

# Uncertain Futures: 7 Myths About Millennials and Investing

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**WISER**

*New Perspectives: An Intergenerational Discussion on Retirement Solutions*

**June 19, 2019**



**CFA Institute®**  
Future of Finance

# Myth One: Millennials have lofty financial goals.

Reality: Millennials' financial goals are modest.

Millennial investors and non-investors **expect to retire at 65, the traditional retirement age.**

**13%**

of all millennials reported that they will **never retire** because they cannot afford it.

**17%**

of non-investing millennials reported that they will **not retire** because they cannot afford it.

## Top Financial Goals Among Non-investing Millennials



Not living paycheck to paycheck



Being able to pay monthly bills

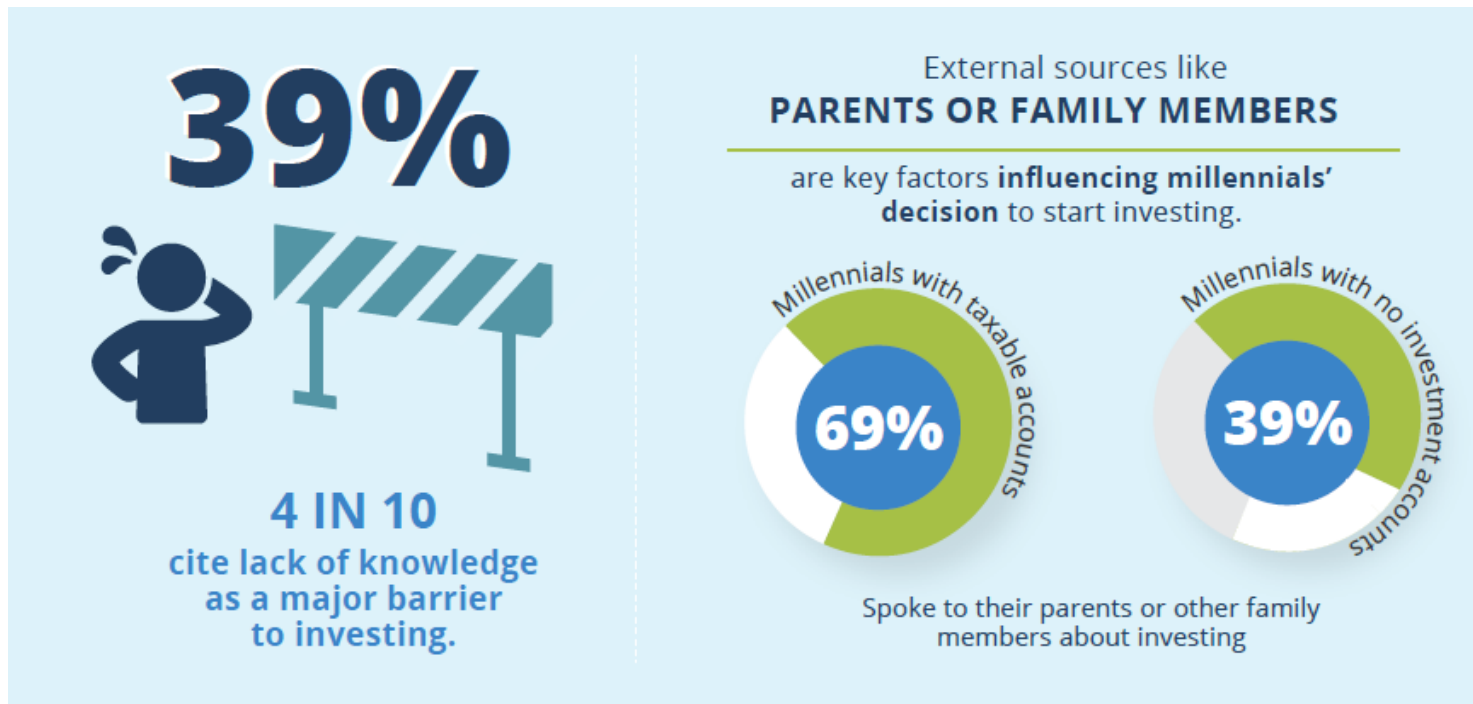


Having savings for unexpected expenses

## 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.**

**MORE  
THAN  
HALF**

**54%**



of millennials with taxable investment accounts lack confidence making investment decisions.

### Non-investing millennials



### Millennials with retirement accounts only



### Millennials with taxable investment accounts



Very or extremely confident    Somewhat confident    Not at all or not very confident

## 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.

Somewhat satisfied

**72%**

of millennials working with a financial professional are **very or extremely satisfied**.

