



A note from Andrew Plepler

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When you hear the word “millennial,” it may call to mind some stereotypes: they are self-absorbed, foolish with money, not long-term planners or still dependent on their parents. But do these stereotypes hold up? That’s what we set out to find in the fifth edition of our Better Money Habits Millennial Report.

It turns out that millennials are actually just as good, or better, than other generations when it comes to managing money, and they are getting their financial houses in order. Millennials (ages 23-37) are more likely to set savings goals – and a majority meet them. Most millennials feel financially secure – at a level on par with Generation Xers and Boomers – and they are more likely to ask for raises. Still, they feel stressed; one in four worry often about money. .

The interesting part is that millennials believe the stereotypes about themselves. Despite their good habits, three-quarters say their generation overspends, and the majority believe that their generation is bad at managing money.

We often hear another stereotype about millennials and their careers: they are job-hoppers. Our findings show that while the majority of millennials expect to hold eight plus jobs in their lifetime, a quarter of them have been laid off. Yes, they may bounce around, but consider the factors outside of their control.

At home, millennial parents are very aware of the costs of raising children. Older generations say finances weren’t really a factor in their decision to have kids; millennial parents say the opposite. And, nearly a quarter of older millennials are already saving for their children’s education – a feat given that so many may still be paying off their own student loans.

My takeaway? Millennials deserve more credit – both from themselves and from others – for their mindfulness when it comes to money and their lives. Let’s not forget, many millennials entered the workforce during the most severe economic downturn since the Great Depression. However, they seem to have weathered the storm quite admirably.

At the same time, they have room and, importantly, time to reduce the stress they report having around money. To help out, we offer tools and resources through Better Money Habits®, our financial education platform, to make the everyday challenge of managing money more intuitive and a little bit easier.

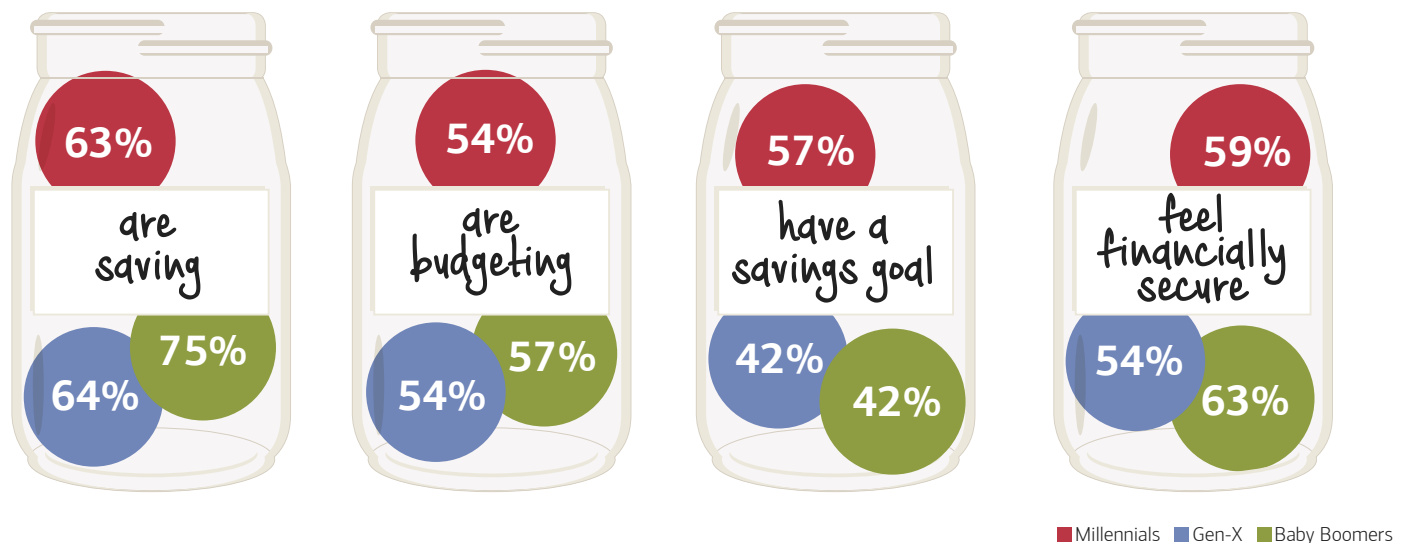
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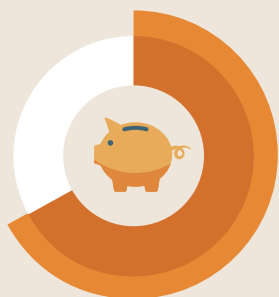
Winter 2018

