



Millennials & Money

ONE GENERATION, MANY GOALS & VALUES



Edelman

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Who are U.S. Millennials?



THE BIGGEST GENERATION:

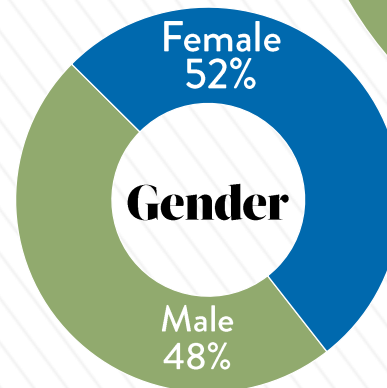
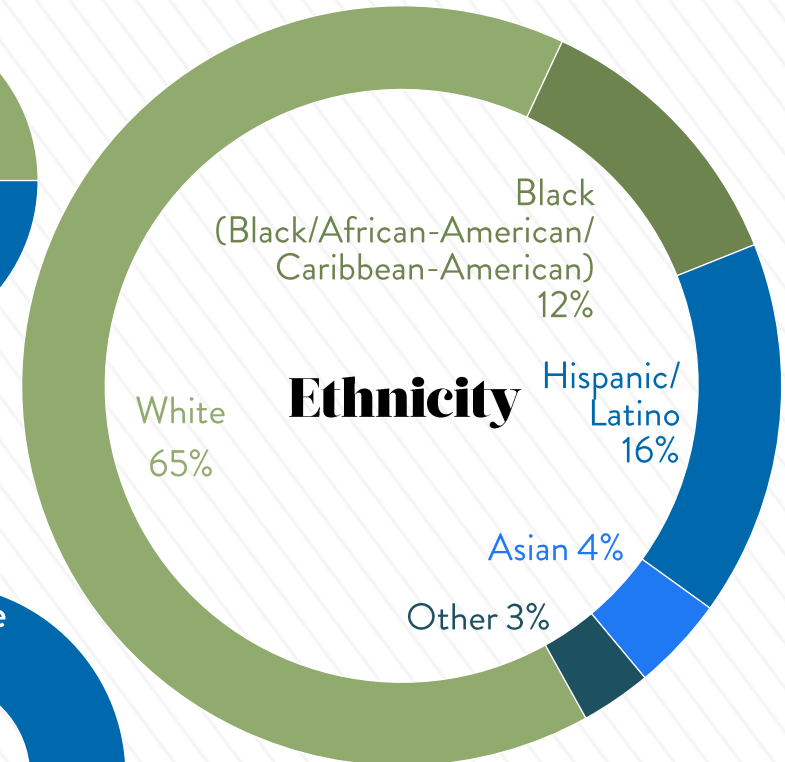
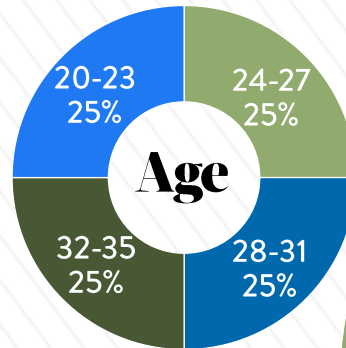
- Now **83.1 million** representing more than one quarter of the nation's population*

THE MOST DIVERSE:

- **44.2%** are part of a diverse community or ethnic group*
- Ages 20-35

COMING INTO MONEY:

- Approximately **\$30 trillion** of wealth will transfer from baby boomers to Generation X and Millennials in the next 10-40 years^



*Source: U.S. Census Bureau, June 2015, census.gov

^Accenture Wealth and Asset Management Services Study, "The 'Greater' Wealth Transfer: Capitalizing on the Intergenerational Shift in Wealth," 2015



Objective

- > Understand beliefs and attitudes towards money and financial services
- > Help the financial services industry partner with this group to achieve personal and societal success

Audience

U.S. MILLENNIALS
ages 20–35

60% of respondents have an
income level of
\$25K - \$99K

Ethnic differences

called out throughout
this report are based on statistical
comparisons between the groups

Final sample sizes and

95%
confidence interval

Total n = 1,503 +/- 2.5%

Online sample with four equal age cohorts, gender and ethnicity
quotas as defined by the U.S. Census Bureau

