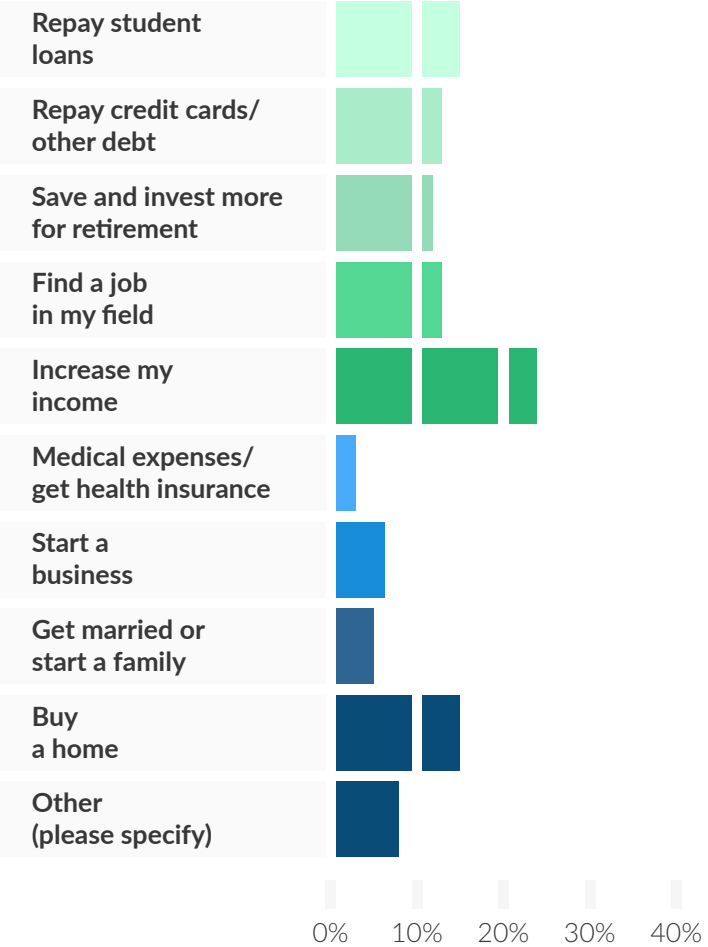
Though the US economy is enjoying extremely low rates of unemployment, Millennials are still struggling to find jobs in their fields of expertise.



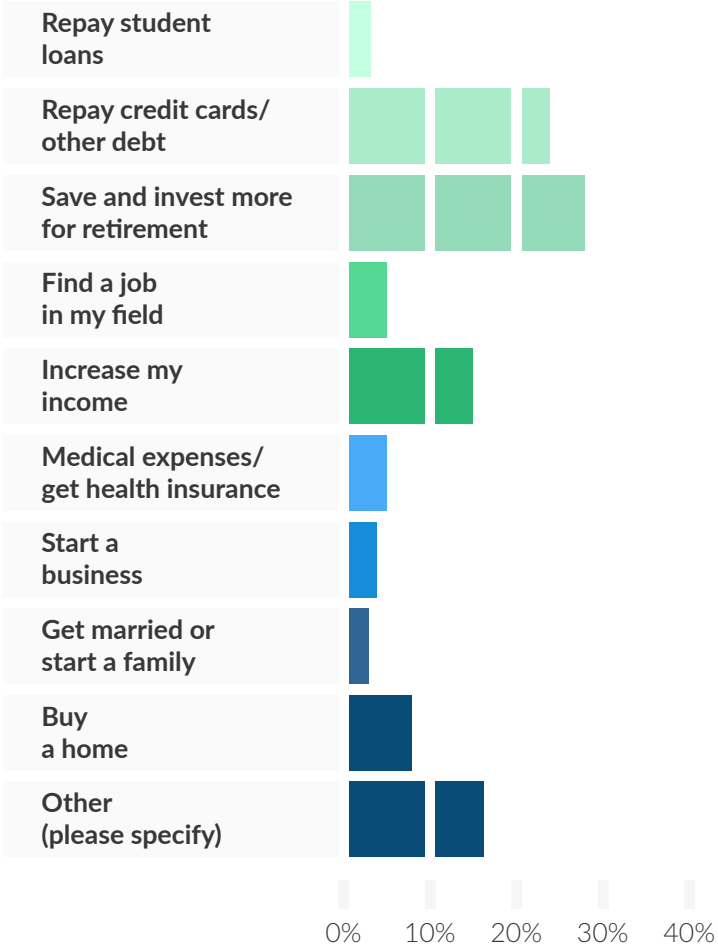
Again, this could be because Millennials are younger and are just starting out in their career; it's entirely plausible, though, that Millennials are dissatisfied with their financial situation because they're not able to find jobs in their field.