Despite Stereotypes, Millennial Money Habits Are Just As Good – or Better – Than Other Generations’

There’s a general notion that millennials aren’t good at managing money – that they overspend and aren’t in a place to even begin to save. Despite stereotypes about their generation’s money habits, they deserve more credit: millennials are actually doing better than you – and they – might think.

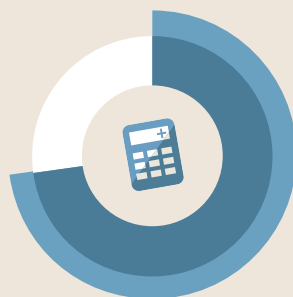


In terms of how much they have saved, they’ve shown improvement over just a few years: [in 2015](#), only 33 percent had \$15,000 or more saved, and only eight percent had at least \$100,000.



67%

of millennials who have a savings goal stick to it every month or most months



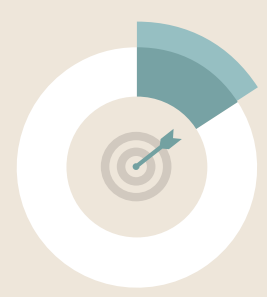
73%

of millennials who have a budget, stick to it every month or most months



47%

of millennials have \$15,000 or more in savings



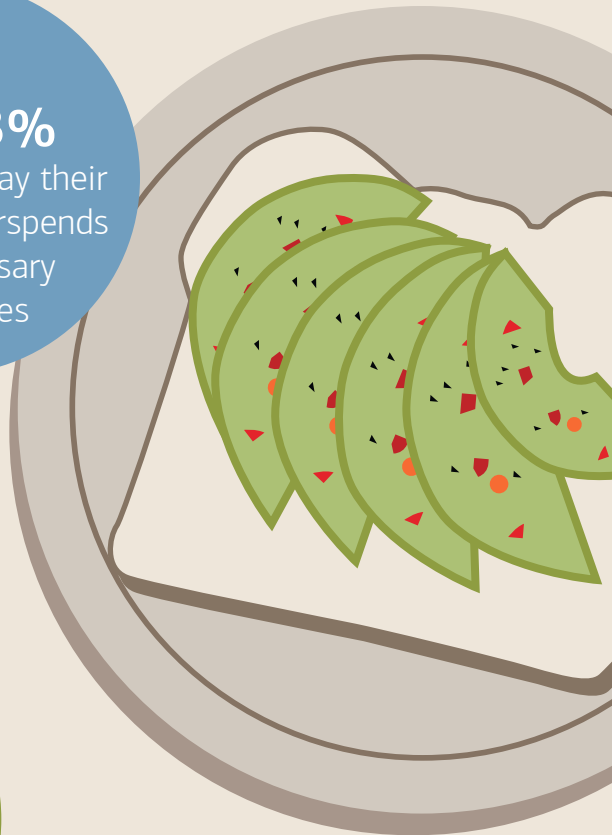
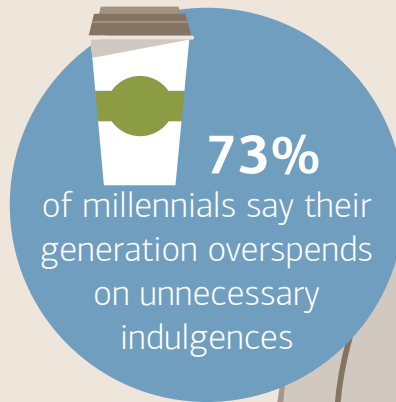
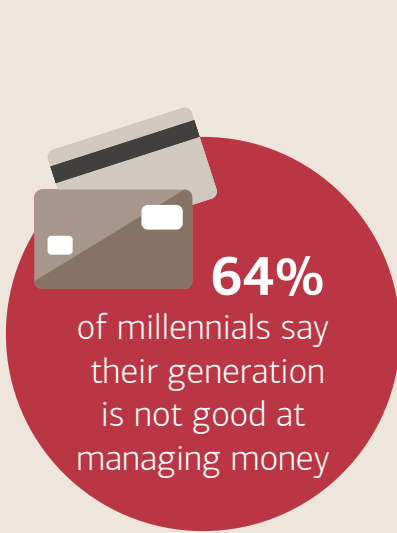
16%

of millennials have \$100,000 or more in savings

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But They Don't Give Themselves Enough Credit and Believe the Negative Stereotypes, Too

