



2023 Research *from Ameriprise Financial*

A study that explores **investors in their 30s and 40s** finances, money management, and how they are navigating the current environment compared to **Generation X** and **baby boomer** investors.

Millennials are no strangers to economic challenges.

Investors in their 30s and 40s have encountered numerous economic challenges throughout their coming-of-age years, from the Dot-Com Crash to the Great Recession, the Covid-19 pandemic, housing shortages, not to mention today's market environment characterized by rising inflation, rate hikes and recessionary fears. Yet many millennials are on more solid financial footing than they're given credit for.

The oldest of the millennial generation are now in their early 40s and entering their peak earning years, with the remainder of the generation closely following.

As millennials continue to accumulate wealth, grow their assets, and take on more complex life responsibilities, they are poised to become an important client segment for wealth management and advice.

Ameriprise set out to uncover greater insight into millennials' financial situations and outlook in comparison to older generations, asking respondents questions like: *How do you feel about your financial situation? What are the top sources of your wealth? How confident are you that you'll achieve your top financial priorities? How have you navigated the current economic challenges?*

Ameriprise explored these questions amongst others in brand new research, fielded in January 2023.

The study surveyed more than **3,500** Americans between the ages of **26–77**. The millennial respondents have **\$25,000** or more in investable assets, and Generation X and baby boomer respondents have **\$100,000** or more.

As investors enter their 30s and 40s, most feel *positive about their finances*.



6 out of 10 (60%) millennials surveyed feel good about their current financial situation and...



6 in 10 (58%) survey participants feel they are better off financially, compared to their peers.



Nearly 8 in 10 (76%) who employ the guidance of a financial professional, feel good about where they stand financially.

Many millennials have made good financial choices, and they started making those decisions earlier in life compared to previous generations.



Average age started to save for retirement:

25 years old



Average age started working with financial advisor:

27 years old



Average age when purchasing a home:

27 years old

Millennials started saving for retirement earlier than older generations at a median age of **25**, compared to age **28** for **Generation X** and age **30** for **baby boomers**.

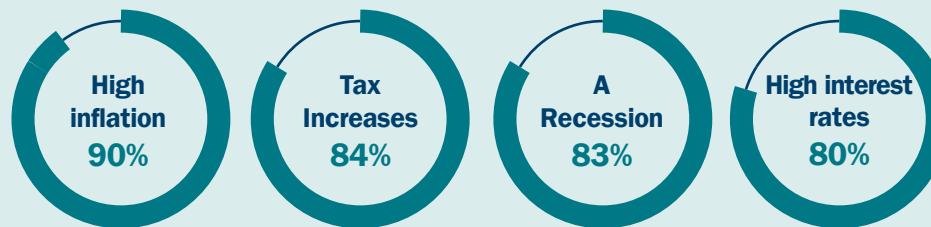
Millennials began working with a financial advisor at age **27**, while **Generation X** and **baby boomers** waited until ages **36** and **45**, respectively.

Among those **millennials** who purchased a home (63%), they did so at a **median age of 27** — nearly 3 to 3.5 years earlier, on average, than their **Generation X** and **baby boomer** counterparts.

Financial Priorities

While more millennials indicate they are doing well financially, the volatile economic environment is still breeding uncertainty.

Concerns:



An overwhelming majority (**90%**) said they are very or somewhat concerned about high inflation, tax increases (**84%**), a recession (**83%**), and high interest rates (**80%**).

A balancing act

More than half of **millennials** (**56%**) reported feeling the pressure of balancing multiple financial priorities.

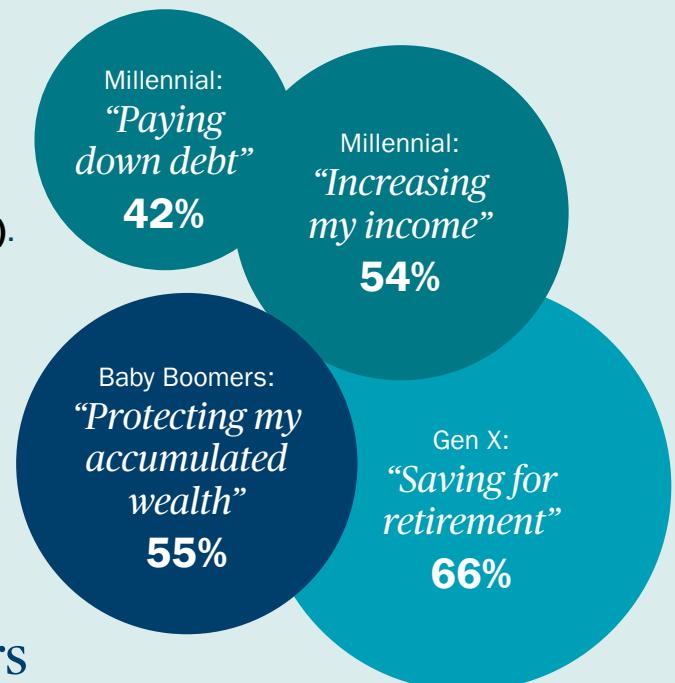


A similar number (**57%**) reported spending less than they earn to balance competing priorities.

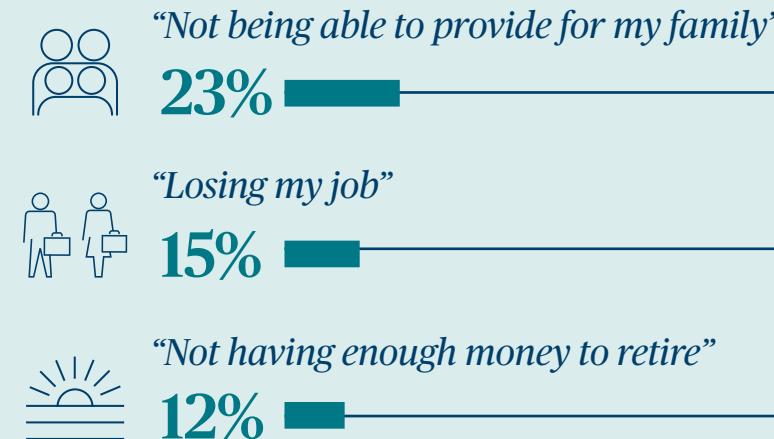
Goals

Over half of **millennials** said one of their top three money goals are “increasing my income” (**54%**) followed by “paying down debt” (**42%**).

In comparison, **66%** of **Generation X** surveyed say “saving for retirement” is their top goal, and **baby boomers** reported that “protecting their accumulated wealth” (**55%**) is their top priority.



Millennial Money Fears



Millennials reported their top financial fears as “not being able to provide for my family” (**23%**), “losing my job” (**15%**), and “not having enough money to retire” (**12%**).

As investors navigating their 30s and 40s take on more complex life responsibilities, they are *feeling the strain of debt.*

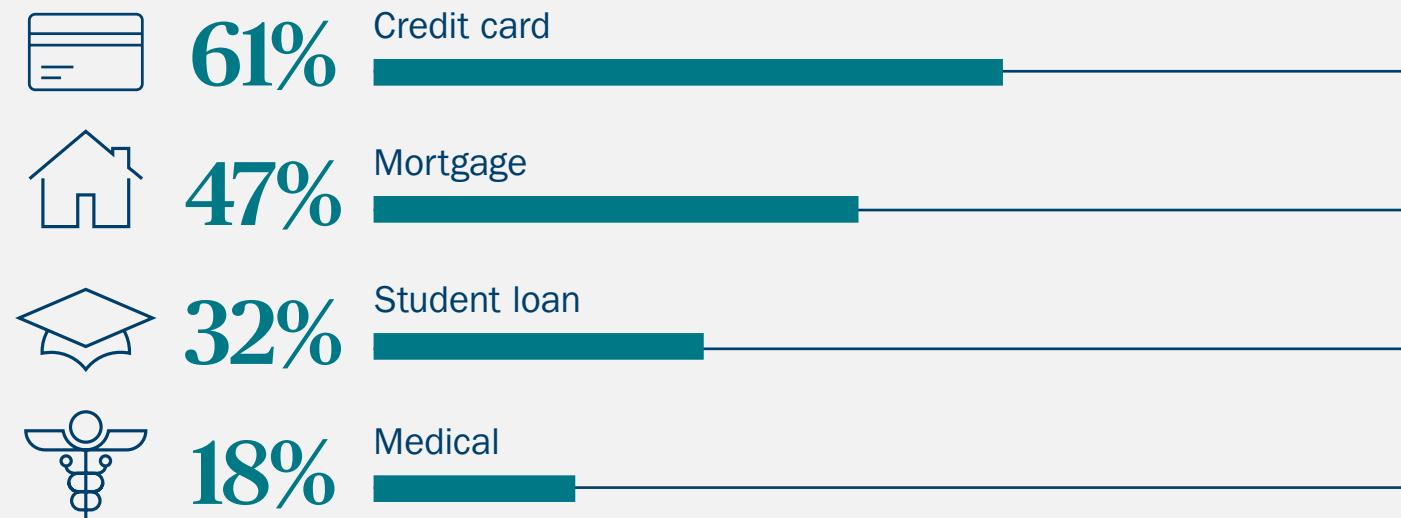
Eight in 10 millennial investors have some form of debt, with an average of \$127,000.



More than half of them (57%) reported that debt is impacting their ability to achieve their financial goals.

\$127,000

Among **millennials** with debt, more than six in 10 (**61%**) have credit card debt, nearly half (**47%**) have a mortgage, one-third have student loan debt (**32%**) and about two in 10 (**18%**) have medical debt.



Millennials' & Home Ownership

Home ownership is a key goal for many investors in this age cohort.

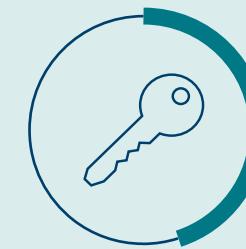


Among the **63% of millennials** who have purchased real estate, the median age, **27 years old**, is younger than other generations.

Most millennials feel good about their home purchase: two-thirds (67%) are very happy with their decision and 86% said it's easy or very easy to make their mortgage payments on time and in full.



Among **millennials** who do not own a home, **nearly half (45%) rent because home ownership isn't feasible.**

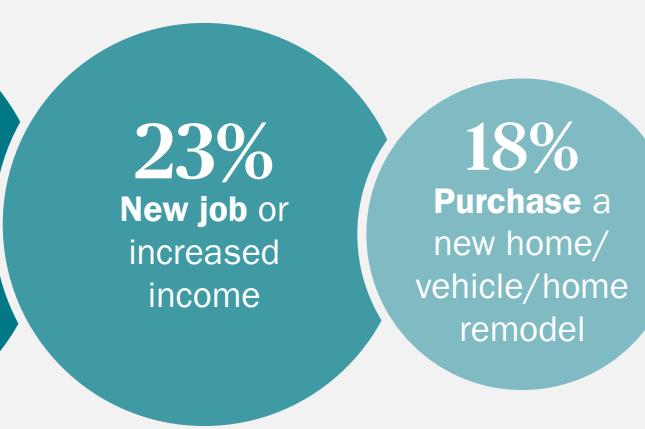


Investors in their 30s and 40s are *hungry for advice*.

Millennials are most likely to receive financial advice from family and friends, yet they need to be careful. Among those who received bad money advice, the most common source was a friend (31%).

One third (34%) of millennials use a financial advisor.

Those who work with an advisor identified three reasons as the catalyst for starting a relationship with a professional:



Fewer than three in 10 millennials (28%) consider tax diversification when investing for retirement, and more than one-quarter (27%) of millennials do not know the tax treatment of their investment accounts.



28%

According to the study — The items millennials raised their hands to say they need advice on include:



Investment
strategies
18%



Retirement
planning
18%



Taxes
16%



Estate
planning
14%

Other helpful financial advice called out by all respondents:

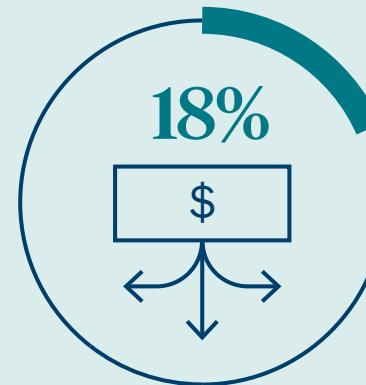
"My colleague told me to start saving for retirement before I got my first check so I would never miss the money."

"My grandfather told me that investing early is a key."

"The best advice I received was to save for an emergency."

Ameriprise's study identified two key differences between generations.

1 The onus is on millennial investors to save for their own retirement instead of relying on funds from their employers.



Millennials are much **less likely to rely on Social Security (18%)** and know they will need to rely on investments for their financial future.

Less than one-third (29%) of millennials have **access to a pension**, compared to **48% Generation X** and **64% baby boomers**.

Access to a pension:



2 Millennials have received significant financial help from family – and many expect additional assistance in the future.

Millennials are nearly twice as likely as **Generation X** or **baby boomers** to have received financial help from family members and

41% expect to rely on family for future financial needs.

78% of **millennials** reported receiving money—including inheritances, assistance paying for education, and help purchasing a car or home — from family members.

27% of **millennials** said they received \$25,000 or more.

Comparatively, **24% of Generation X and 5% of baby boomers** expect family members to contribute to their financial wellbeing down the road.

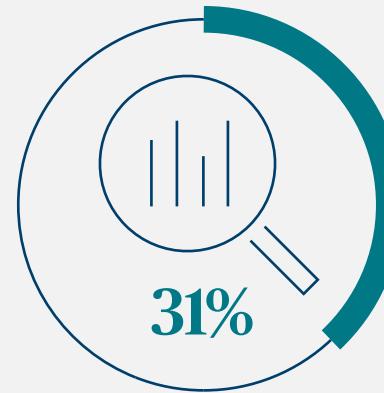
Expect financial help from family:



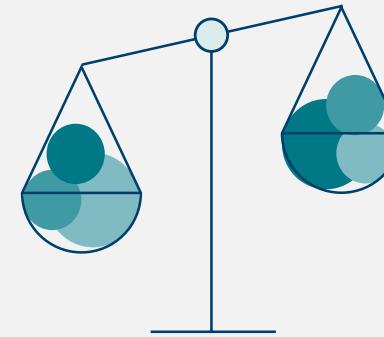
Seek professional guidance.

A financial professional can play an important role in helping you focus on what you can control and develop a financial plan that moves you towards your goals.

One third (34%) of millennials in our study use a financial advisor. Among those who do, the results are powerful.
Investors who have a financial advisor are:



31% more confident than those who don't use a financial advisor.



Find **balancing** multiple financial priorities significantly **less challenging**.



Feel more **positive, in control and successful** about their financial situation compared to those without an advisor.



More likely to say they are **doing better financially** compared to others their age.

About the survey

The 2023 research was created by Ameriprise Financial Inc. and conducted online by Artemis Strategy Group from Jan. 19 – Feb. 14, 2023, among 3,518 Americans ages 26–77. Millennial respondents have \$25,000 or more in investable assets, and Gen X and boomer respondents have \$100,000 or more. The sample is weighted on region and by generation on age, gender, race/ethnicity, assets, and income based on the Federal Reserve 2021 Survey of Household Economics and Decision making (SHED). To ensure sufficient response sizes for additional analysis, Ameriprise oversampled investors who identify as millennials. For further information and details about the study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial or go to ameriprise.com/millennials

About Artemis Strategy Group

Artemis Strategy Group (www.Artemissg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for more than 125 years. With extensive investment advice, asset management and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs.

Artemis Strategy Group is not affiliated with Ameriprise Financial, Inc.

Investment Advisory products and services are made available through Ameriprise Financial Services, LLC a registered investment adviser.

Ameriprise Financial Services, LLC. Member FINRA and SIPC.

© 2023 Ameriprise Financial, Inc. All rights reserved.