# What's your #1 financial goal right now?



Millennials

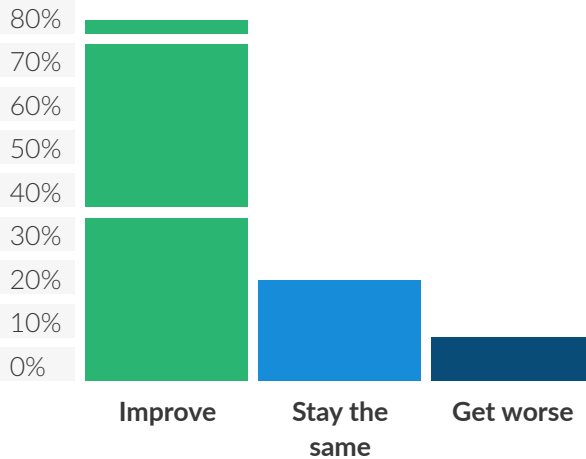


Other Americans

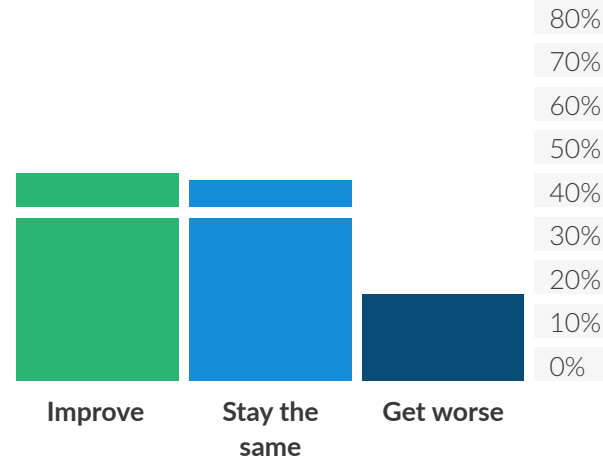
# 2

## Millennials are much more optimistic about their future financial situation than the general population

Over the next 5 years, do you think your financial situation will improve, stay the same, or get worse?

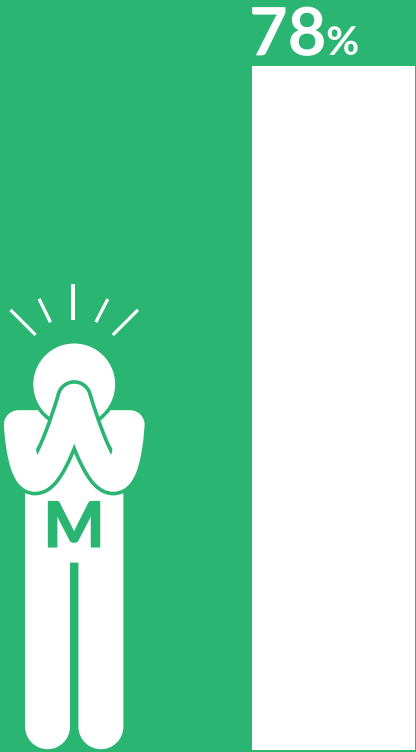


Millennials

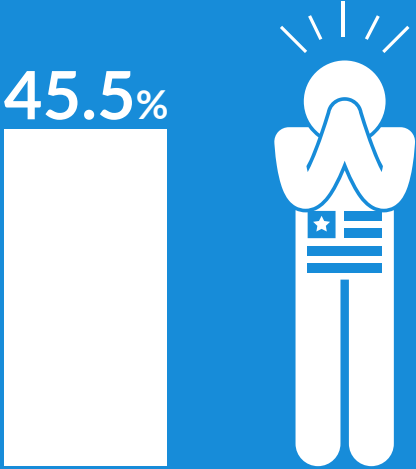


Other Americans

As we mentioned earlier in the report, Millennials have high expectations of their financial circumstances, and that's borne out in the striking optimism expressed in this survey question.