Very or extremely satisfied with their financial professional

Not at all satisfied

**ONLY 15%**

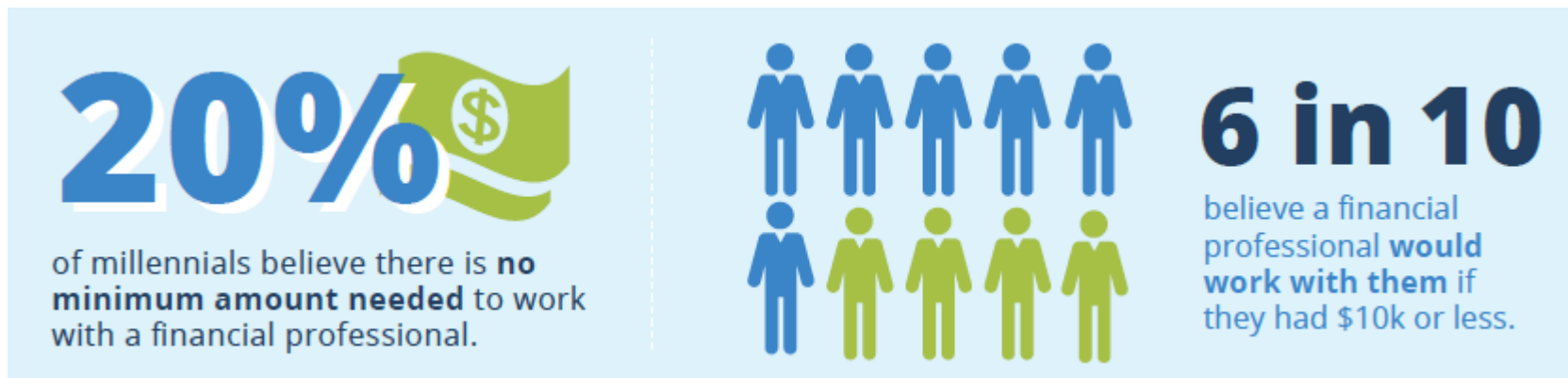
of millennials not working with a financial professional cite **lack of trust** as a reason.

Do not trust financial professionals

## Myth Five:

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

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



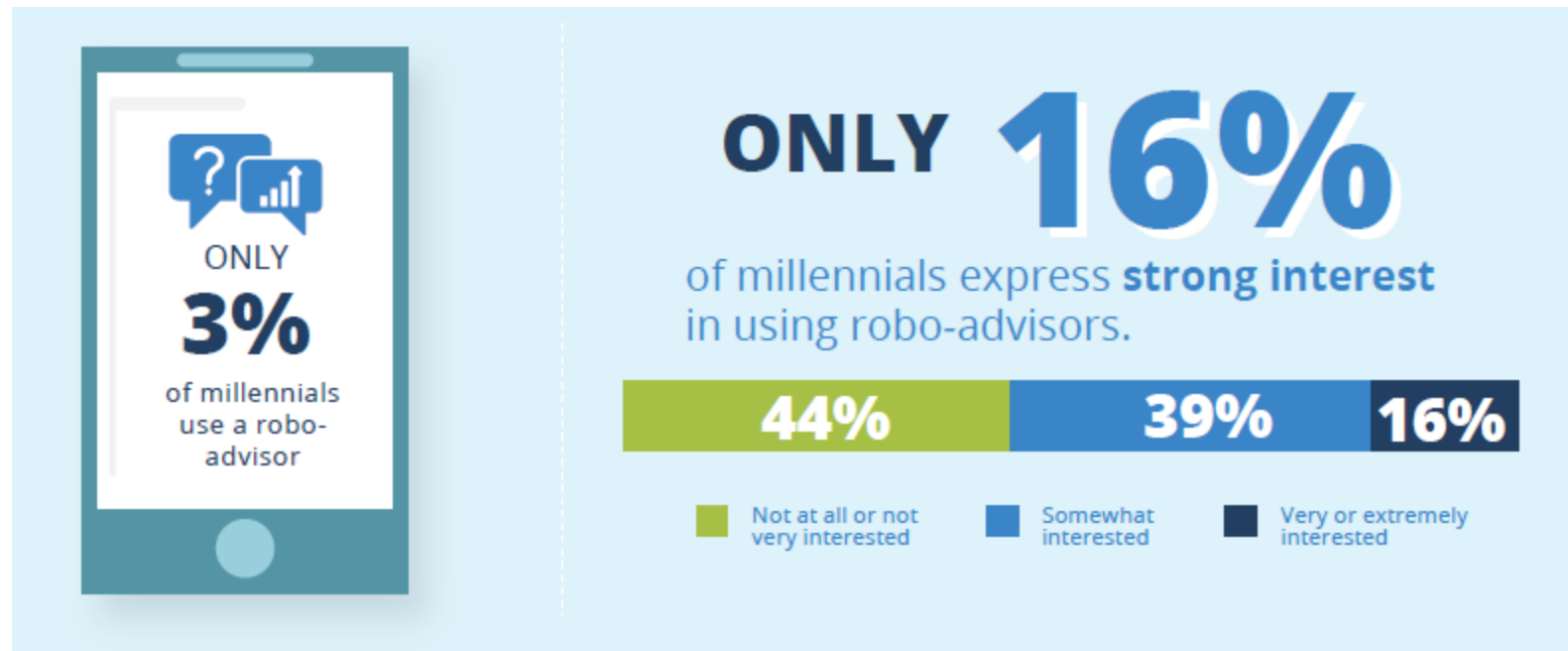
**And millennials lack guideposts for pricing financial advice:**