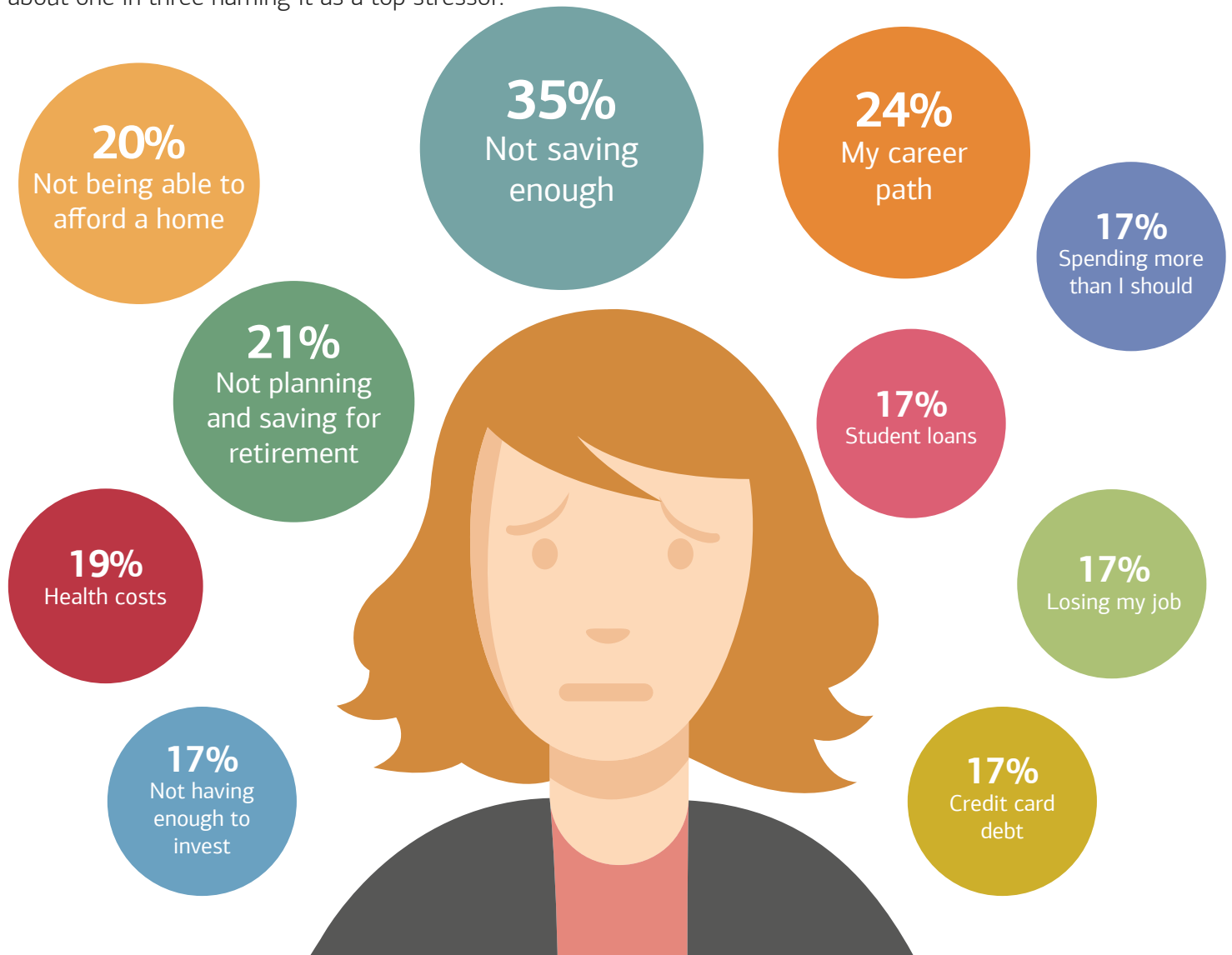


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Top Financial Stressors: Falling Short on Savings, Careers

