Uncertain Futures:

7 MYTHS ABOUT MILLENNIALS AND INVESTING

Many millennials do not invest, which can hinder their ability to achieve important goals, like purchasing a home or retiring comfortably. This infographic illustrates the financial behavior and attitudes of three millennial groups—those with no investment accounts, those with only retirement accounts and those with taxable investment accounts. It also compares millennials to prior generations and examines the pathways that millennials follow to investing.

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

40% Not living paycheck to paycheck

37% Being able to pay monthly bills

33% Having savings for unexpected expenses

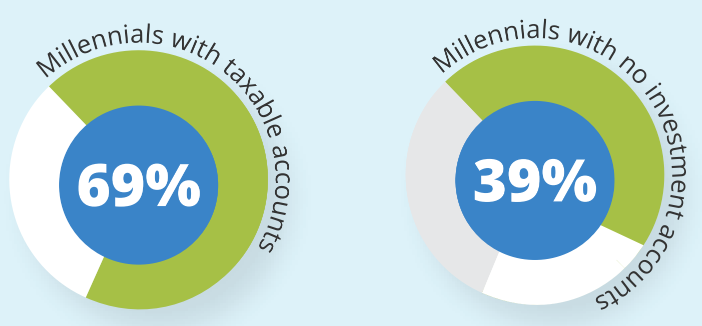
Myth Two: Income and debt are the key barriers to investing.

Reality: While debt and income are major barriers to investing, **not having enough knowledge about investing** is also a critical barrier.

39%

4 IN 10 cite lack of knowledge as a major barrier to investing.

External sources like **PARENTS OR FAMILY MEMBERS** are key factors **influencing millennials' decision** to start investing.



Spoke to their parents or other family members about investing

Myth Three: Millennials are overconfident in general, so they are probably overconfident about investing.

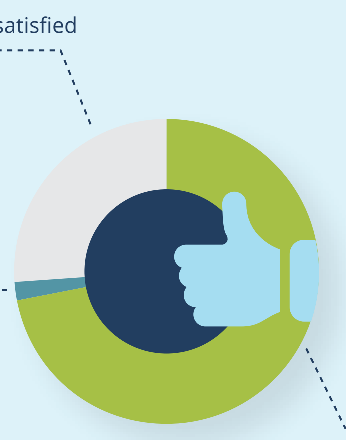
Reality: When it comes to making decisions about investing, millennials **are not so self-assured.**

MORE THAN HALF 54% of millennials with taxable investment accounts **lack confidence** making investment decisions.

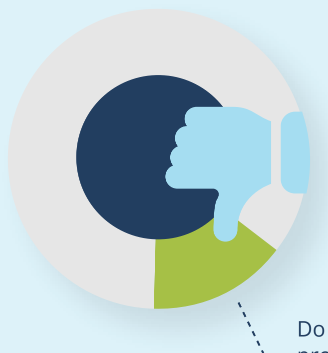
	Very or extremely confident	Somewhat confident	Not at all or not very confident
Non-investing millennials	21%	42%	37%
Millennials with retirement accounts only	21%	49%	30%
Millennials with taxable investment accounts	47%	43%	11%

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.



72% of millennials working with a financial professional **are very or extremely satisfied.**



ONLY **15%** of millennials not working with a financial professional cite **lack of trust** as a reason.

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

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

20% of millennials believe there is **no minimum amount needed** to work with a financial professional.

6 in 10 believe a financial professional **would work with them** if they had $10k or less.

Millennials **lack guideposts** for pricing financial advice.

42% say they don't know what type of fee financial professionals charge for their services.

77% of those who estimate believe it is five percent or more of invested assets (compared to 46% of Gen Xers and 31% of baby boomers).

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, on par with baby boomers (60%) and Gen Xers (58%).

ONLY **3%** of millennials use a robo-advisor

ONLY 16% of millennials express **strong interest** in using robo-advisors.

Not at all or not very interested	Somewhat interested	Very or extremely interested
44%	39%	16%

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

23% ------- 33%

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.

Millennial
Born: 1981-1996

No investment account: No investment accounts of any kind

Retirement account only: Employer-sponsored retirement account and/or an IRA

Taxable investment account: Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

Gen X
Born: 1965-1980

Taxable investment account: Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

Baby Boomer
Born: 1946-1964

Taxable investment account: Mutual funds/ETFs, stocks/bonds, etc., held outside of a retirement account

RESEARCH METHODOLOGY
The study used a sample of 2,828 responses obtained from Research Now, a proprietary online panel of individuals. The study was funded by the FINRA Foundation and the CFA Institute and conducted by Zeldis Research. Information about the study—including the survey instrument, data and methodology—can be found at *www.finrafoundation.org* or *www.cfainstitute.org*.

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