Millennials and Money: Part Young Idealists, Part Old Souls

Northwestern Mutual Study Finds 18-34 Year Olds Bring a Mix of Optimism and Pragmatism To the Way They Think About and Manage Their Finances

MILWAUKEE, April 7, 2015 /PRNewswire/ -- Generation Y or "Millennials" (aged 18-34) are, on one hand, just like their grandparents when it comes to their finances – they're conservative, risk-averse, and realistic about setting goals and taking responsibility. At the same time, they exhibit all the telltale signs of youth – they're more confident than other generations that they'll reach their financial goals; they're more optimistic that their financial situation is improving; and they bring a joie de vivre to their careers.

This is the first set of findings from the *2015 Northwestern Mutual Planning & Progress Study,* an annual research project commissioned by Northwestern Mutual that explores Americans' attitudes and behaviors toward finances and planning. The research was conducted in January among over 5,000 U.S. adults aged 18 and older.

"Millennials hold themselves to a high standard financially, and while they're realistic about some of the challenges they face, they're definitely not cynics," said Rebekah Barsch, executive officer and vice president of planning and sales at Northwestern Mutual.

The study found that Millennials are a mix between old souls and young idealists:

Old Souls

They're pragmatic – 64% classify themselves as more inclined to save than spend, and more than half (53%) of Millennials have set financial goals, compared with 38% of Americans age 35 and older.
They're realistic – Millennials know that safety nets won't be there for them in old age, with 73% of those expecting to need to work past age 65 doing so because social security won't take care of their needs.
They're hard on themselves – They're twice as likely to say their generation is not at all responsible when it comes to finances (36% vs. 17%).
They take responsibility – One in three cite a lack of planning as the greatest obstacle to achieving financial security in retirement, as opposed to only about one in four of the general population.
They plan for the future – Almost half of Millennials have spoken to their partner, friends, family or an advisor about retirement, taking a step toward successful planning.

Young Idealists

They're optimistic – 59% expect their financial situation to improve this year, compared to only 41% of the general public. And, despite their young age, 71% report feeling secure that they will achieve the financial goals they've set for themselves.
They have joie de vivre – 46% of Millennials who expect to work past traditional retirement age say it would be by choice, suggesting that they're excited by their budding careers and don't envision a future where they'll choose leisure over work.

"Members of Generation Y have some exceptionally good instincts when it comes to planning. They're inclined to set goals and are pretty hard on themselves about how they're doing against them," said Barsch. "They're savers and they recognize that requires discipline. At the same time, they're enthusiastic about their futures, and have positive expectations about what's in store for them as they get older."

Northwestern Mutual's financial education resource http://www.themintgrad.org/ provides content and tools designed to support Millennials on their journey towards financial independence.

About the Research

The *2015 Northwestern Mutual Planning & Progress Study* explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities.

This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 5,474 American adults aged 18 or older (including 1,081 millennials aged 18-34) who participated in an online survey between January 12, 2015 and January 30, 2015. Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income.

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