Uncertain Futures: 7 Myths About Millennials and Investing

WISER

New Perspectives: An Intergenerational Discussion on Retirement Solutions

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FINRA Investor Education FOUNDATION

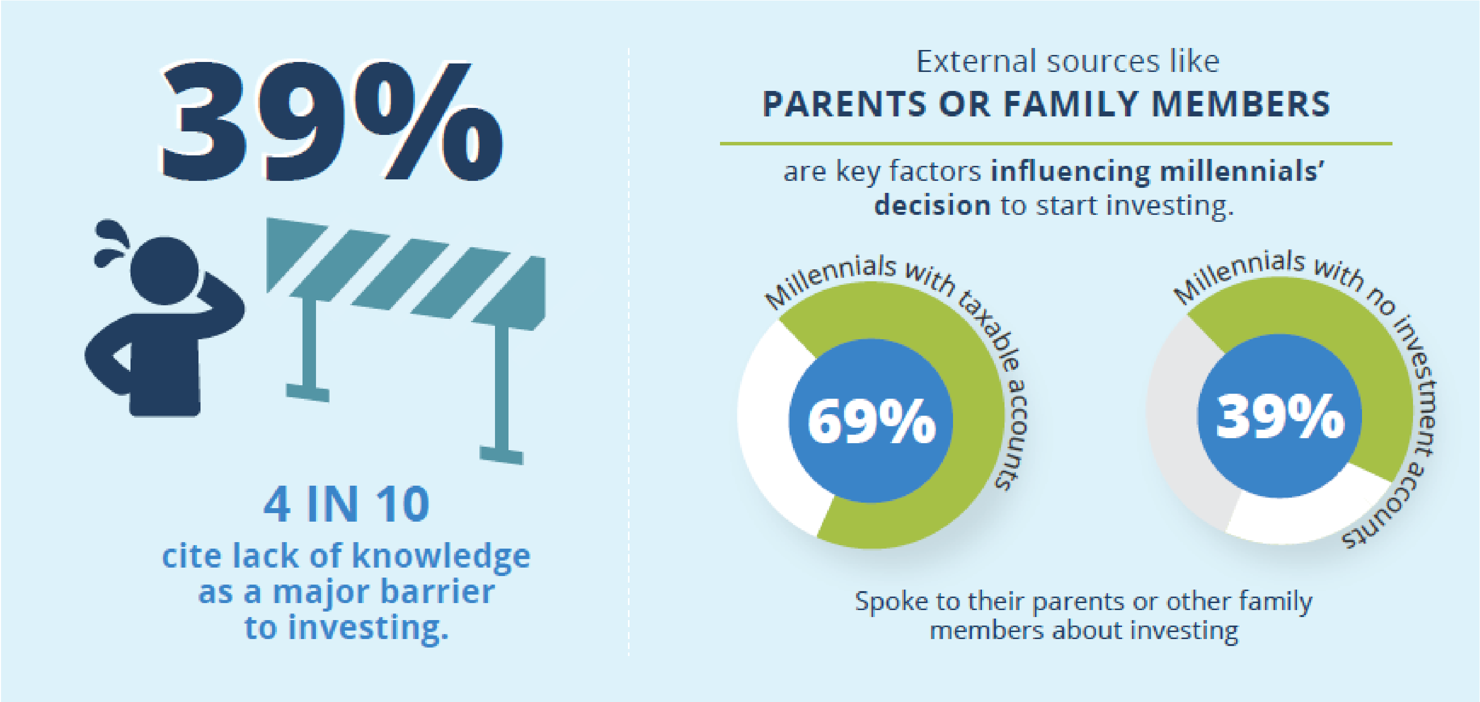
CFA Institute® Future of Finance

Myth One:
Millennials have lofty financial goals.

Reality: Millennials’ **financial goals are modest.**

Myth Two:
Income and debt are key barriers to investing.