78% of Millennials feel that their situation will improve



Compared with 45.5% of other Americans.

Now, it's entirely possible that this optimism is a technicality; Millennials might be more optimistic because they're starting out in their careers. They are young, and the world is their oyster.

The rest of the population, being experienced, might simply have a more realistic approach to the economy and their future earnings potential.

But there is another explanation, and it's one we believe holds weight: For their entire adult lives, Millennials have known a healthy and improving economy, and therefore they are more likely to believe that current economic trends are fixed rather than temporary.

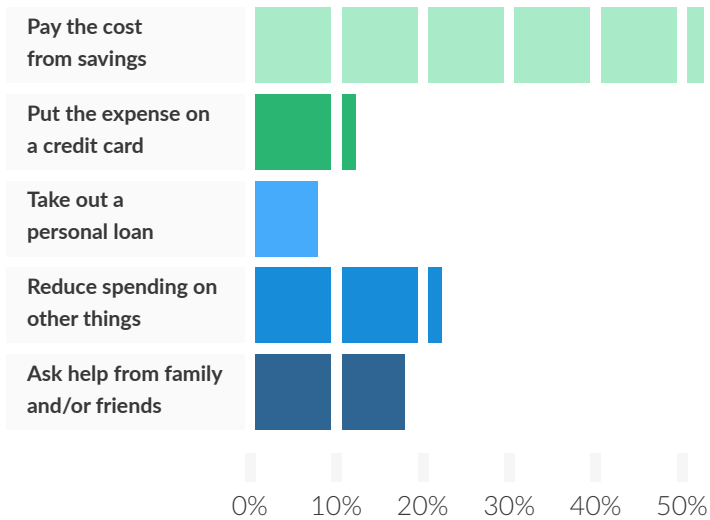
This contrasts with other Americans, who were already in adulthood and therefore acutely felt the effects of the 2008 financial crises (and others before it). They might view the economy's recent upward trend as a fleeting blip in the natural ebbs and flows of the economy in general.



