Research Findings

Millennials Rate Having a Steady Job and Buying a Home as the Most Significant Milestones Associated with Becoming a Financially Mature Adult

Millennial Women Significantly More Likely to Say They Have Already Reached Most Milestones Listed, Including Having a Steady Job/Income

Washington, DC, September 27, 2017 —When it comes to milestones associated with becoming a financially mature adult, Millennials (defined as being ages 22-37) are most likely to rate having a steady job/income (54%) and buying a home (51%) as among the most significant markers, according to a recent online study conducted by Ipsos on behalf of Amino and Earnest. For at least one in five, moving out of your parents' home (29%), buying or leasing your own car (23%), or being able to afford having a child (22%) are among the most significant milestones associated with being a financially mature adult, while slightly fewer say the same thing of building investment savings (19%) or paying off student loans (18%). Signing up for insurance coverage (14%) and managing your own taxes (14%) are seen to be major milestones in achieving financial maturity for more than one in ten, while not quite as many believe that earning more money than your parents (9%) plays a big role in becoming an adult. Only 6% of Millennials surveyed say that none of these are among the most significant milestones associated with being financially responsible.

- Women are more likely to believe that having a steady job (63%) and buying a home (51%) are major milestones compared to men who say the same thing (45% and 47%, respectively). On the other hand, men are twice as likely to think earning more money than their parents is a significant milestone (12% vs. 6%, women), while greater proportions also say that none of these are significant (9% vs. 2%).
- Less affluent Millennials (60%, earning less than $50,000 vs. 51%, earning more), those with no children living at home (59% vs. 48%, with kids), those with no college degree (59% vs. 50%, college degree), and those who are not married (58% vs. 50%, married) are also among the most likely to rate having a steady job/income as being important – although no major differences exist across these groups when it comes to buying a home.

While having a steady job job/income and buying a home are among the biggest milestones, job and income stability (34%) and rent/mortgage payments (34%) are also top of mind when it comes to Millennials' biggest concerns as they relate to their personal finances. Other concerns such as student loan debt and/or education costs (32%), consumer and/or credit card debt (29%), retirement planning (28%), and healthcare costs and/or healthcare coverage (28%) come in closely behind, with roughly three in ten Millennials saying they are most concerned about these. Nearly a quarter also worry about caring for a child or elderly family member (24%). On the other hand, one in ten (10%) say that they are not concerned about any of these as they relate to their personal financial situation.

- Younger Millennials are more likely to worry about job/income stability (39%, ages 22-29) and student loan debts (37%) compared to those ages 30 and over (30% and 26%, respectively). Older Millennials are instead more likely to be preoccupied with preparing for retirement (36% vs. 21%, 22-29).

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- Lower income Millennials and those who are not married are especially likely to be concerned with job stability, rent/mortgage payments, and student loan debts compared to their respective demographic counterparts. The more affluent and those who are married, in their turn, stand out when it comes to being concerned with retirement planning.

Major Milestone Status

When it comes to reaching these milestones in their own lives, Millennials are most likely to say that they have already moved out of their parents' home (67%), whereas another one in ten expect to do so within the next year (11%) or again within the next 1 to 5 years (11%). Fewer don't expect to move out for another 5 or more years (6%), while 4% of Millennials surveyed don't think they'll ever reach this milestone.

- Those most likely to have already moved out of their parents' home include women (79% vs. 56%, men), older Millennials (71%, ages 30+ vs. 64%, 22-29), and those with children living at home (72% vs. 64%, no kids).

Similar results are seen when it comes to managing their own taxes (64%), signing up for insurance coverage (63%), and buying or leasing their own car (61%), with more than six in ten six in ten saying that they have already attained these milestones. In all three scenarios, just over a quarter see themselves reaching these milestones within the next 5 years, while very few do not see themselves ever reaching these milestones (5%, 3%, and 3%, respectively).

