THE KEENE SENTINEL

Financial habits of boomers and millennials that might surprise you, by Stephen Davis -

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For decades, baby boomers have dominated the financial, political and cultural landscapes. The sheer size of the generation has allowed them to control the message and the markets. However, multiple financial studies reveal a new, perhaps unlikely, generation with wisdom to share regarding retirement: millennials.

Follow the money

Where does your money go? Are you someone who gets a paycheck and then a couple of days later wonders why your bank account is once again nearing empty? If you're a millennial, there's a better chance you're tracking your money trail than if you're from another generation. The 2015 T. Rowe Price Retirement Savings & Spending study revealed that 75 percent of millennials are keeping track of their expenses versus 64 percent of boomers. They also beat boomers in budgeting with 67 percent of millennials sticking to their budget versus only 55 percent of boomers. No matter your generation, it's vital that you ask yourself a few simple questions if you want to have a better handle on your immediate money situation: 1. Do you know what you're spending your money on? 2. Do you have a budget? 3. Are you sticking to that budget? 4. Do you have an emergency fund in case you are hit with a financial crisis?

Invest in yourself

The T. Rowe Price study also reveals that boomers are putting more of their annual salary into savings than other generations, but millennials are gaining on them. According to the report, nearly 40 percent of millennials have increased their retirement savings over the last year, compared to 21 percent of boomers. To be fair, boomers, who are much nearer to retirement, may have already maxed their monthly allotment, giving them little if any room to increase their savings. Still, it's encouraging to see young professionals value savings so early in their careers as the top financial priorities for millennials are contributing to a 401(k) and paying down debt.

Ageless anxiety

Are you fearful about your retirement years? If so, you are not alone. According to a recent Franklin Templeton Investments study, all generations worry about having enough money in retirement. Along with the Gen Xers, millennials exhibited the highest levels of stress and anxiety when thinking about retirement savings and investments (76 and 70 percent, respectively). However, millennials reflected a more positive outlook than their Gen X counterparts. Thirty-five percent of millennials believe their retirement will be better than previous generations compared to only 26 percent of Gen Xers who felt the same. While financial stress stretches across generations, what people worry about differs based on age. For those 18-54, running out of money in retirement tops their anxiety list. For the age 55-plus crowd, which encompasses the boomer generation, worry centers on their health and how they're going to pay for those looming medical bills.

A confident future

The Franklin Templeton study reveals a discouraging trend that can and needs to be rectified. In sifting through three years of data, the company found that the percentage of people not saving for retirement is increasing. Not surprisingly, the percentage of those concerned about outliving their assets is rising as well. There's a simple fix to that problem: Take control of your finances, regardless of which generation you are in. Taking control can help build confidence in your future. According to the report, working with a financial adviser can also lower stress. Of those who have developed a written retirement income plan, 90 percent are confident and happy with it. The study also reveals three steps to retirement confidence: 1. Know your situation. Your retirement is unique to you. Define your individual goals and concerns. 2. Write your plan down. Having a plan in your head may not be enough. 3. Work with a financial adviser. Professional advice makes a difference.

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