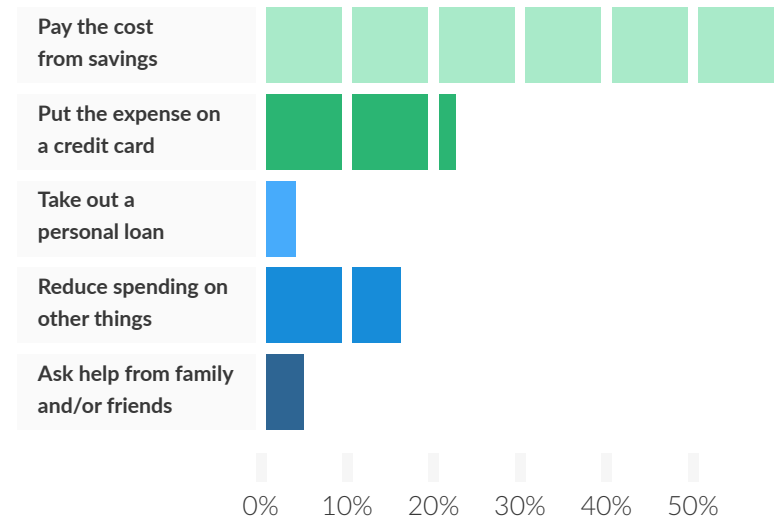
# 3

## Millennials are not sufficiently financially healthy

### How would you pay for an unexpected expense of \$500



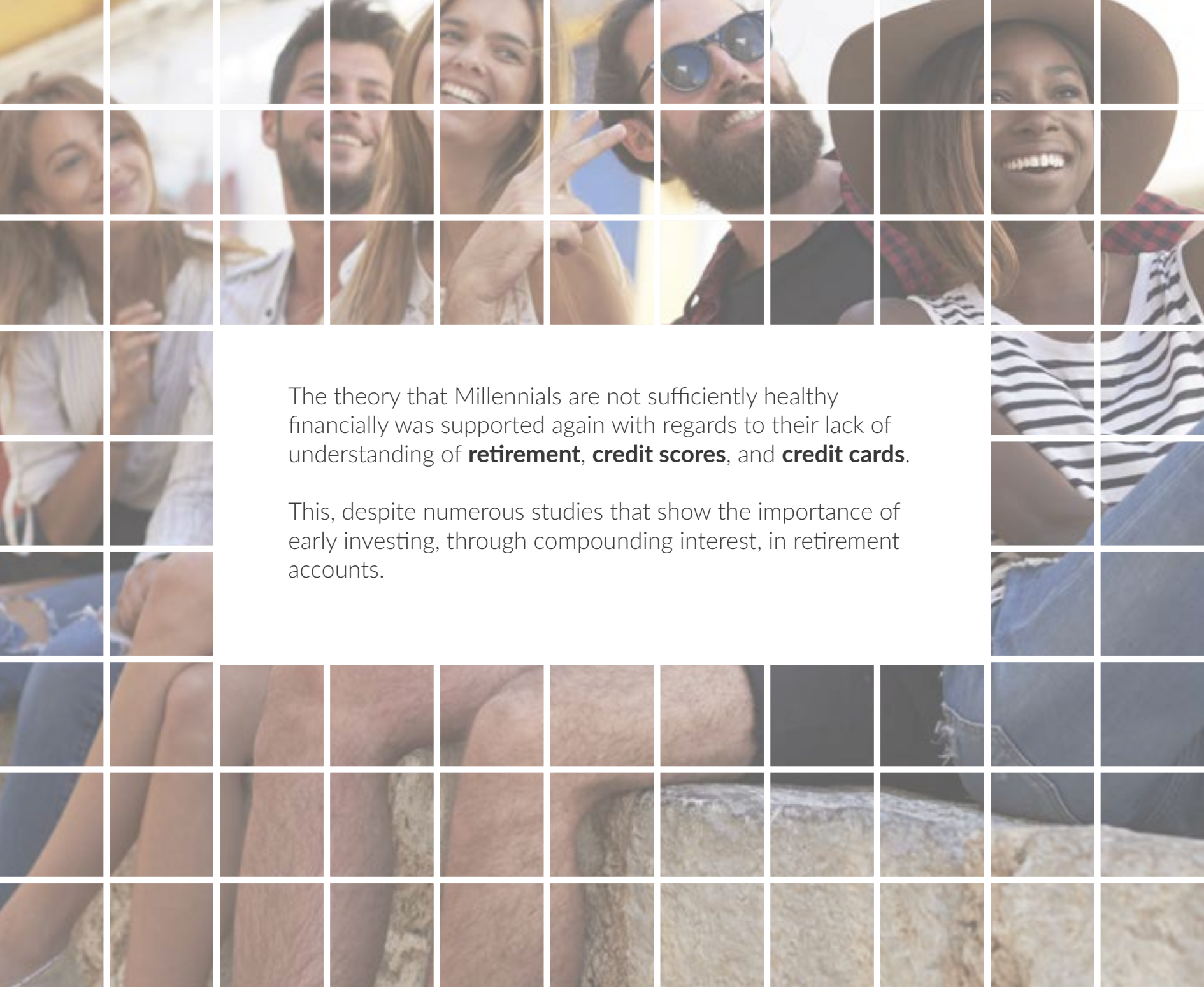
Millennials



Other Americans

The most stunning set of responses proving that Millennials are lagging financially was to the question of how people would pay for an unexpected expense of \$500.

At 19.5%, Millennials are nearly three times more likely than other Americans to ask help from friends or family.

