

# Millennials Like Saving Money, Want to Save More

*By Suelain Moy*

Millennials have impressive financial habits when compared to baby boomers, according to a new Retirement Saving & Spending Study by T. Rower Price. Millennials like to save, with many taking advantage of 401(k) plans while still paying down debt. On average, millennials are saving nearly as much for retirement -- 8 percent of their incomes -- as baby boomers, who are saving an average of 9 percent. And in the past 12 months, millennials are saving a higher percentage of their incomes than baby boomers when it comes to 401(k) contributions.

The research is based on online interviews with 1,505 millennials and 514 baby boomers with 401(k)s, and includes both workers and retirees.

Overall, millennials in the study report they are in surprisingly good financial shape. Eighty-eight percent say they are living within their means and 74 percent are more comfortable saving and investing extra money than spending it. However, many millennials are pessimistic about Social Security: Sixty percent expect Social Security to go bankrupt before they retire.

Here's what else the survey reveals:

## **Millennials like to save, and they'd save more if they could.**

Saving for retirement and paying down debt are equally important to millennials, who rank both goals as a top priority. For those who say they are not saving enough, 23 percent cited student loans as a major contributing factor.

## **Millennials like auto-enrollment plans.**

Seventy-nine percent of the millennials who were auto-enrolled in 401(k) plans were satisfied with auto-enrollment. When it comes to 401(k) matches, 59 percent of millennials set their 401(k) contribution rate to take full advantage of their employers' matches.

## **They're open to advice and more likely to ask for help if they need it.**

If faced with a sudden financial emergency, 55 percent of millennials said they'd seek the help of family and friends, compared to 24 percent of baby boomers. Millennials were also much more likely to admit they could benefit from help with spending and debt management.

## **They find it hard to save when they make less money.**

Non-savers made less money and carried more student debt. The median personal income of non-savers was \$28,000, compared to \$57,000 for savers. Thirty-nine percent of the non-savers have trouble meeting their monthly expenses.

**Men save more.**

Millennial women are less likely to save in 401(k)s, even if they are eligible, and when they do, they save less than men. The average 401(k) balance for women participating in their 401(k) is \$38,000, compared to an average 401(k) balance of \$74,000 for men. Of those who are already participating in 401(k)s, only 41 percent of the savers are women.

<http://finance.yahoo.com/news/millennials-saving-money-want-save-221100282.html>