Timing

Interviews took place online between November 13 and 17, 2015

Millennials: Diverse in backgrounds & upbringings



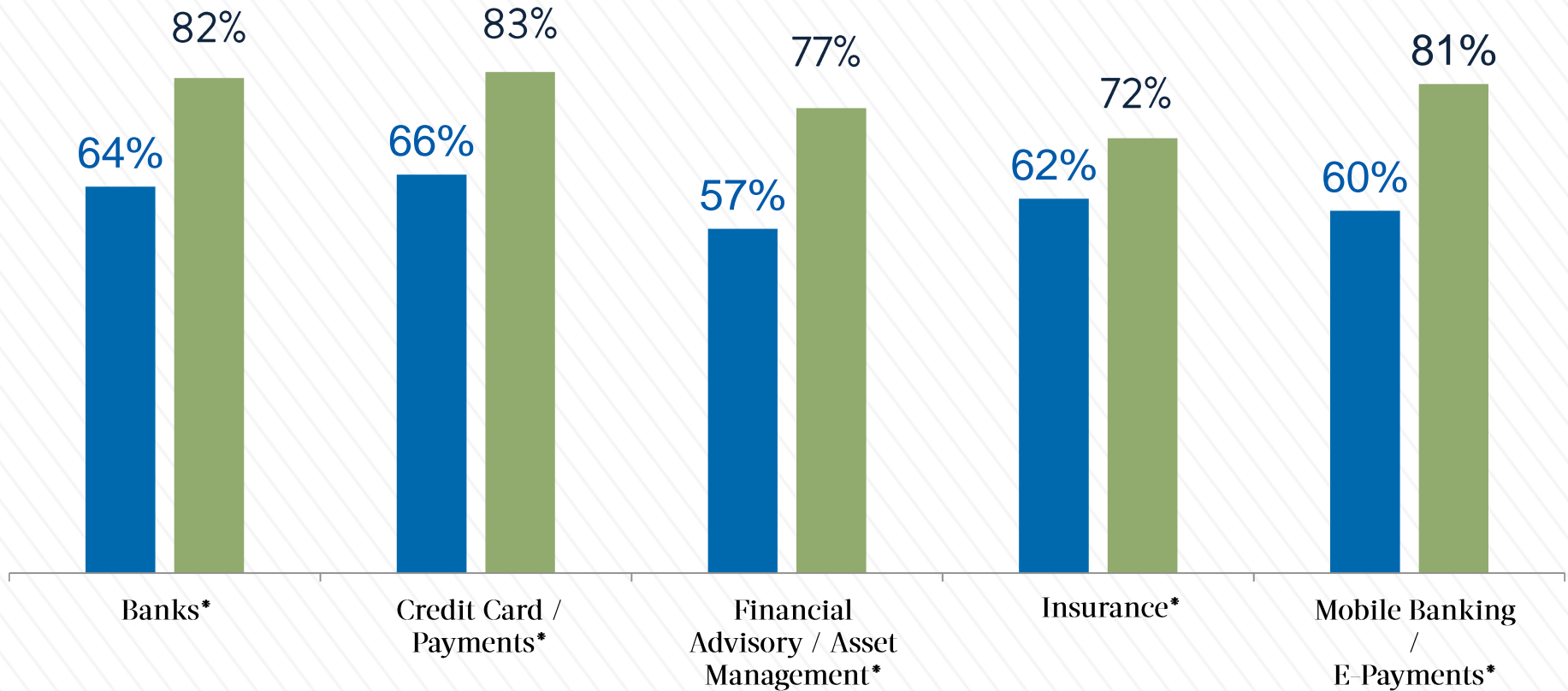
Yet they are marketed to as one homogenous group.

To reach them, we want to understand their goals and values based on where they have been and where they are going.

Millennials more trusting of financial services



■ U.S. General Population ■ U.S. Millennials



Source: 2016 Edelman Trust Barometer Q45-429. Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) Q61A-65A. Now thinking about specific sectors within the financial services industry, please indicate how much you trust businesses in each of the following sectors to do what is right. Again, please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. General Population, U.S. and U.S. Millennials. Question asked of half of the sample.

*Note: U.S. Millennials base sizes for Banks, Credit card/payments, Financial Advisory/Asset Management, Insurance, and Mobile banking/e-payments are (n=59)



1.

Believe their
American
Dream is
possible and
it's about
much more
than money

2.

Reaching
key personal
goals
faster than
financial goals

3.

Not confident
about
retirement,
yet not saving
for the long-
term

4.

Know what
they want
from financial
services
companies
and how they
want to receive
help

Key variations in each
based on *ethnicity*

INSIGHT 1:

Believe their American Dream is possible and it's about much more than money



NEARLY **8-IN-10** BELIEVE THEIR
AMERICAN DREAM IS
ACHIEVABLE

Here's what helps them be successful



TOP INDICATORS FOR PERSONAL SUCCESS

White Americans overwhelmingly cite
Family (55%)

Hispanic Americans weighted toward
Education (44%)

Blacks balance
Faith (39%)
& Education (39%)

Asian Americans index on
Financial Wealth (30%)

weighted with 4-10 point variance

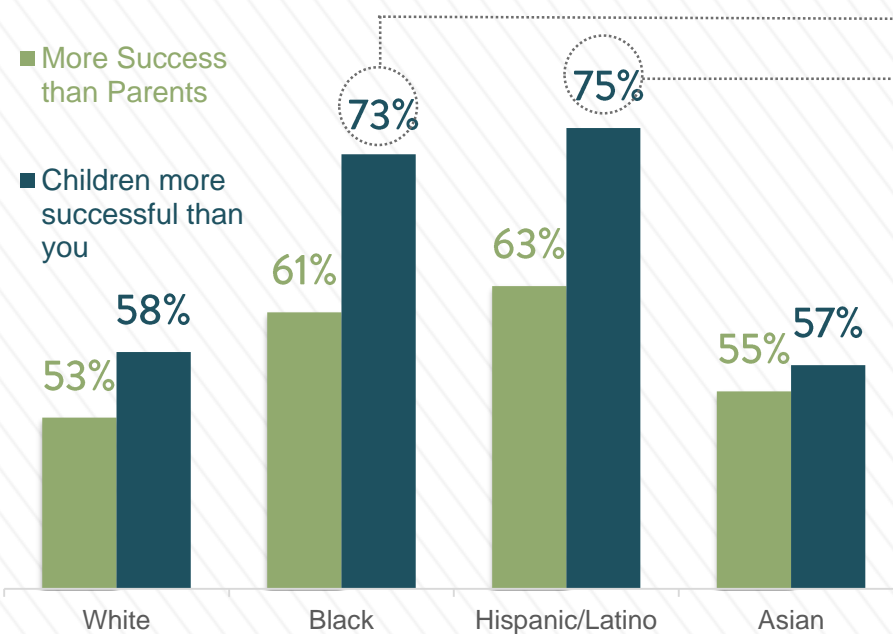
Q20. Looking at the list below, which of the following do you believe make you successful?