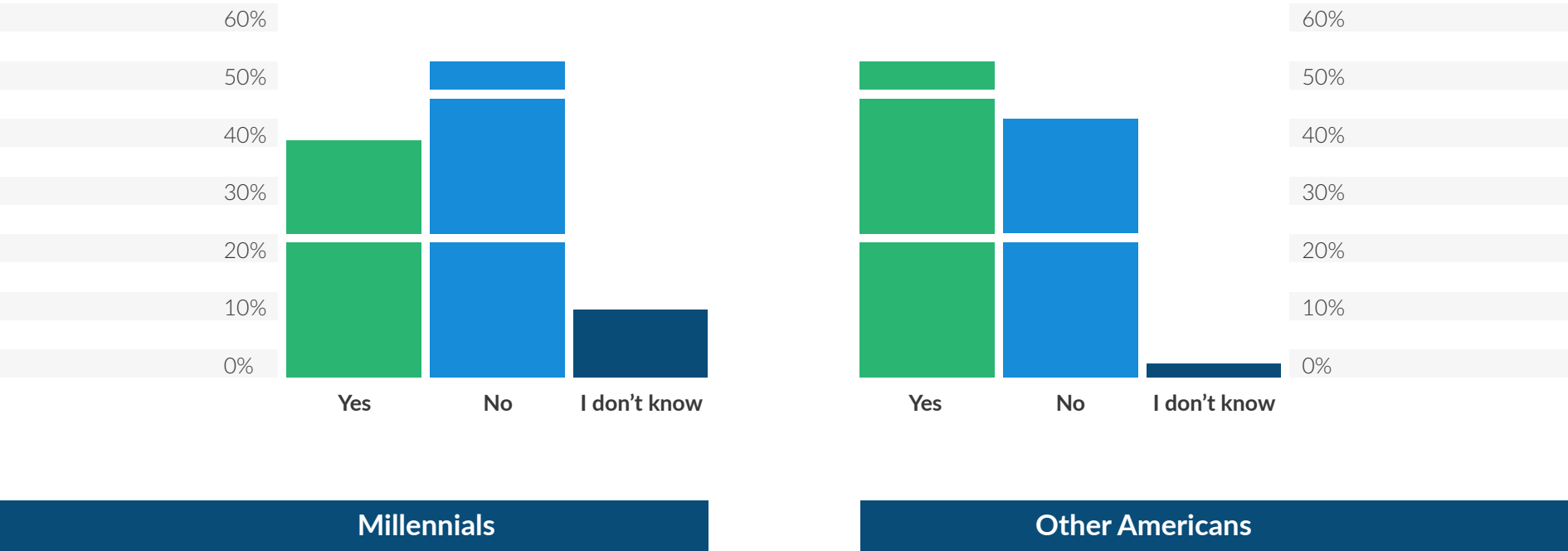
A collage of young people smiling and socializing, with a central white box containing text. The collage is composed of many small, square images of people in various poses and settings, mostly outdoors. The central white box is positioned in the middle of the collage, containing two paragraphs of text.

The theory that Millennials are not sufficiently healthy financially was supported again with regards to their lack of understanding of **retirement**, **credit scores**, and **credit cards**.

This, despite numerous studies that show the importance of early investing, through compounding interest, in retirement accounts.

# Retirement account contributions

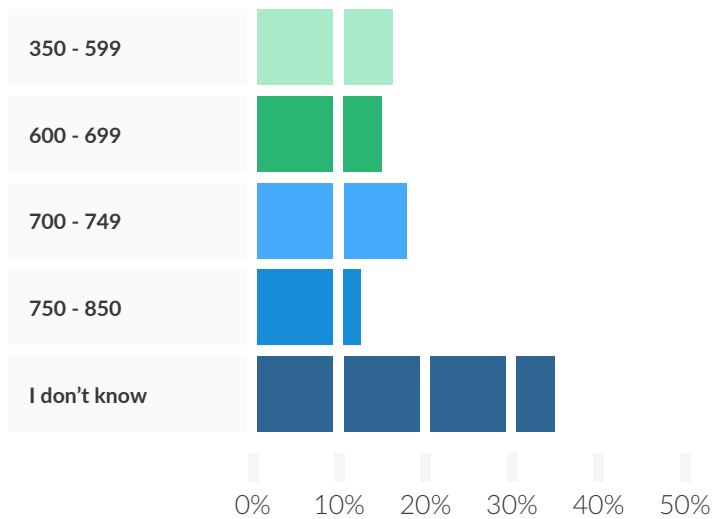
In the past year, have you contributed money to a retirement account like a 401(k), 403(b), or IRA?