- Compared to men, women are significantly more likely to be managing their own taxes (75% vs. 52%), have their own insurance coverage (74% vs. 53%), and have bought/leased their own car (72% vs. 51%). Millennials who are in their thirties are also more likely to say they have their own insurance coverage (69%) and have their own vehicle (68%) compared to those between the ages of 22-29 (58% and 55%, respectively).

Most Millennials also say they already have a steady job (59%) – and this is especially true for women (65% vs. 53%, men), older Millennials (66%, 30+ vs. 52%, 22-29), the more affluent (64% vs. 50%, earning less than $50,000 annually), and those who are married (63% vs. 55%, other). A third instead expect to have a steady job/income within the next 5 years (32%), including 17% who expect to achieve this milestone within the next 12 months. Only 6% think it will take more than 5 years for them to get a steady job/income, while very few (3%) don't think they will ever attain this goal.

- A greater proportion of lower income Millennials (5%), those with no college degree (5%), and those who are currently unemployed (8%) don't think they will ever reach this milestone.

Other milestones such as being able to afford having a child (38%) and paying off student loans (37%) see nearly two in five Millennials saying they have already achieved these, while the proportion who do not think they will ever achieve these milestones increases to one in ten in both cases (10% and 11%, respectively). Millennials are slightly more likely to think they will be able to afford having a child in the next five years (35%) than they are to think they will be able to pay off their student loans within this timeframe (29%), while the proportion of those who think it will be 10 years or more until they pay off their student loans (11%) more than doubles when compared to those who say the same thing about being financially ready to have a child (4%).

- Whereas more women and those with no college degree say that they can already afford to have a child, greater proportions among these audience also tend to think they will never reach this milestone.

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Roughly a third have already bought a home (32%) or are currently earning more money than their parents (31%), while just as many believe that they will reach these life milestones within the next 5 years (36% and 31%, respectively). One in four Millennials estimate that it will be more than 5 years until they can buy a home (26%) or start earning more than their parents (24%), while thinking they'll never reach these milestones is more prominent when it comes to earning more than their parents (14%) versus buying a home (6%).

- Women, lower income earners, those without kids, those with no college degree, and those who are not married are especially pessimistic when it comes to both buying a home and earning more than their parents, with significantly greater proportions saying that they do not think they will ever achieve these milestones.

The life milestone least likely to have already been reached by Millennials is building investment savings (28%), although one in five believe they will start working on this within the next year (20%). Older Millennials (34%, ages 30+), higher income earners (34%), and those with a college degree (35%) are especially likely to say that they are already building investment savings, while men (25%), parents (24%), and those who are married (25%) stand out when it comes to saying they will reach this milestone within the next year. Just over a quarter believe that they will begin building investment savings in the next 1 to 5 years (27%), while one in ten don't foresee getting involved with this for another 5 to 10 years (12%). Less than one in ten don't plan on building investment savings for another 10 years or more (6%), and another 7% don't think they will ever reach this milestone. Those most likely to think they will never reach this milestone include women (9% vs. 5%, men), the less affluent (12% vs. 4%, earning $50,000+), those with no college degree (12% vs. 3%), and those who are not employed (19% vs. 3% employed FT/PT).

Millennial Saving and Spending Habits

Six in ten Millennials (62%) say that they tend to plan/save for purchases before buying them, versus the other two in five (38%) who say that they tend to buy things whenever they want. Similarly, the proportion of Millennials who say they use budgeting tools and/or maintain a monthly budget (71%) outweighs those who say they rarely/never budget their money (29%), and a majority also believe that they could cover a $500 emergency without going into debt (68% vs. 32% who could not afford a $500 emergency).

- Higher income earners are much more likely to say they tend to buy things whenever they want (43% vs. 30%, earning less than $50,000 annually).
- Those most likely to be able to cover a $500 emergency include men (76%), the more affluent (78%), those with a college degree (82%), and those who are married (76%).