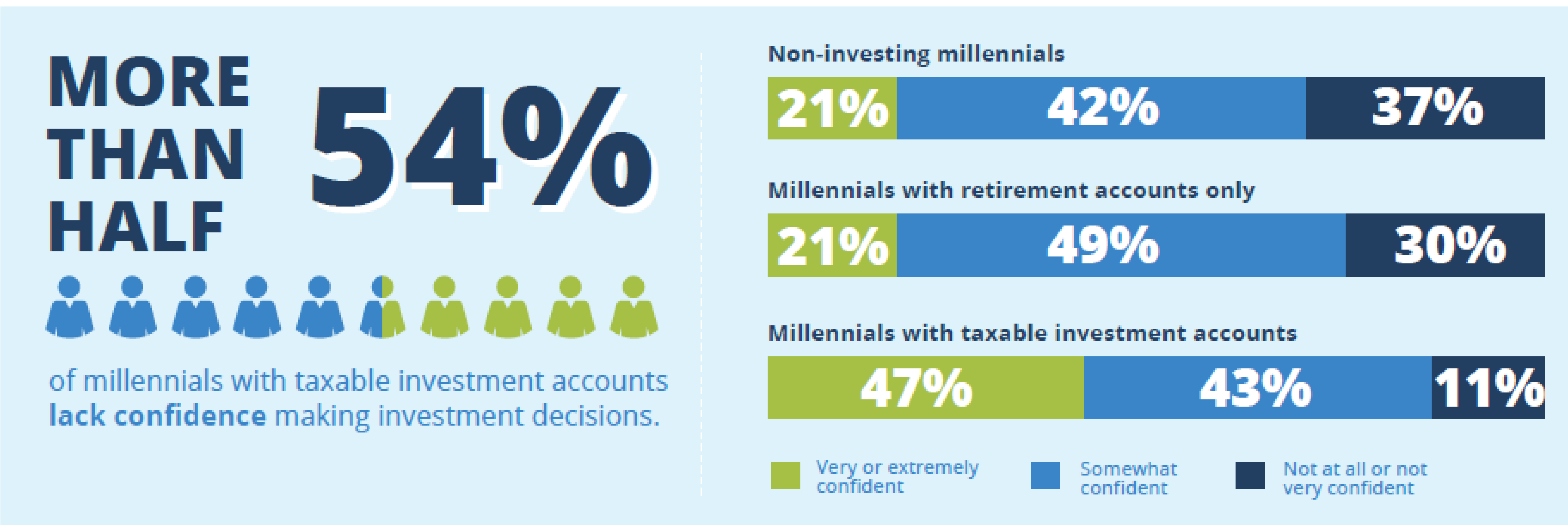
Reality: While both are major barriers to investing, **not having enough knowledge about investing** is critical.



Myth Three:

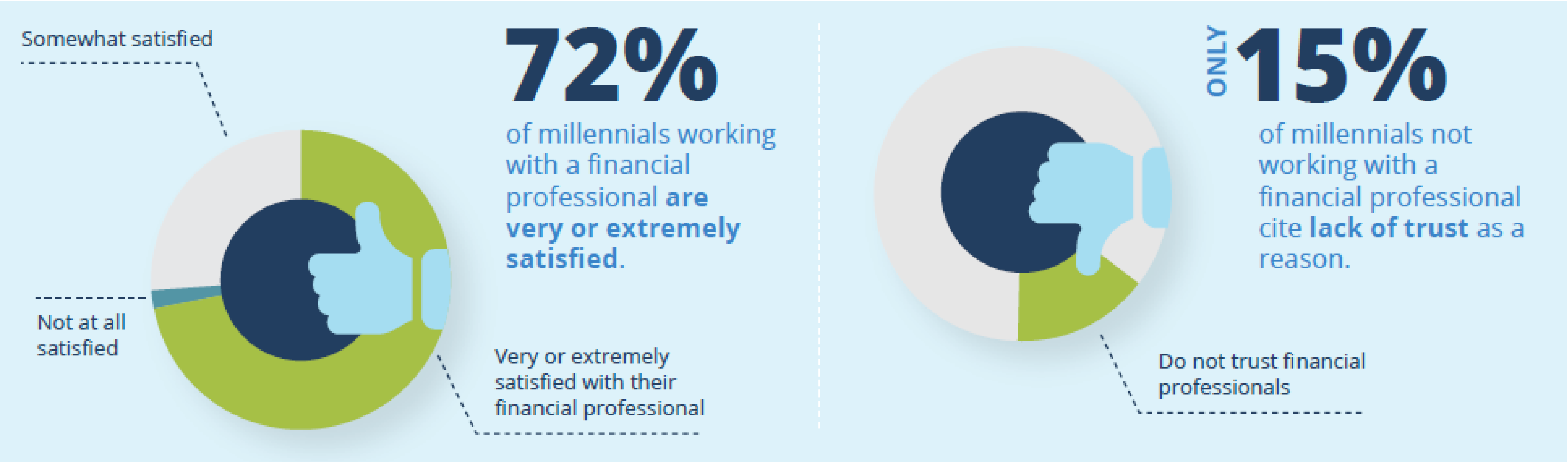
Millennials are overconfident, generally and with regard to saving and investing.

