



RETIREMENT INSIGHTS

Insights for Plan Participants

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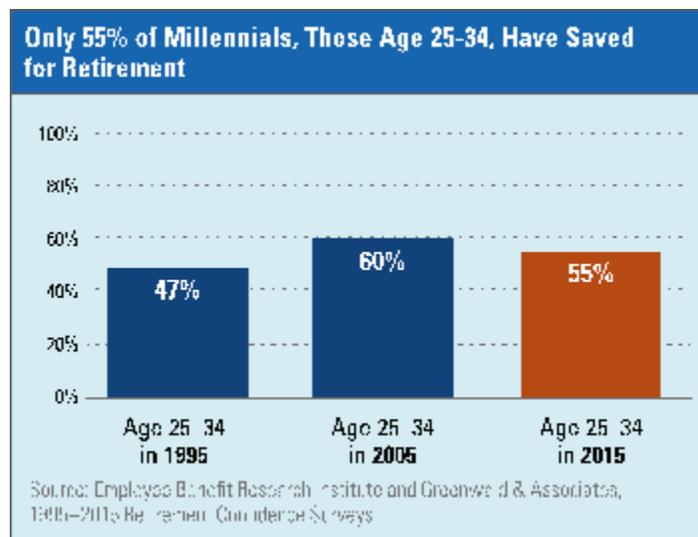
Investing in Your 20s and 30s: Millennials Think Differently

Staying socially and emotionally engaged may be key to investing for your future

Millennials are often criticized in the press for putting off financial planning and being too risk-averse. According to a recent study, millennials devote less than one-third (28%) of their portfolio to stocks and over half (52%) to cash, while non-millennials devote almost half of their portfolio (46%) in stocks and less than a quarter (23%) in cash.¹

If you fit this picture, there may be a good reason you've put off saving and investing. For one, you've just witnessed the Great Recession had on your parents. Or, like millions of other college grads, you may have thousands of dollars in student loan debt. Saving may not be a priority.

Staying out of the retirement savings arena is a decision that could significantly affect your quality of life down the road. Notwithstanding the economic recovery that began in earnest in 2009, 32% of 18- to 30-year-olds said they haven't started investing in their retirement because they don't know enough. And fully 42% claimed they didn't have enough money. A recent Wells Fargo study showed that most millennials put half their income toward paying off debt, with a rough 30% claiming that they live paycheck to paycheck.³



Head or heart: How do you make decisions?

While the baby boomer generation grew up digesting streams of logic-based data and print media, the way that Millennials receive information and communicate is considerably different. According to Stanford Professor BJ Fogg⁴, you may be better off watching short, digestible videos on investing topics, directed one-task workshops, and more motivational approaches to inspire taking action.

No matter your age, when investing, emotion plays a more important role than you may recognize. Some of our most common mistakes inform our lifelong relationship with it. If you've talked to anyone who lived through the Great Depression, you'll understand how completely destroyed 9 million savings accounts in three years⁵, you will understand how risk-averse this group is at a young age.

While there are parallels between the Great Depression and Great Recession, you are likely to have very different coping mechanisms to up and down markets than your parents or grandparents. Having grown up with social media, you

support network in place. This helps to know you are not alone. But there are also innovative sources of retirement online or that exist in less formal settings and are designed to be more relevant to the digital generation.

For example, some financial advisors and digital communications firms, such as the Society for Grownups, put "salons" on subjects outside of financial planning and tie them into financial planning, such as investing and financial classes and coffee dates. You can be sure that whatever appeals to your personality and interests, there's probably talking about it-and making investing part of the conversation.

Wherever you connect financially as a millennial, it's important to find a more relaxed way of talking about retirement instills confidence to take action. Rather than formalized financial education that you might get at a work meeting interacting with others who are in a similar life stage, willing to share their knowledge of saving and investing.

While no two investors are alike, fortunately, there are resources that can help in making complex decisions-like save-easier.

1. <http://money.usnews.com/money/personal-finance/mutual-funds/articles/2014/06/16/why-arent-millennials-investing-f>

2 Source: bankrate.com

3 [Http://money.usnews.com/money/personal-finance/articles/2014/06/18/why-millennials-still-dont-save-enough](http://money.usnews.com/money/personal-finance/articles/2014/06/18/why-millennials-still-dont-save-enough)

4 "Baby Steps," NAPAnet Magazine, June 2015

5 H. Goodson, Coursework: "Handout 10: The Great Depression," <http://www.westga.edu/~hgoodson/The%20Great%20Depression.htm>

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