Despite their relatively strong money habits, millennials still say their finances are causing them stress. One in four millennials worry often about their finances (roughly even with Baby Boomers but less than Gen Xers). Notably, they're just as worried about finances as they were [when surveyed in 2014](#), when three-quarters said they worried similarly about money. Not having enough money saved is their top source of financial worry with about one in three naming it as a top stressor.



Still, millennials are saving. Their top priorities are saving for emergency funds (64 percent), retirement (49 percent) and to buy a house (33 percent).

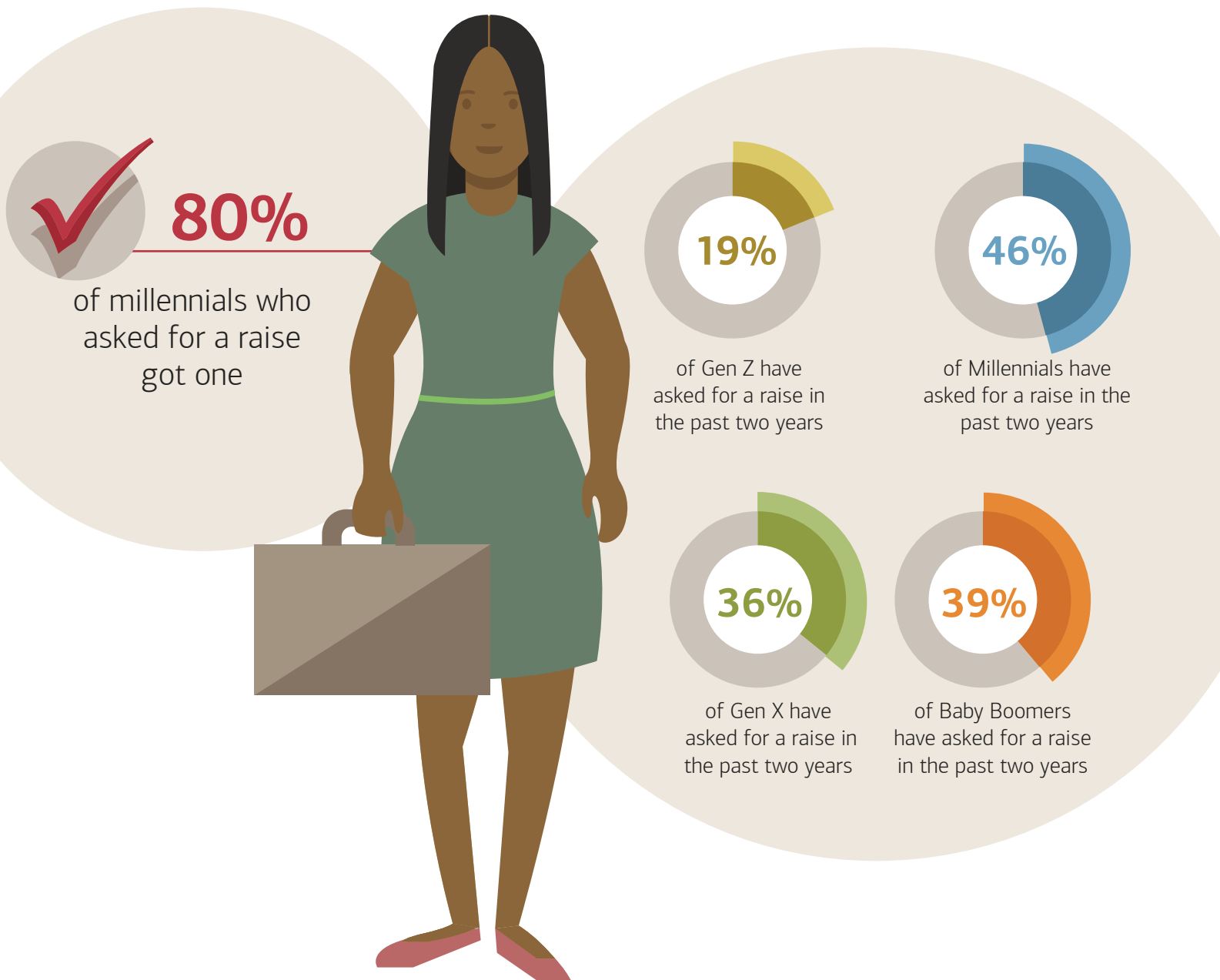


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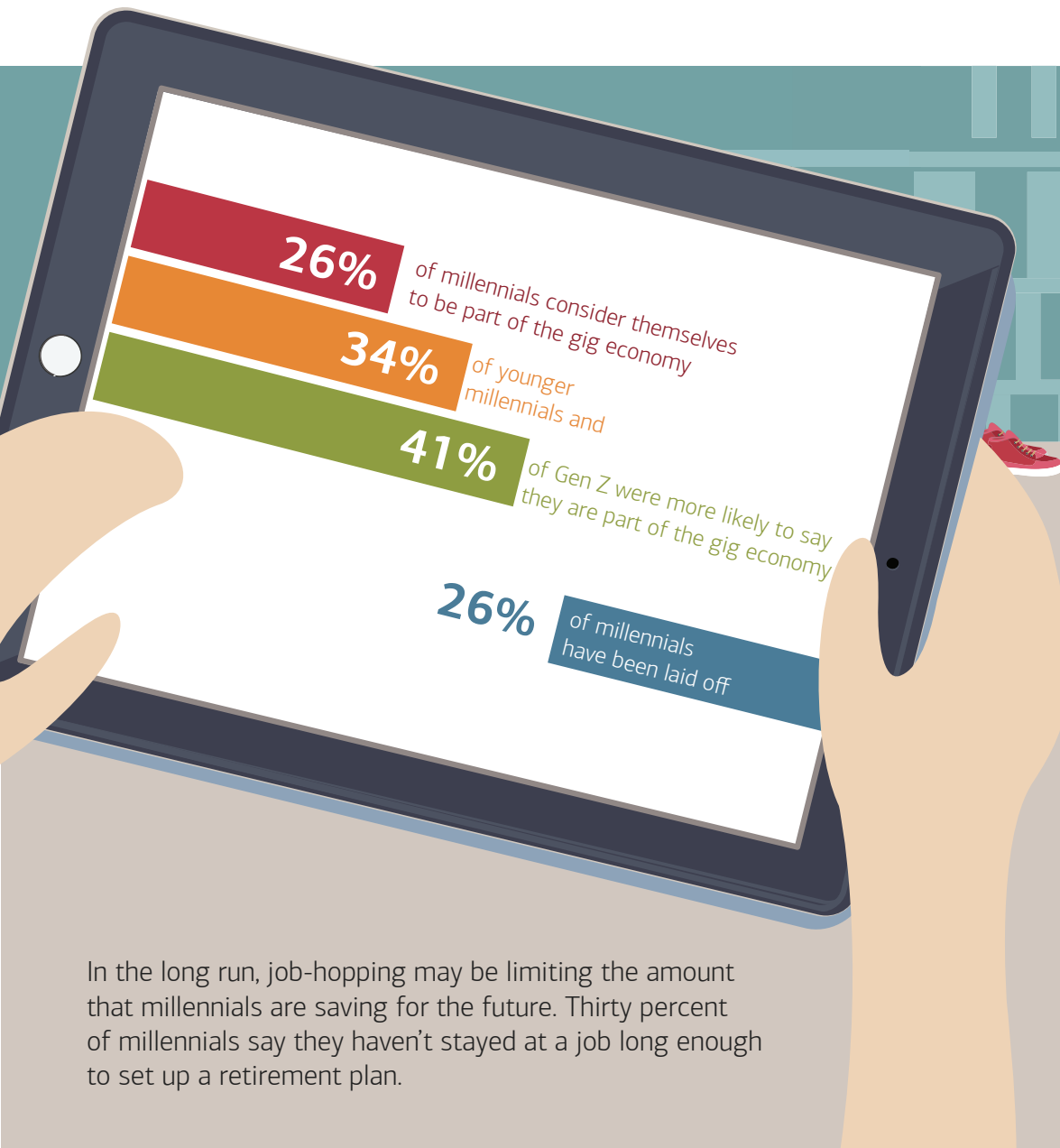
Millennials More Likely to Ask for Raises Than Older Generations

With nearly one in four listing their career path as a source of stress, millennials advocate for themselves at work – more so than both Gen Xers and Baby Boomers. Roughly half of millennials (46 percent) have asked for a raise in the past two years versus 36 percent of Gen X and 39 percent of Baby Boomers. Eighty percent of millennials who asked for a raise in the past two years received one.