Reality: When it comes to making decisions about investing, **millennials are not so self-assured.**



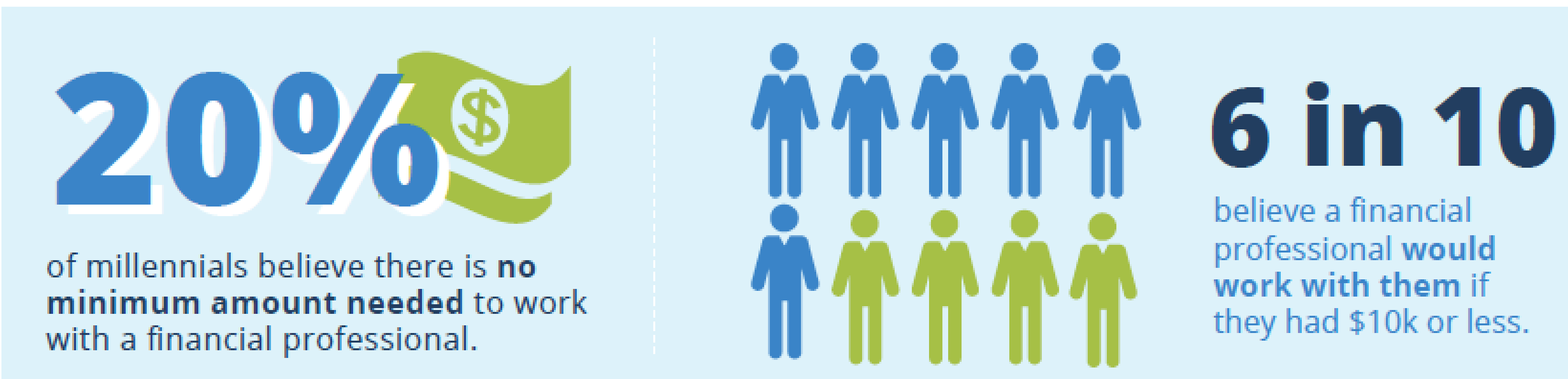
Myth Four:
Millennials are wary of the financial services industry and, by extension, financial professionals.

Reality: Millennials **acknowledge and respect** the expertise that financial professionals can provide.



Myth Five:
Millennials overestimate the investable assets needed to work with a financial professional.

Reality: In fact, millennials **underestimate** the investable assets needed.

