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Reporters May Contact:

Kate Murphy, Bank of America, 1.980.387.0914

kate.murphy@bankofamerica.com

Millennials Are Getting Their Financial Houses in Order, Despite What They and Others May Think

The latest Better Money Habits® Millennial Report finds:

- *The majority of millennials are saving, and they are more likely than other generations to say they have savings goals.*
- *They are more likely than other generations to ask for raises at work.*
- *One in four consider themselves to be part of the gig economy.*
- *Nearly one in five does not know how much their spouse makes.*

CHARLOTTE – Millennials are proving that they are just as good as or better than older generations when it comes to money management habits like saving and budgeting, according to the [Better Money Habits® Millennial Report](#) released today. Millennials (ages 23 to 37) are saving (63 percent), and they are more likely to say they have a savings goal (57 percent) than members of Gen X (42 percent) and baby boomers (42 percent). It's not all talk, either: the majority of millennials who have a savings goal meet it (67 percent).

Despite that, saving enough remains a top source of financial stress for young adults, and 73 percent say they worry about money often/sometimes. They're just as worried about finances as they were [when surveyed in 2014](#), when three-quarters said they worried similarly about money.

This stress is compounded by a misperception that millennials aren't savvy money managers. Roughly three quarters of Americans surveyed (age 18 to 71) say that millennials overspend on indulgences and will have trouble meeting long-term goals. Even millennials themselves think so: the majority (73 percent) agree with this characterization.

"Young adults deserve more credit – from others and themselves – for the way they are handling their finances," said Andrew Plepler, global head of Environmental, Social and Governance at Bank of America. "They're on par with or even better than older generations, which defies common stereotypes. As they continue to take on more financial responsibility and set new goals, Better Money Habits offers them resources and tools, like our Spending and Budgeting tool, to achieve them."

The data additionally shows that young adults' attention to savings and budgeting is growing:

- Forty-seven percent of millennials have \$15,000 or more in savings, and 16 percent have \$100,000 or more in savings. This is an improvement over just a few years ago: [when surveyed in 2015](#), only 33 percent had \$15,000 or more saved, and only 8 percent had \$100,000 or more.
- Millennials are just as likely to budget as older generations. Fifty-four percent of all millennials plan and manage a budget, compared to 54 percent of Gen Xers and 57 percent of baby boomers. Roughly three-quarters of millennials who budget stick to it.

Firmly part of a gig economy, millennials more likely to ask for raises – and get them

As they build their careers, approximately one in four millennials consider themselves to be part of the gig economy (taking on short-term contracts or freelance work) and expect to have eight or more jobs in their lifetime. While they are known as job-hoppers, that's not necessarily by choice. Twenty-six percent of millennials report they have been laid off.

Perhaps as a result, more so than older generations, young adults advocate for themselves at work. Forty-six percent have asked for a raise in the past two years. Just 36 percent of Gen X and 39 percent of baby boomers have done the same. They're largely successful, too. Eighty percent of millennials who asked for a raise in the past two years got one.

At home, shared finances less common among millennial couples

While millennials are likely to bring up the topic of salary at work, that's not always the case at home. Nearly one in five millennials don't know how much their spouse/partner makes. Millennial couples are more likely than older generations to keep their finances separate – 28 percent of millennial couples keep their finances separate compared to 11 percent of Gen Xers and 13 percent of baby boomers.

As parents, millennials are more likely to consider finances an important factor when thinking about having children. Thirty percent of millennial parents say financial considerations played a major role in their decision to start a family, versus 22 percent of Gen Xers and 9 percent of baby boomers. More than a quarter of older millennials are already saving for their children's education.

While millennials are mindful of their finances both in their home and work lives, there is always room for improvement. And, importantly, millennials have time to make changes that can better their financial futures. That's why Bank of America created [Better Money Habits®](#), a free financial education platform with easy-to-understand information and tools to navigate personal finances, including:



- [Savings and Budgeting resources](#), which offer strategies and tips to better manage your money for yourself or your family.
- [The Spending and Budgeting tool](#), which helps people track spending, set up budgets and identify ways to save money.
- The Goal-Setting Tool, which began rolling out in September, will enable people to create personalized savings goals with names, pictures and target amounts so they can watch their progress along the way and prioritize funds accordingly.

In addition to these personal finance resources, BetterMoneyHabits.com features a [Careers and Personal Finance video series](#) from partner and education leader Khan Academy. The videos feature young adults discussing how they are navigating their working world and the financial considerations that come with it. This content is designed to empower young adults – through the voices of their peers – to make informed decisions about the interplay between their income and their life priorities.

Combined, these resources help people understand their money and take action to change their financial lives for the better.

Report methodology

Bank of America commissioned a survey of 1,500 respondents, ages 18 to 71, to explore their views on personal financial matters. The survey was conducted online in English and Spanish during the period of September 22–October 16, 2017. Interviews were conducted by GfK Public Communications and Social Science, using GfK's KnowledgePanel®, a statistically representative sample source used to yield results that are projectable to the American population. The margin of sampling error for national data is +/- 3.1 percentage points at the 95 percent confidence level. An augment sample of approximately 2,025 additional interviews was also included to bring the millennials found in the national sample up to 300 completes each in six DMA markets including Austin, Texas; Raleigh-Durham, N.C.; San Diego, Calif.; Pittsburgh, Pa.; Denver, Colo.; and Seattle, Wash. Margin of error for the DMA augments are higher than that of the national sample.

Note: Millennials were defined as ages 18 to 34 in the 2014 and 2015 reports and as ages 23 to 37 in the 2017 report.

Better Money Habits®

At Bank of America, we're committed to helping people lead better financial lives by equipping them with the skills, knowledge and confidence to succeed. That's why we created [Better Money Habits](#), a financial education platform of tools and information that helps people make sense of their money and take action to improve. As a cornerstone of Better Money Habits, we offer free financial education content and tools that break down financial topics in a way that's digestible, approachable and tailored. We also work with the education nonprofit Khan

Academy on a video series for young adults focused on career-related financial topics. We continually look for ways to expand the reach of Better Money Habits and over the course of 2018 will offer Spanish language resources on the site.

Bank of America

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