Job Hopping Not Always By Choice; Gig Economy is Here to Stay

As they build their careers, approximately one in four millennials consider themselves part of the gig economy (taking on short-term contracts or freelance work) and expect to have eight or more jobs in their lifetime. While they are known as job-hoppers, that's not necessarily by choice. A quarter of millennials (26 percent) have been laid off.



47%
of millennials anticipate needing a second source of income or job on the side at some point



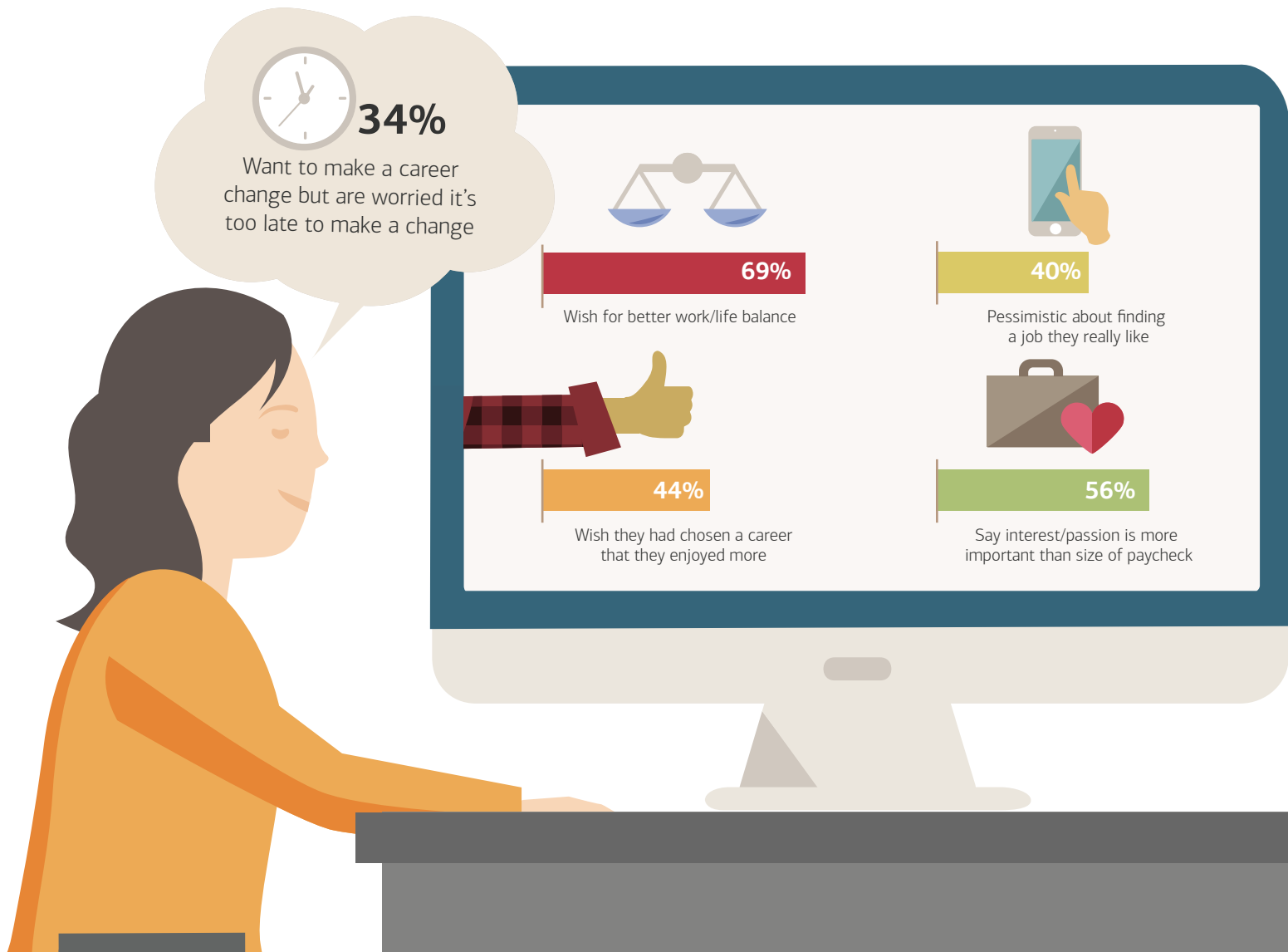
23%
of millennials expect to have eight or more jobs in their working life