Hopeful & optimistic about the future



6-IN-10 BELIEVE THEIR CHILDREN WILL BE MORE FINANCIALLY SUCCESSFUL THAN THEY ARE

PERCENT WHO AGREE THAT THEY WILL BE MORE SUCCESSFUL THAN THEIR PARENTS, AND THAT THEIR CHILDREN WILL BE MORE SUCCESSFUL THAN THEY ARE:



Black and Hispanic/Latino-American Millennials are much more positive about the financial success of their children.

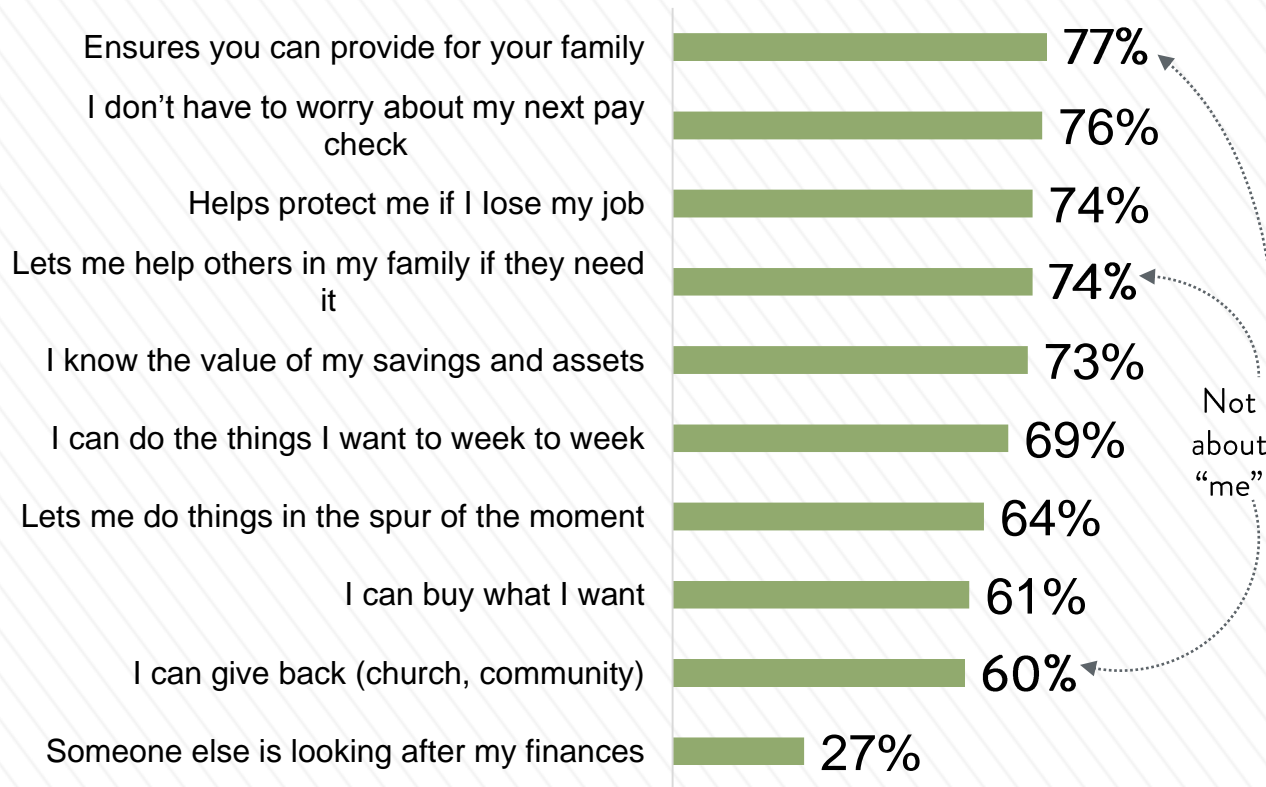
Q24: Do you think you will be more financially successful than your parents? Q25: Do you think your children will be more financially successful than you?

Financial stability impacts the new American dream



MILLENNIALS
AND MONEY
EDELMAN 2015
PG. 10

PERCENT WHO AGREE WITH EACH STATEMENT DEFINING FINANCIAL STABILITY



Q51. We would now like you to think about what financial stability means to you. Please indicate how much you agree with each of the statements below. [Top 4 Box]

BREAKDOWN

more likely
to cite...

