

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 behaviour 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.

Millennial

Born: 1981-1996

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

MYTH 1

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

37% Being able to pay monthly bills

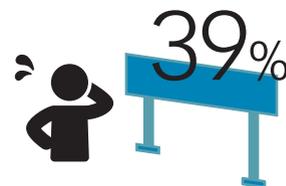
33% Having savings for unexpected expenses

40% Not living paycheck to paycheck

MYTH 2

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.



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.

69%

Millennials with taxable accounts

Spoke to their parents or other family members about investing

39%

Millennials with no investment accounts

MYTH 3

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.



54% More than half

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

Non-investing millennials



Millennials with retirement accounts only



Millennials with taxable investment accounts

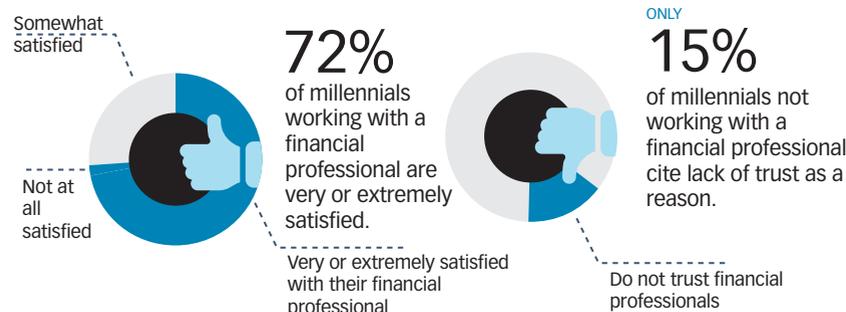


Very or extremely confident | Somewhat confident | Not at all or not very confident

MYTH 4

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 5

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 US\$10k or less.

Millennials lack guideposts for pricing financial advice.

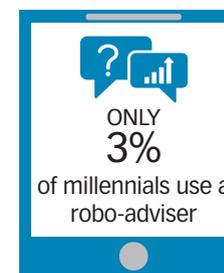
42% say they don't know what type of fee financial professionals charge for their services.

77% of those who estimate believe it is 5 per cent or more of invested assets (compared to 46% of Gen Xers and 31% of baby boomers).

MYTH 6

Millennials gravitate towards electronic communication and robo-advisers.

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



MYTH 7

All millennials are the same and have similar investing attitudes and behaviours.

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.