In the long run, job-hopping may be limiting the amount that millennials are saving for the future. Thirty percent of millennials say they haven't stayed at a job long enough to set up a retirement plan.

Passion Still Trumps Paycheck, But Some Feel Like It's Too Late to Make Career Changes

When it comes to their careers, some millennials are feeling unsettled. Roughly a third (34 percent) want to make a career change but are worried it's too late to make a switch.

Also, the majority (69 percent) wish they had chosen a job with better work/life balance, and 44 percent wish they had chosen a job/career that they enjoyed more. Forty percent are pessimistic about finding a job they really like. And the majority (56 percent) say that interest/passion in their career is more important to them than the size of their paycheck. This is on par with [findings from 2016](#), where young adults said that personal interest (60 percent) is more important than salary (24 percent) in their job consideration.



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You Make How Much? Many Millennials Don't Know Their Spouse's Salary

While millennials are likely to bring up the topic of salary at work, that's not always the case at home. Nearly one in five millennials don't know how much their spouse/partner makes. Millennial couples are more likely than older generations to keep their finances separate, and, when it comes to starting family, are more likely to consider finances as a major factor.

Finances are the **top source of tension** in millennial households



Nearly **one in five** millennials don't know how much their spouse/partner makes



28% of millennial couples say they keep their finances separate

11% of Gen Xers
13% of Baby Boomers keep theirs separate

For millennial parents, **cost of raising kids is top of mind**



30% of millennial parents say financial considerations played a major role in their decision to start a family

22% of Gen Xers
9% of Baby Boomers said the same

Millennials are already **saving for their kids' education**



27% of older millennials are already saving for their children's education

Still **48%** of millennial parents don't know what a 529 plan is

Better Money Habits Report Methodology

Bank of America commissioned a survey of 1,500 respondents, ages 18-71 years old, to explore their views on personal financial matters. For the purposes of this report, millennials are defined as ages 23-37, with younger millennials ages 23-27 and older millennials ages 28-37. The survey was conducted online in English and Spanish during the period of September 22 – October 16, 2017. Interviews were conducted by GfK Public Communications and Social Science, using GfK's KnowledgePanel®, a statistically representative sample source used to yield results that are projectable to the American population. The margin of sampling error for national data is +/- 3.1 percentage points at the 95 percent confidence level. An augment sample of approximately 2,025 additional interviews was also included to bring the millennials found in the national sample up to 300 completes each in six DMA markets including Austin, TX, Raleigh-Durham, NC, San Diego, CA, Pittsburgh, PA, Denver, CO and Seattle, WA. Margin of error for the DMA augments are higher than that of the national sample.

About Better Money Habits®

At Bank of America, we're committed to helping people lead better financial lives by equipping them with the skills, knowledge and confidence to succeed. That's why we created Better Money Habits, a financial education platform of tools and information that helps people make sense of their money and take action to improve. As a cornerstone of Better Money Habits, we offer free financial education content that is easy to understand. We partner with the education non-profit Khan Academy to create resources for young adults, including a video series on work-related financial topics. We continually look for ways to expand the reach of Better Money Habits and over the course of 2018 will offer Spanish language resources on the site.

As another arm of Better Money Habits, we offer money management tools, like the Spending and Budgeting Tool, to make it easier to budget and see where your money is going. We also have an on-the-ground presence through community partnerships, including the work that our employees do through the Better Money Habits Volunteer Champions program.