WHITE AMERICANS

not worrying about
their next pay
check (81%)

BLACK AND HISPANIC/LATINO AMERICANS

providing for their
family (70%) and
(71%) respectively

ASIAN AMERICANS

helping others in
their family,
if they need it (83%)



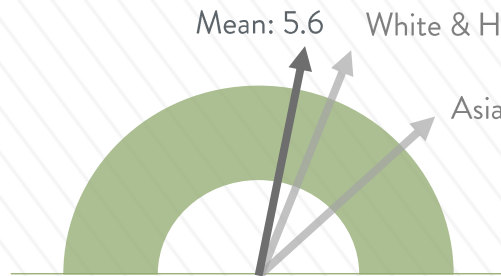
INSIGHT 2:

**Reaching key
personal goals
faster than
financial goals**

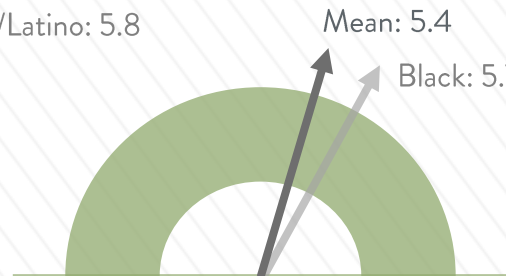
Disconnect between personal & financial goals



