# Northwestern Mutual Debunks Five Millennial Money Myths For Financial Literacy Month

Financial Literacy Month presents opportunity for Millennials to learn about finances

MILWAUKEE, March 29, 2016 /PRNewswire/ -- What percentage of your income should go to your 401(k)? How much should you be saving? How much should go to your student loan? Between the Internet and parents' opinions, Millennials are often getting conflicting advice when it comes to managing their finances. In recognition of April being Financial Literacy Month, a national celebration of financial empowerment, Northwestern Mutual is helping ensure Millennials don't get sidetracked in developing a financial plan.

Emily Holbrook, young personal market director for Northwestern Mutual, encourages Millennials at all stages in their financial journeys to take part in this month-long recognition of financial empowerment.

"Financial literacy can be an intimidating topic for anyone, let alone for individuals who are just starting out in life, like Millennials," said Holbrook. "There is a lot of information out there about what it takes to be financially disciplined, some of which can be confusing or conflicting. That's why we feel it's important for us to be a source of help and information for Millennials, and to break down some of the barriers and common misconceptions they may have about financial concepts."

Financial Literacy Month is focused on educating individuals and empowering them with the personal knowledge and resources to make smart money choices. It's about feeling informed and in full control of your financial future. To help Millennials sort out fact from fiction, Northwestern Mutual is clearing the air about the five most common money myths.

**1. Myth: I'm in debt from my student loans; I can't afford to save right now.**

> **Fact:** You can't afford not to save. You're likely to earn a much higher income with a college degree than without. So you may actually be in a much better financial position than you think. And while it can feel overwhelming to start a career already in debt, you need to view saving money as an equal priority to paying off debt, because an emergency expense could put you even further in debt.
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> **Tip:** *Know your starting point.* You need to know where you stand with your debt before you can take steps to improve your student loan situation. Consult your lender for available loan repayment options to understand the types of loans you have and their current payment terms. Then create a plan for paying off debt, which can make it much more manageable. To help with savings, start by automating your savings from each paycheck so you can achieve at least three to six months emergency funds.

**2. Myth: I'm too young for life insurance.**

> **Fact:** You're never too young to get life insurance. In fact, the younger you are, the lower the cost it will be. It's important to protect your financial well-being whether you're married or single, young or old, with or without kids. Plus, while the primary purpose of life insurance is the death benefit, most people don't realize permanent life insurance can have a cash value and living benefits that are worth considering a part of your plan.
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> **Tip:** *Apply while you're young and healthy.* Not only will your premiums be lower, but it's easier to qualify for a policy and you can acquire a larger cash value over the course of your life.

**3. Myth: I don't make enough money to meet with a financial representative.**

> **Fact:** There is no minimum income requirement to meet with a financial representative, but there is much to gain when you work with an expert to create and understand your very own personalized financial plan. Your financial professional will help you understand how to make your money work for you, including how to save, spend, grow and protect your income. You only spend money when and if you decide to purchase a product or service.
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> **Tip:** *Find someone who's right for you.* Search the Northwestern Mutual office locator tofind a financial representative who specializes in areas of importance to you. Your financial professional will guide you through a detailed discovery process to better understand your personal financial situation and your goals.

**4. Myth: I don't need to purchase additional insurance; my employer benefits cover my needs.**

> **Fact:** If someone asked you to take a 40 or 60 percent pay cut, would you do it? While most employers do offer basic

insurance as part of their benefits package, most plans only *partially* cover the employee, leaving a vulnerable gap in the event of a disability. Most people can't live off only 40 or 60 percent of their income, which is what could happen if there is an accident or unfortunate circumstance that prevents you from working.

**Tip:** *Close the gap.* Make sure you know exactly what percentage of your income your employer benefits cover and then meet with an expert to understand which insurance products or services can help bring you closer to full coverage. Disability insurance and life insurance are all worth considering.

**5. Myth: I can't afford to invest in my retirement if I'm not earning enough money.**

**Fact:** You can't afford NOT to invest in your retirement. One of the most important things is to put as much as you can toward retirement today, even if it's only 1 percent of your income to start with. Each year, try to increase your contributions to your retirement fund by 1 percent until you are maximizing your contributions. By starting early, you can also take better advantage of compounding, which can really add up over the years.

**Tip:** *Start early and invest as much as you can.* Meet with a financial representative for guidance on which investments will work best for you. While all investments carry some level of risk, including the potential loss of principal invested, no investment strategy can guarantee a profit or protect against loss. But there are many options to choose from including stocks, bonds and mutual funds to tailor your investment strategy to your personal financial situation and future goals.

Millennials should use this month to seek answers to their own money questions and get started on their financial plan by visiting Northwestern Mutual's Financial Guidance page or by checking out the many resources atwww.TheMintGrad.org.

**About Northwestern Mutual**
Northwestern Mutual has been helping families and businesses achieve financial security for nearly 160 years. Our financial representatives build relationships with clients through a distinctive planning approach that integrates risk management with wealth accumulation, preservation and distribution. With $238.5 billion in assets, $27.9 billion in revenues and more than $1.6 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.3 million people who rely on us for insurance and investment solutions, including life, disability income and long-term care insurance; annuities; trust services; mutual funds; and investment advisory products and services. Northwestern Mutual is recognized by FORTUNE magazine as one of the "World's Most Admired" life insurance companies in 2016.

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