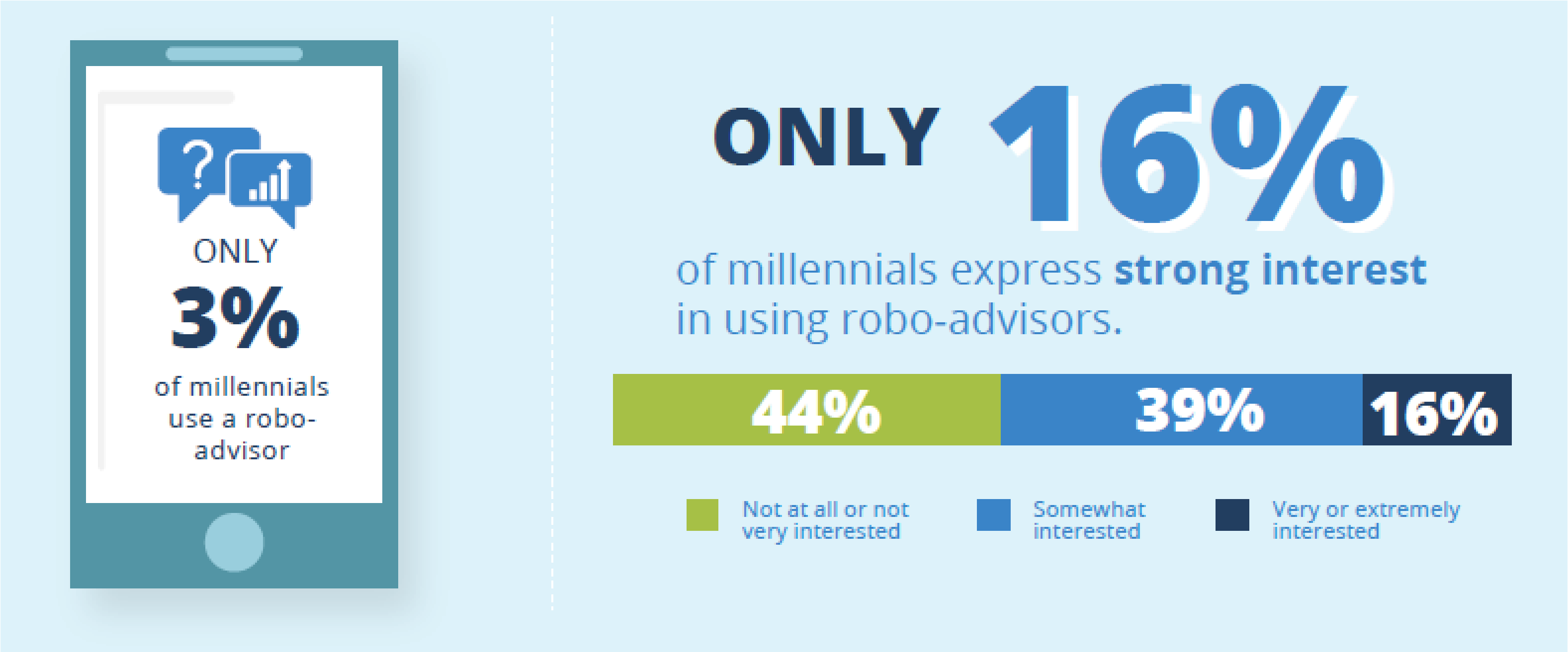


And millennials lack guideposts for pricing financial advice:

- **42%** say they don't know what type of fee financial professionals charge
- **77%** of those who estimate believe it is 5% or more of invested assets

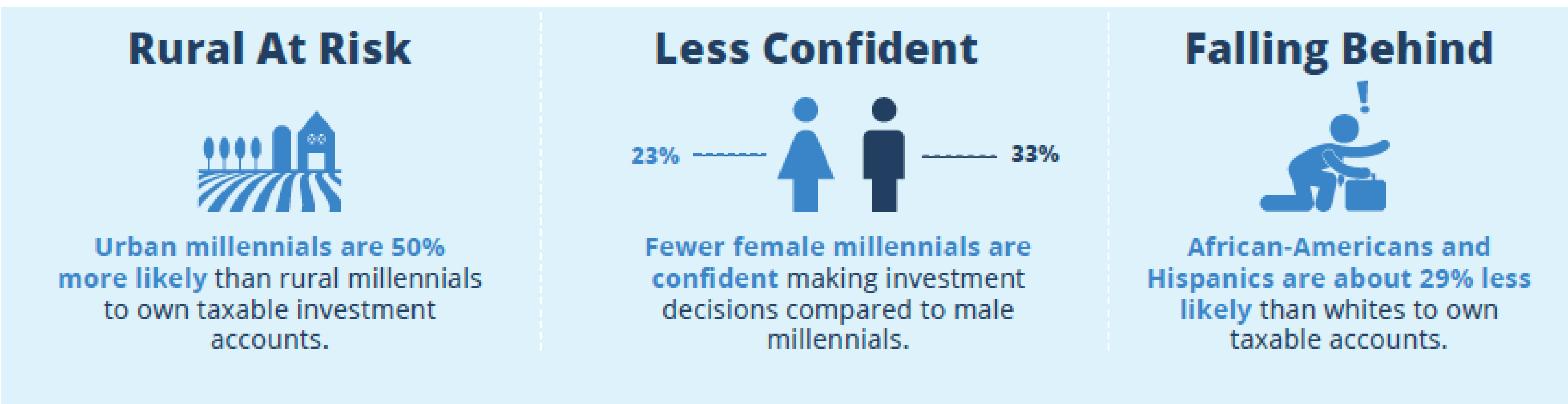
Myth Six:
Millennials gravitate toward electronic communication and robo-advisors.