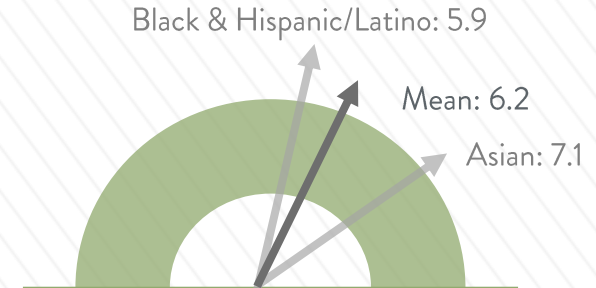
PERSONAL



Getting married

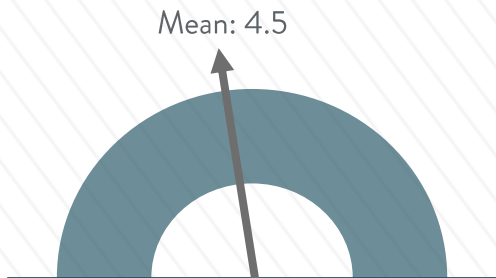


Starting a family

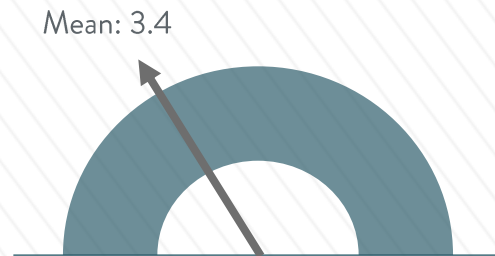


Finishing education

FINANCIAL



Financial stability



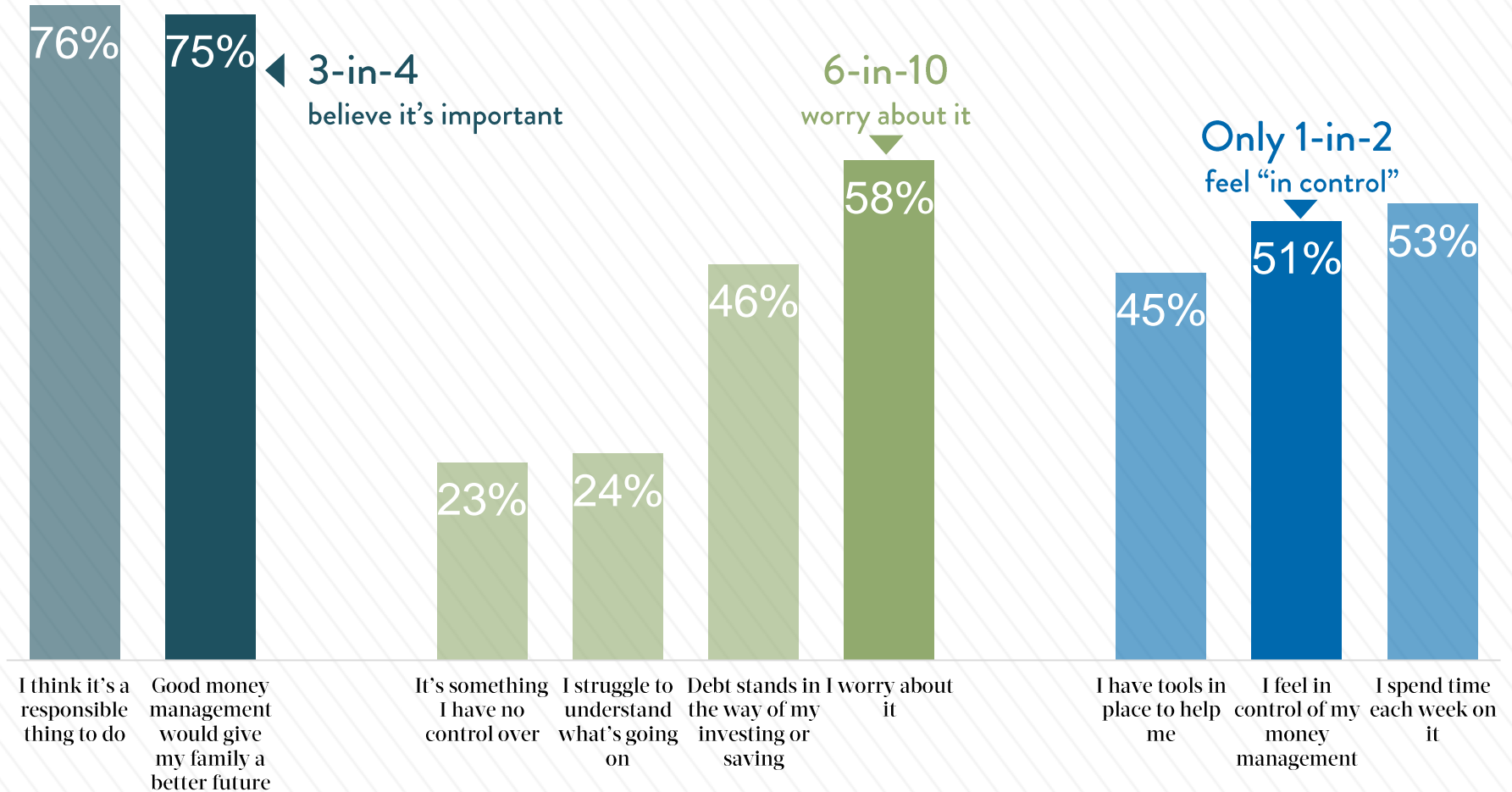
Enough savings



Paid off debt

Q26: How close are you to completing your personal goals?

Recognize importance of financial responsibility, yet inaction is causing anxiety



Q52: We would now like you to think about your own money management. How much does each of the following statements describe **you** personally? Please use a scale between 1 and 10 where 1 does not describe you at all and 10 completely describes you. (Top 4 Box)

Universal understanding, universal worry



TOP 3 STATEMENTS ACROSS EACH ETHNICITY:

“I think it’s a **responsible thing** to do.”

“Good money management would give my family a **better future.**”

“I **worry** about it.”

Q52: We would now like you to think about your own money management. How much does each of the following statements describe **you** personally? Please use a scale between 1 and 10 where 1 does not describe you at all and 10 completely describes you. (Top 4 Box)

INSIGHT 3:

Not confident about retirement, yet not saving for the long-term



LESS THAN HALF OF
MILLENNIALS THINK THEY'LL
BE ABLE TO RETIRE

Q65: Do you think you will be able to retire? [No; Yes; Don't Know]

Divided on hopes for retirement



WHITE-AMERICAN MILLENNIALS

38%

HOPE TO RETIRE BY 65

RETIRE AT/AFTER 65

50%

BLACK MILLENNIALS

52%

HOPE TO RETIRE BY 65

RETIRE AT/AFTER 65

30%

HISPANIC-AMERICAN MILLENNIALS

41%

HOPE TO RETIRE BY 65

RETIRE AT/AFTER 65

47%

ASIAN-AMERICAN MILLENNIALS

49%

HOPE TO RETIRE BY 65

RETIRE AT/AFTER 65

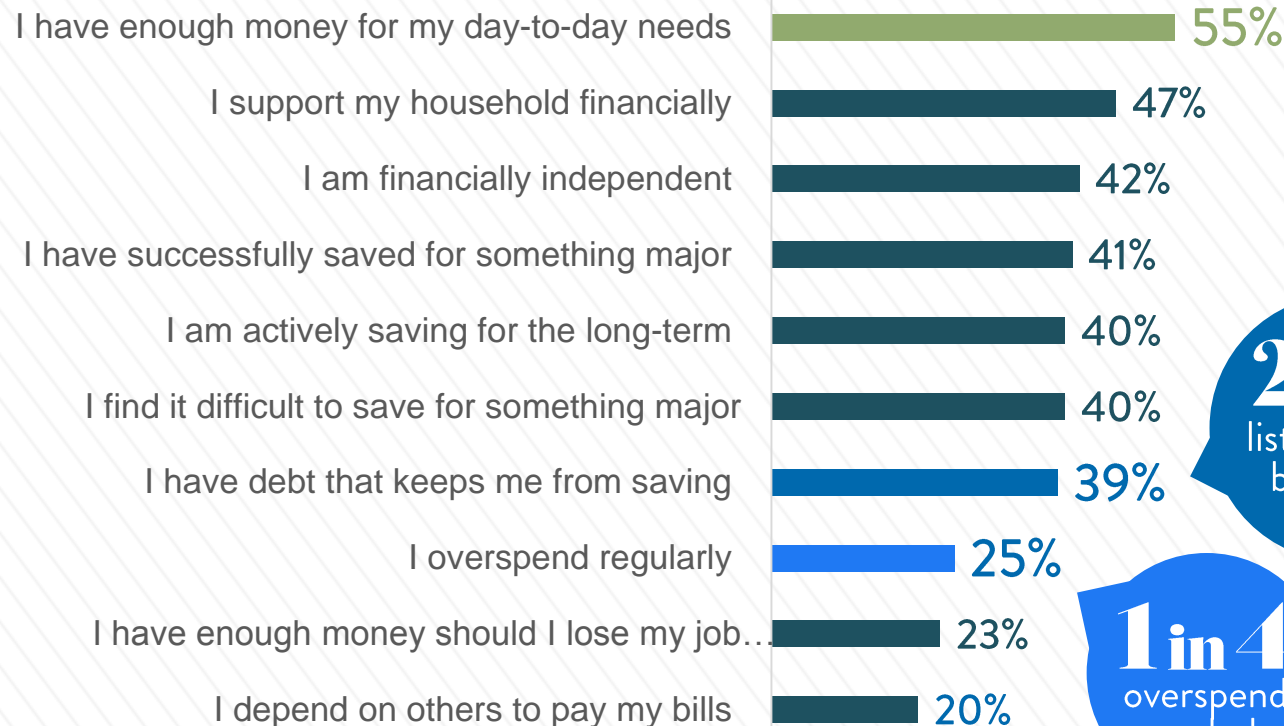
39%

Q66: At what age do you hope to retire?