Millennials also present themselves as being financially conscious/responsible when it comes to what they would do if they were to receive $1,000, with nearly a third (31%) saying that they would put this money into a savings account for emergencies/a rainy day, and a quarter saying instead that they would pay down consumer debts (e.g., credit card, car loan) (25%). Women are significantly more likely to say they would put the money in a savings account (35% vs. 26%, men) or use it to pay down consumer debt (32% vs. 19%). Those with no children (35%) and those who are not married (36%) are also more likely to put the money into a savings account, while lower income Millennials (31%) are especially likely to pay down consumer debts.

If given $1,000, one in ten would opt to pay down their student loans (9%), while another one in twenty say they would either save it towards their retirement (5%) or spend it on car and/or home upgrades/repairs (5%). Fewer would put this money towards medical expenses (3%), elder care and/or childcare (3%), or invest it in the stock market (3%).

On the other hand, not quite one in ten would use the money to go on vacation (8%) - most notably men (11% vs. 6%, women), parents (12% vs. 6%, no kids), those with a college degree (10% vs. 6%, no degree), and those who are married (12% vs. 5%). Only 4% would

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treat themselves to an expensive item (e.g., clothing, electronics), while a similar proportion (4%) would not do any of these things if they were to receive $1,000 dollars.

Although Millennials align themselves with favorable financial behaviors, the findings show that they may be less confident when it comes to saving larger sums of money/long-term saving. For example, Millennials are just as likely to say that they would be scrambling to find a way to cover bills/debts/expenses if their next paycheck was withheld from them for whatever reason (46%) as they are to say they would have enough money saved if caught in this scenario (54%). Moreover, whereas 54% of Millennials believe they are currently saving up enough to meet their desired life goals, the other half (46%) say that they are not currently saving up enough in these regards.

- Women, the less affluent, and those with no college degree are more likely to think they'd be scrambling to cover bills/expenses if their next paycheck was to be withheld, while they are also more likely to feel like they are falling short when it comes to currently saving up enough to meet their desired life goals

The most common actions Millennials have taken in the past to take control of their money include forgoing expensive purchases (45%, e.g., clothing, electronics, a vacation, eating out), setting financial goals (42%), creating a budget and/or using budget tracking app(s) (42%), and cutting down on credit card usage (41%). Nearly one in three Millennials say that they have prioritized debt repayment (32%), contributed to a retirement account (31%), or taken on a side gig or second job (30%) in order to be financially prepared to deal with life's expenses. Fewer have sought out finance advice from an advisor or service (15%) or contributed to a HSA or FSA account for healthcare expenses (12%), and one in ten have asked their employer for help understanding their benefits (10%) or negotiated an expensive medical bill (10%) for these reasons. However, one in ten (10%) say that they have never done any of these in order to take control of their money and be better prepared to deal with life's expenses.

About the Study

These are the findings from an Ipsos poll conducted July 14 - 18, 2017 on behalf of Amino and Earnest. For the survey, a sample of 1,013 adults between the ages of 22-37 from the continental U.S., Alaska and Hawaii was interviewed online, in English. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of ± 3.5 percentage points for all respondents surveyed.

The sample for this study was randomly drawn from Ipsos's online panel (see link below for more info on "Access Panels and Recruitment"), partner online panel sources, and "river" sampling (see link below for more info on the Ipsos "Ampario Overview" sample method) and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2016 American Community Survey data. The sample drawn for this study reflects fixed sample targets on demographics. Post-hoc weights were made to the population characteristics on gender, age, region, race/ethnicity and income.

Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of ± 3.5 percentage points for all respondents (see link below for more info on Ipsos online polling "Credibility Intervals"). Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,013, DEFF=1.5, adjusted Confidence Interval=5.0).

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For more information about conducting research intended for public release or Ipsos' online polling methodology, please visit our [Public Opinion Polling and Communication] page where you can download our brochure, see our public release protocol, or contact us.

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Research Finding – continued –

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