Reality: Despite coming of age in a digital world, **58% of millennials prefer to work face to face** with a financial professional.



Myth Seven:
All millennials are the same and have similar investing attitudes and behaviors.

Reality: **There are disparities** along geographical, gender and racial lines.



Thank you

Millennials who do not hold investment accounts of any kind

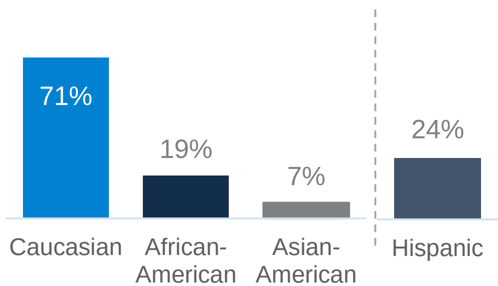
46% Male

54% Female

Average age 29

53% Associate's degree or higher

30% have dependent children



Median Income

$35,000

Millennials with retirement accounts only

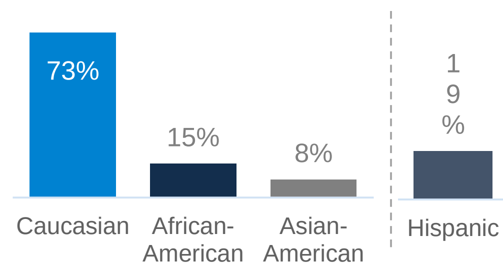
44% Male

56% Female

Average age 30

85% Associate's degree or higher

32% have dependent children



Median Income

$54,000

Millennials with taxable investment accounts

(NOTE: these investors typically also hold retirement accounts)

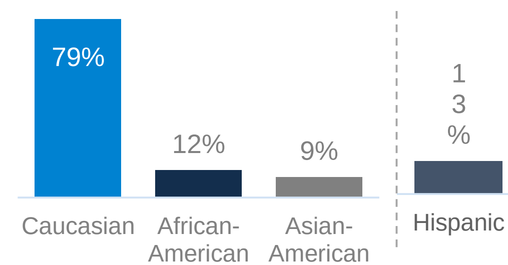
63% Male

37% Female

Average age 31

89% Associate's degree or higher

41% have dependent children



Median Income

$73,000

Methodology

Online survey

Median interview length was 13 minutes

Fielded over a 3-week period: May 15 to June 5, 2018

2,828 Total consumer respondents

Millennial (Born: 1981-1996)	No investment account	610
	Retirement account only	603
	Taxable investment account	601
Gen X (Born: 1965-1980)	Taxable investment account	505
Baby Boomer (Born: 1946-1964)	Taxable investment account	509

1,814

National recruit
from research panel
(Research Now)

FINRA Investor Education Foundation and CFA Institute were not identified as the research sponsors

A copy of the survey and a link to the data set are in the full report

Note: A qualitative study was completed in April 2018. This qualitative study included eight webcam focus groups with the consumer segments above, as well as one webcam focus group with millennial financial advisers.