60% are not actively saving for the long-term



UNDERScores THE NEED FOR FINANCIAL EDUCATION TO INSPIRE SAVINGS



1 in 2

don't have
enough money
for day-to-day
needs

2 in 5

list debt as a
barrier to
saving

1 in 4

overspend
regularly

Reasons why long-term saving is a stretch



THE FOLLOWING STATEMENTS DESCRIBE
MAJORITY VIEWS FROM EACH ETHNICITY

BLACK, ASIAN & HISPANIC/LATINO-
AMERICAN MILLENNIALS

**“I support my household
financially”**

(50%, 44% and 52%, respectively)

WHITE-AMERICAN MILLENNIALS

**“I am able to meet
my monthly budget.”**

(57%)

Q28 How much do you agree that each of the following statements describes you personally?
1 is completely disagree and 10 is completely agree. [Top 4 Box]





INSIGHT 4:

**Know what they want
from financial services
companies and how they
want to receive help**



WHITE MILLENNIALS
& ASIAN MILLENNIALS:

More likely to prefer
online access **(67%)**

BLACK MILLENNIALS:

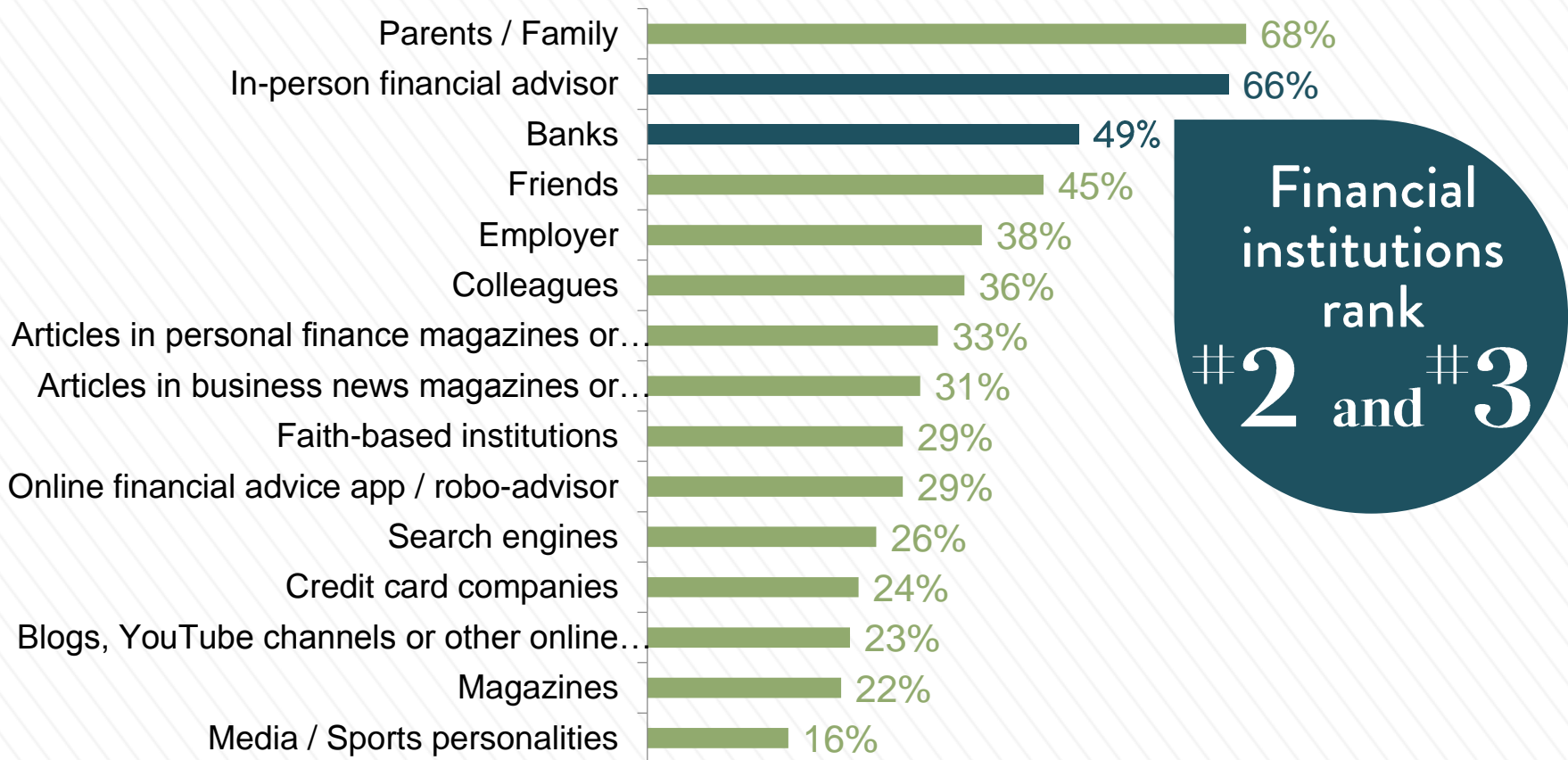
Least likely to prefer
online access **(53%)**
and mobile apps **(47%)**