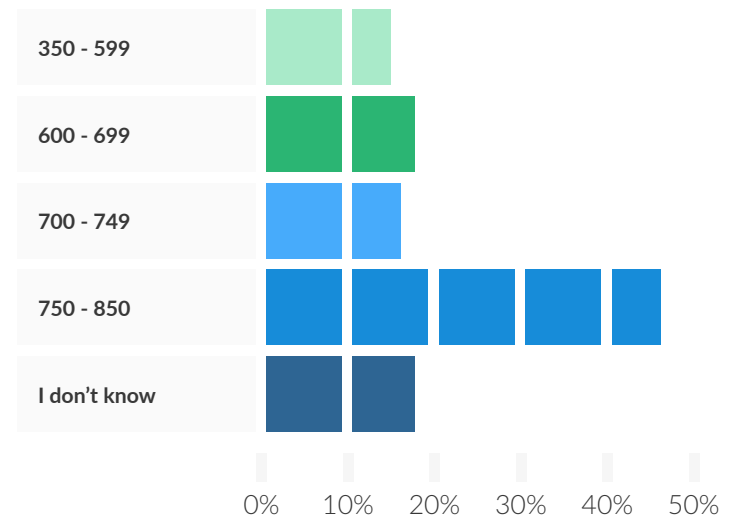
51.6% of Millennials are not contributing money to their retirement accounts. Perhaps even more surprising 10% of Millennials don't even know if they're contributing at all.

# The knowledge gap repeats itself with credit scores.

What is your credit score?



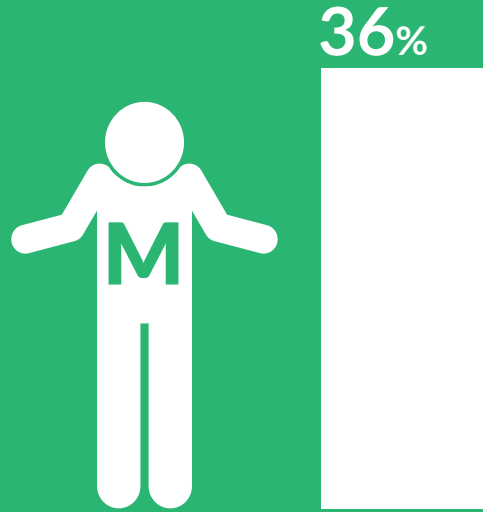
Millennials



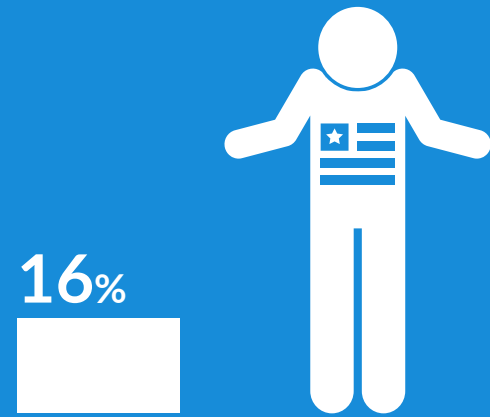
Other Americans



# Credit Scores



36% of millennials don't know their credit score



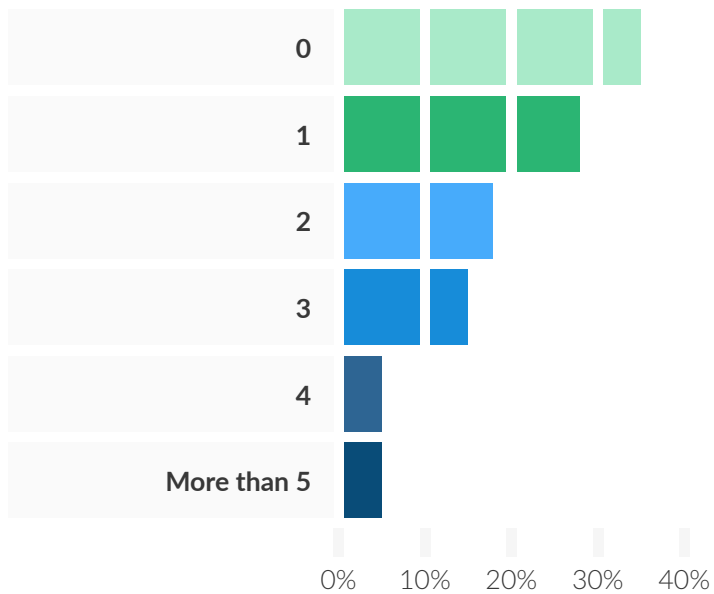
More than double the number of the general population

A person's credit score guides them in life, it determines the rates of loans and mortgages, and it's even being used in job interviews and by landlords to test if people will make good tenants.