- **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.

### Rural At Risk



Urban millennials are **50% more likely** than rural millennials to own taxable investment accounts.

### Less Confident



Fewer female millennials are **confident** making investment decisions compared to male millennials.

### Falling Behind



African-Americans and Hispanics are about **29% less likely** than whites to own taxable accounts.



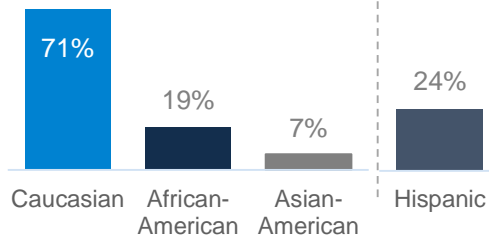
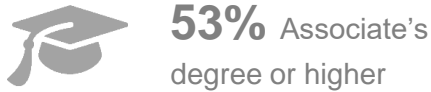
# Thank you

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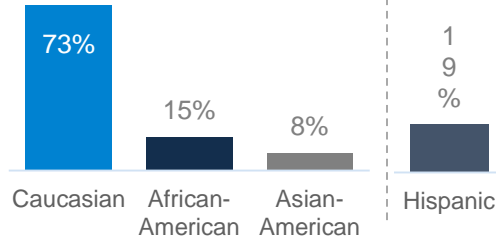
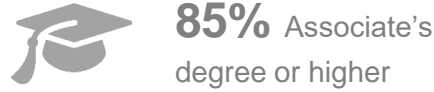
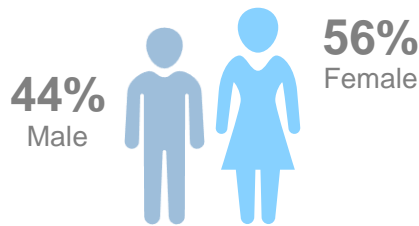




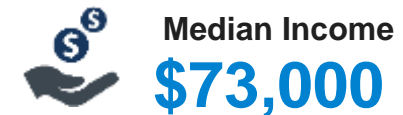
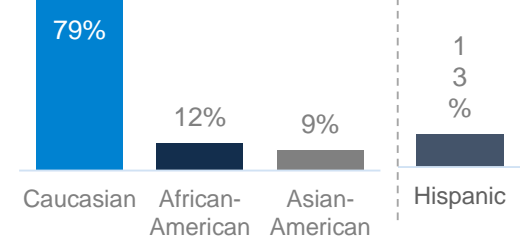
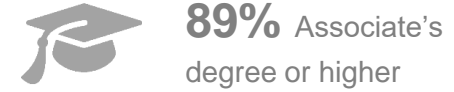
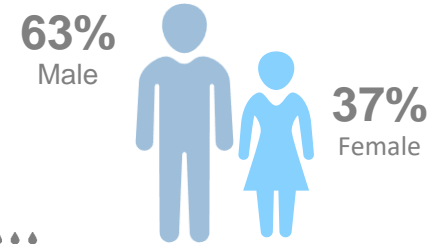
## Millennials who do not hold investment accounts of any kind



## Millennials with retirement accounts only



## Millennials with taxable investment accounts (NOTE: these investors typically also hold retirement accounts)



# 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

<b>Millennial</b> (Born: 1981-1996)	No investment account	610	} <b>1,814</b>
	Retirement account only	603	
	Taxable investment account	601	
<b>Gen X</b> (Born: 1965-1980)	Taxable investment account	505	
<b>Baby Boomer</b> (Born: 1946-1964)	Taxable investment account	509	



**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.