Q33 Thinking about everyday banking, how do you prefer to do this?
Please use a 1 to 10 scale where 1 is do not like to use and 10 is use all the time. (top 4)

Financial services rank high for trust and advice



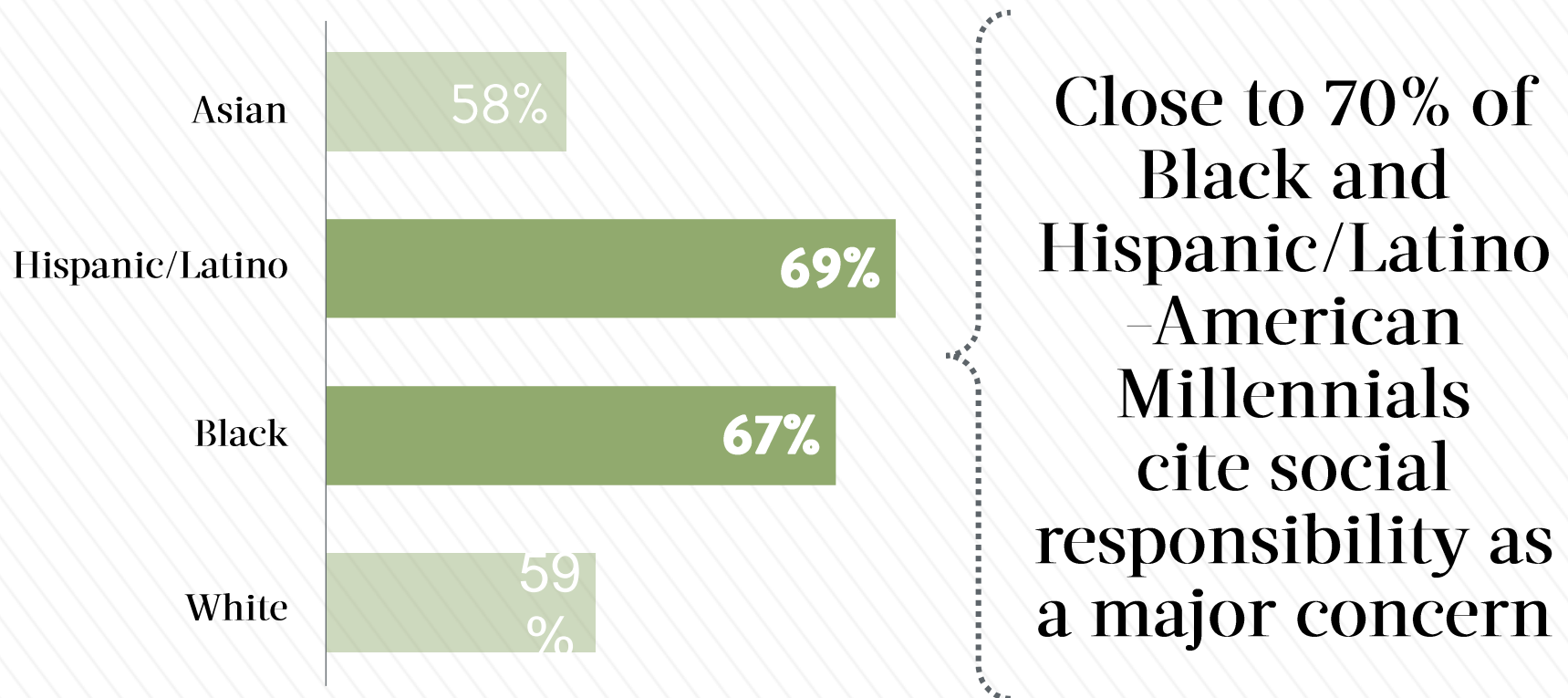
PERCENT WHO WOULD TRUST THE INFORMATION FROM EACH OF THE FOLLOWING FOR ADVICE WHEN MAKING DECISIONS ABOUT THEIR FINANCES:



When choosing a financial services company, social responsibility is table stakes for this generation



#1 CONCERN ACROSS THE BOARD



Q37: Which of the following best describes your point of view? (Social responsibility is my number one concern when choosing a financial company), Social responsibility is not a part of my decision making with a financial company

Recommendations for Partnership...



Recommendation to Marketers



As the research shows, their self-ascribed success metrics vary based on their background and cultures

MARKETERS MUST:

- > Remember they will not tolerate product marketing
- > Recognize the demand for customization and personalized interaction
- > Use two-way communication and demonstrate shared values through achieving positive impacts
- > Understand that financial information is key for every level of education, age, and income



White-American U.S. Millennials: Path to Partnership



- > Significantly less positive they will be more successful than their parents and that their children will be more successful than they are
- > Least confident about their financial stability in retirement. Financial stability means “not worrying about my next pay check”
- > Most can meet their monthly budget

KEY TAKEAWAYS:

Value the freedom from worry that financial stability provides, but are the least confident about their financial futures. Show them a strong financial foundation is possible and sustainable with the right toolkit. Be sure to reach them where they are.