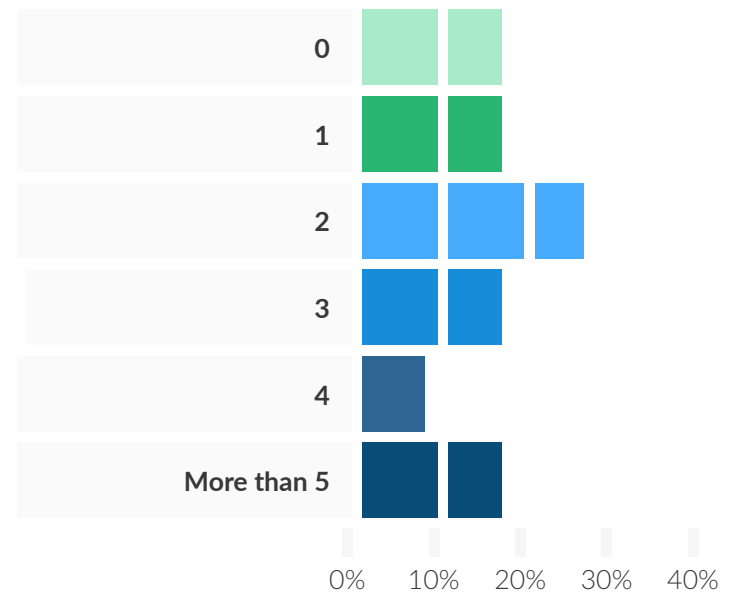
These findings are solid evidence that Millennials are unaware of important financial concepts that impact them.

# Millennials don't use credit cards well, and they pay the price in their credit scores

How many credit cards do you have?



Millennials

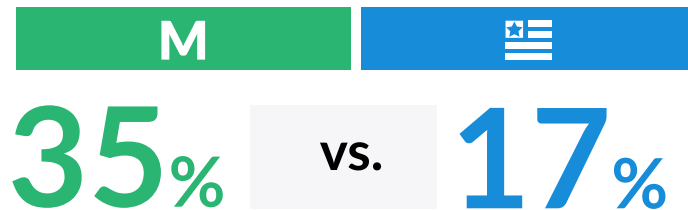


Other Americans

# Millennials are likely to avoid credit cards

## 0 Credit Cards

Millennials are more than twice as likely as other Americans to completely avoid using credit cards.



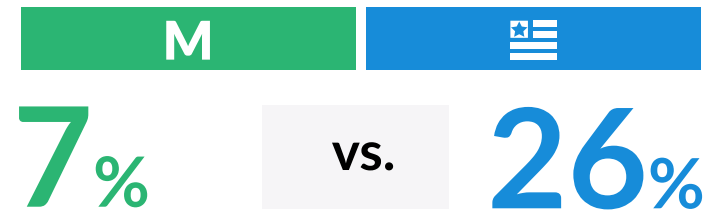
completely eschew credit card usage



of the rest of the American population

## 4+ Credit Cards

Millennials are three times less likely as other Americans to use four or more credit cards.



have more than four credit cards



of the rest of the American population

Along with the data that shows that Millennials don't know or care to find out their credit score, this indicates that Millennials don't understand the value of responsible credit card use in raising their credit score, which will help them throughout the entirety of their financial futures.



# Key Findings for Millennials



**56%**

are either very unsatisfied or somewhat unsatisfied with their current financial situation



**78%**

feel that their situation will improve



**36%**

don't know their credit score – more than double the number of the general population



**51.6%**

More than half responded that they are not contributing to their retirement accounts



**3 times**

More likely than other Americans to ask help from friends or family

**35%**



completely avoid using credit cards, more than twice as many as the general population

# About MoneyUnder30

Money Under 30 is an independent personal finance site providing free advice for young adults wanting to make informed decisions about where their money goes. Money Under 30 has everything you need to know about money, written by real people who've been there. This site was founded in 2006 by David Weliver, who dug himself out of more than \$80,000 in debt in just three years.



**m o n e y**

**u n d e r**

**3 0**

Follow Us:

