Modern Money *Study*

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Much has been written about how changing demographics and technology have affected the way we live – from how we spend our time, to how we communicate with others, to how we find meaning in our day-to-day lives. But, less understood is how this cultural transformation is impacting people's relationship with money. A new study by Ameriprise Financial, Modern Money, explores how attitudes and behaviors toward conventional financial goals such as homeownership, paying for children's needs and retirement have shifted over the years.

By asking respondents to reflect on their upbringings, the study uncovers whether financial attitudes – good or bad – have been handed down through generations or if today's investors are breaking away from the examples set by their parents.

The study surveyed more than 3,000 Americans ages 30 to 69 with at least $100,000 in investable assets, including:

Millennials
ages 30 to 37
453
respondents

Gen X
ages 38 to 53
1104
respondents

Boomers
ages 54 to 69
1451
respondents

Better off than their parents

Ameriprise Financial

More than three in four respondents (78%) say achieving financial success has been the same or easier for them than it was for their parents at the same age. But **over half (51%)** think it will be harder for the next generation in their family to feel comfortable financially, and this sentiment is even stronger among Boomers.

Respondents who think it will be harder for the next generation to feel comfortable financially:

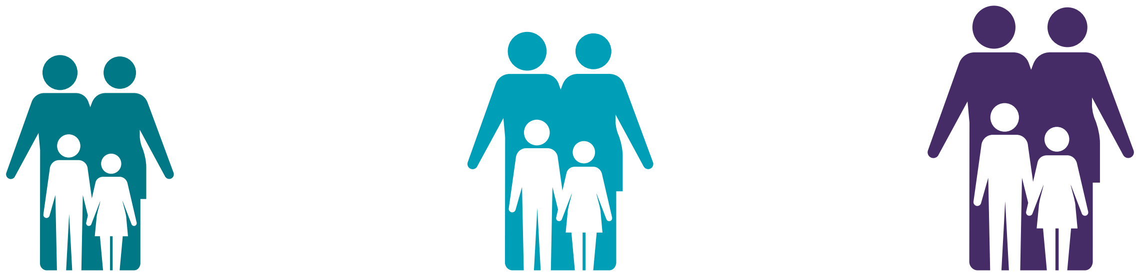
34% Millennials

49% Gen X

57% Boomers

Among the respondents surveyed, 67% have children. Of these respondents **nearly two-thirds (62%)** say it has been easier or the same for them to pay for the needs of their kids than it was for their parents.

Respondents with children by generation:



59% Millennials

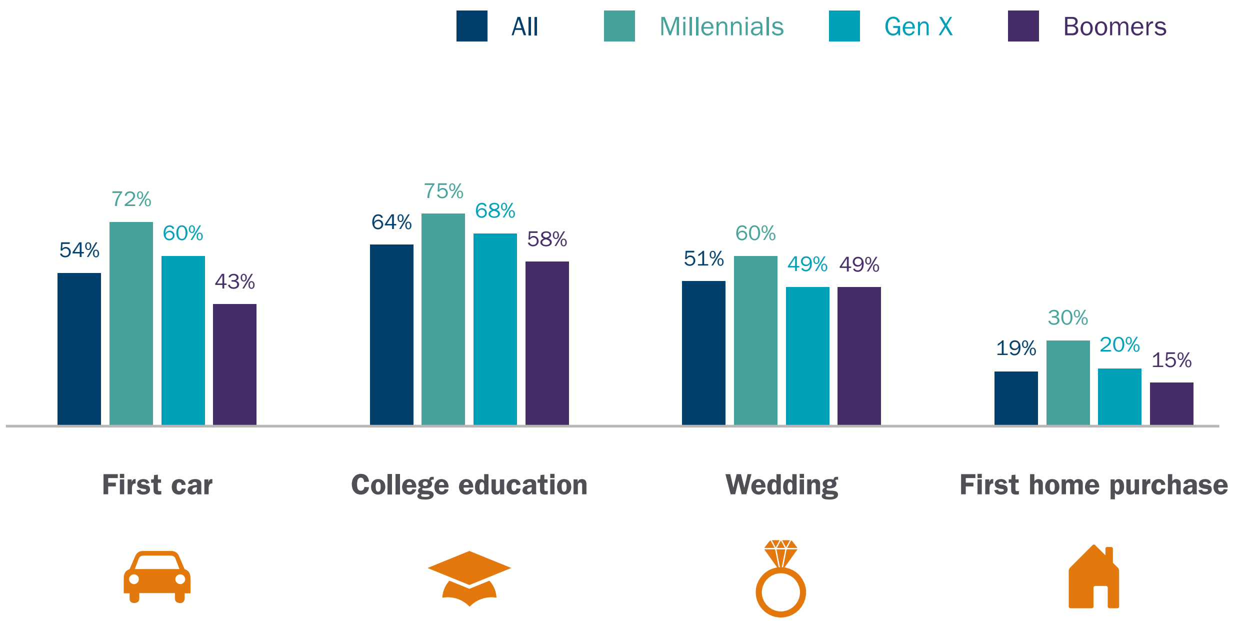
64% Gen X

71% Boomers

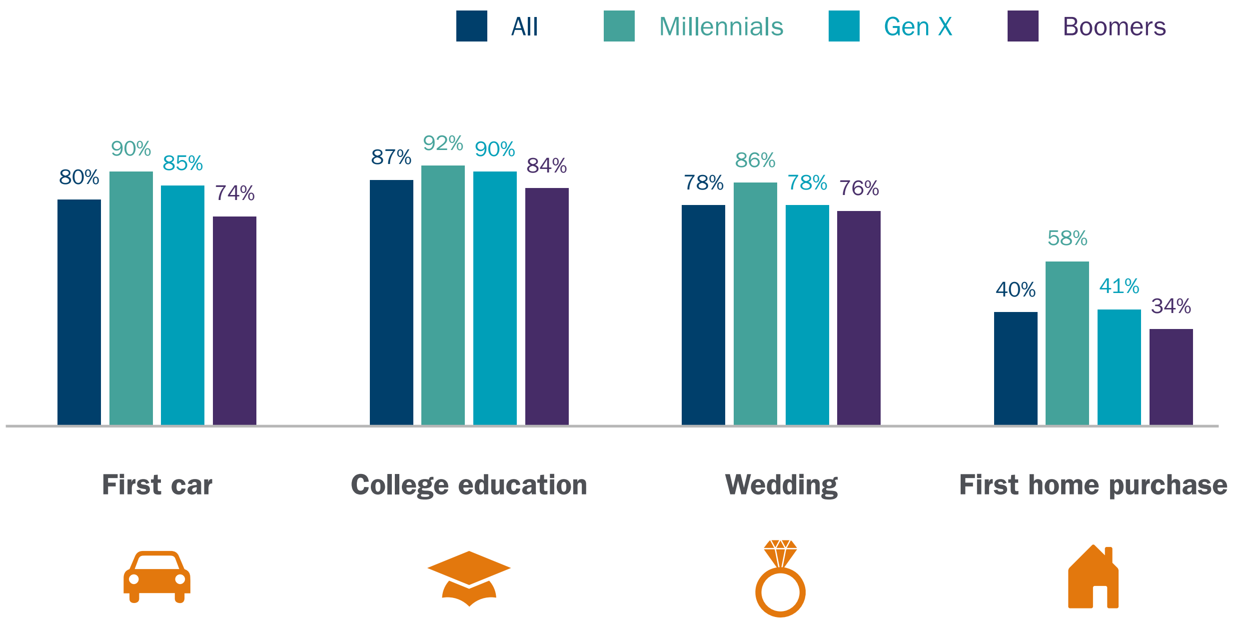
Parental financial support

The study reveals that today's moms and dads are providing financial assistance for their children's milestones at a higher rate than they received from their own parents. This is especially true for Millennials, who were more likely to receive financial help from their parents than older generations and are more likely to say they plan to do the same for their own kids than other respondents.

Respondents who received financial assistance from their parents:



Respondents who have given or plan to give financial assistance to their own children:



Shifting retirement expectations

Ameriprise Financial

Over half of today's respondents (52%) believe retiring at age 65 is not as realistic as it was a decade ago. Though retirement expectations are changing, respondents across all generations say saving and planning for retirement is their top priority.

Interestingly, one in three respondents say they have or would delay their retirement to pay for their children's college education, but this sentiment is particularly pronounced among Millennials.

Respondents who delayed or are willing to delay retirement to pay for their children's education:

59%
Millennials

41%
Gen X

21%
Boomers

In fact, Millennials saw their own parents make this sacrifice for them at a higher rate than the other respondents.

Respondents who report that their own parents delayed retirement to help them pay for college education:

27%
Millennials

11%
Gen X

3%
Boomers

Modern views on homeownership

Across the board, **most respondents (70%)** say owning a home is as a good of an investment as it was a decade ago. Perhaps it's not a surprise that **92% of the respondents surveyed** own homes.

Homeowners by generation:

85%
Millennials

92%
Gen X

94%
Boomers

"Having a sense of pride" is the top reason why respondents across all generations say they purchased a home. But the second most common reason varies by age. For Gen X and Boomers, "It is less expensive to own than rent" is the second most common reason why they became homeowners. Millennials are more likely to say they view their home "as an investment" than any other generation and cite this as second most common reason why they own.

In fact, Millennials are more likely to leverage the real estate they own to generate income than older investors.

13% of Millennials rent out a room or basement or garage apartment in the home compared with **4% of Gen X** and **2% of Boomers**.