Black U.S. Millennials: Path to Partnership



- > More than half think they'll retire before 65. Financial stability is being able to provide for family
- > Positive they'll be more successful than their parents (61%) and even more confident their kids will be more successful than they are (73%)
- > Idea of success is centered on faith. Want financial partners that are committed to their community

KEY TAKEAWAYS:

Believe retirement before age 65 and being successful overall are attainable. To make that a reality, arm them with tools and resources to help them get there. Investment in local communities will be key in gaining trust.



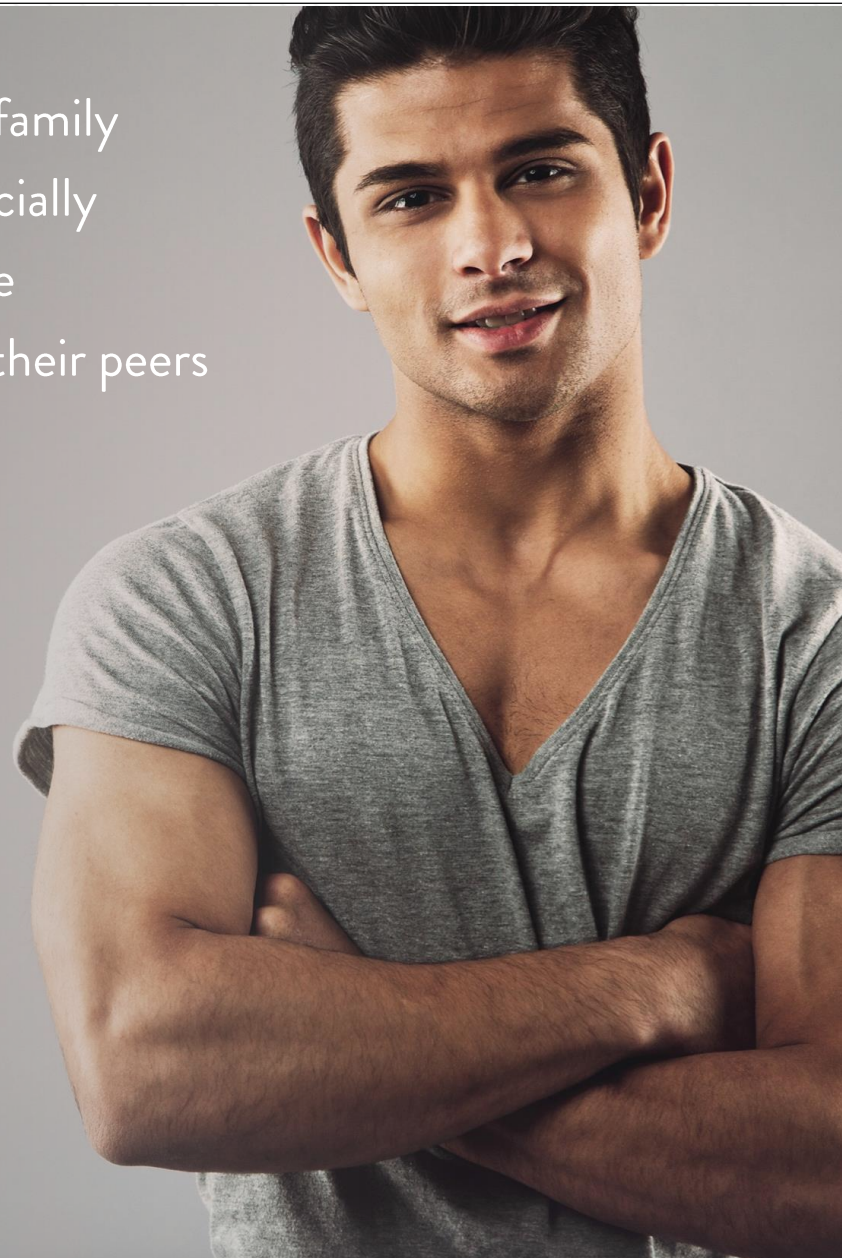
Hispanic/Latino-American U.S. Millennials: Path to Partnership



- > Financial stability is being able to provide for family
- > More than half support their household financially
- > Financial partners must be socially responsible
- > More think they will retire after age 65 than their peers

KEY TAKEAWAYS:

Believe their financial futures are bright, but have daily competing priorities that prevent them from saving. Provide products and services that will help them manage their current responsibilities while beginning to aggressively save for an ideal retirement.



Asian-American U.S. Millennials: Path to Partnership



- > Least likely to believe they will be more successful than their parents and that their children will be more successful than they are
- > Believe financial stability is being able to help others in their family, if they need it
- > The closest to reaching personal goals (getting married and finishing education), but falling short as far as reaching financial goals

KEY TAKEAWAYS:

Most reserved when it comes to projecting their success. They are making strides as far as reaching certain personal goals, but still only have enough money to meet their daily needs. Help them feel confident with financial planning to ensure they have enough money to meet everyday needs and then some.



American dream possible for this generation



BUT REMEMBER:

Each ethnicity views success through a different lens.

Contrary to conventional thinking, this is the “we” generation, not the “me” generation.

The role of money is more about traditional values and recognizing the nuances of cultural variances in goal-setting.