24% of Millennials say they own long-term residential properties to rent out for income compared with **15% of Gen X** and **12% of Boomers**.

19% of Millennials say they own vacation or short-term residential properties to rent out for income compared with **7% of Gen X** and **5% of Boomers**.

Among the eight percent of renters:

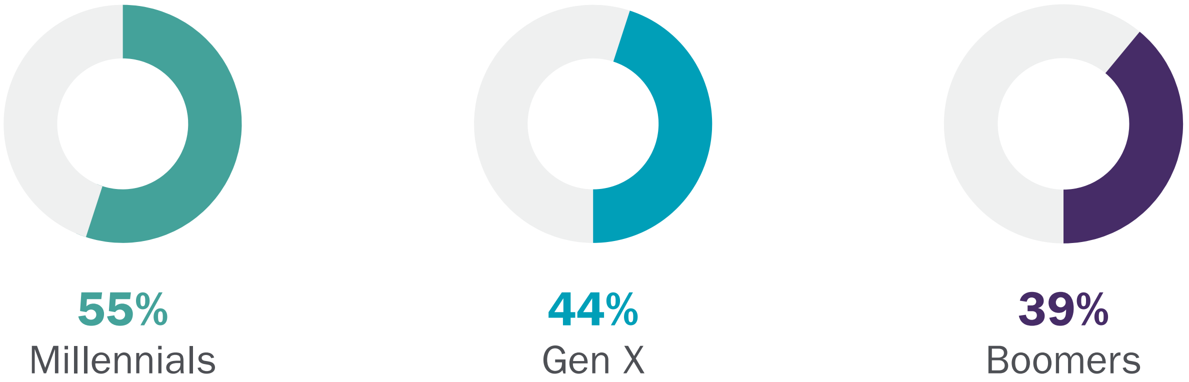
The No. 1 reason why Millennials don't own is because they are saving to be able to purchase a home.

While Gen X and Boomers cite "renting is more flexible" as the top reason they don't own.

Talking about money

Half (51 percent) of respondents think discussions around money are still as taboo today as they were a decade ago, but this sentiment has gradually shifted over generations.

Respondents who think talking about money is more acceptable today by generation:



Among those who have conversations about money, they say they do so because it helps them learn more about managing their finances and they can help others by teaching them what they know.

Topics respondents discuss with others

Discussions with friends	Millennials	Gen X	Boomers
How much money you earn	18%	10%	5%
How much you spent on a major purchase (like a house or a car)	26%	18%	12%
How much debt you have	15%	10%	5%
How much money you have invested	15%	6%	4%
At what age you will be financially able to retire	17%	18%	19%

Discussions with Coworkers	Millennials	Gen X	Boomers
How much money you earn	8%	5%	4%
How much you spent on a major purchase (like a house or a car)	9%	8%	5%
How much debt you have	8%	3%	2%
How much money you have invested	6%	3%	2%
At what age you will be financially able to retire	11%	14%	15%

Key themes and tips

Ameriprise Financial

Over half of respondents worry about the next generation of their family's ability to feel financially confident.

One in three parents have delayed retirement or are willing to do so in order to pay for their children's college education.

Respondents rarely discuss money with others, but those who do say it helps them learn more about managing their finances.

Strategies to secure your financial future:

1. Teach your children the concept of earning, saving, spending and investing money as early as possible to help them establish good financial habits.
2. Have an estate plan in place to ensure your legacy wishes are clear. Contrary to what many people think, you don't need to be wealthy to have an estate plan.
3. Consider setting up family meetings with a financial advisor.

Strategies to balance helping your children pay for college and saving for your retirement:

1. Create a plan with specific financial targets for each of your goals.
2. Make retirement the priority – once you reach retirement, you may have limited options to boost your savings if it comes up short. The best time to act is while you are working and earning income.
3. Set money aside to help your children fund their college education starting as early as you can. Consider investing the money in a 529 plan.

Strategies to help make the conversation easier:

1. Set time aside with your spouse or significant other to discuss your finances on a regular basis.
2. Be honest with friends about your financial situation. This doesn't mean you have to share all of your financial details, but if you are trying to save money, for example, share this goal with your friends. This will help you avoid spending more money than you want in social situations.
3. Consider consulting a financial advisor – discussing investing, retirement, and your financial goals with a financial professional can help you manage your money better and achieve financial confidence.

Methodology

The Modern Money study was created by Ameriprise Financial, Inc. and conducted online by Artemis Strategy Group December 11-25, 2018 among 3,008 U.S. adults between the ages of 30-69 with at least $100,000 in investable assets. Millennials are defined as ages 30-37, Gen X is ages 38-53 and Boomers ages 54-69. 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/modernmoney.

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 120 years. With extensive asset management, advisory 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. For more information, or to find an Ameriprise financial advisor, visit ameriprise.com.