The Kids Are All Right According To PNC Survey, Younger Millennials Carry Half The Debt Of Older Peers

- Overall millennial debt trending down since 2011 -

PITTSBURGH, Jan. 2, 2014 /PRNewswire/ -- Millennials are often lumped together, but the financial realities and habits of the 20-24 year-old set are very different from their older peers, according to data from PNC's Financial Independence Survey.

(Photo: http://photos.prnewswire.com/prnh/20140102/NE38747-INFO)

The second *PNC Financial Independence Survey* sought insights into the financial patterns and mindsets of 20-29 year-olds, comparing responses both within the age group and among those with and without higher education.

Carrying Debt Differently
Of respondents claiming to hold debt, the younger set carried just half ($17,100) that of their older peers ($35,600). Nearly one third of the younger set carried no debt whatsoever, compared to the older set, noticeably lighter at just one in five. Another key finding; among respondents with some level of college education, average reported debt came in at $31,800, a noteworthy 30 percent drop from $45,400 in 2011.

"Financial maturity in this generation has noticeably shifted," said Cary Guffey, CFP® and financial advisor at PNC Wealth Management. He continues, "Younger millennials just entered adulthood when the economy shifted downward and as a result, it's clear they've become more cautious by avoiding debt."

Categories of debt also highly varied between the two groups. In the older set, debt amounts were reported at double, triple and quadruple that of their younger peers when it came to car loans, credit cards and mortgages, respectively. One category where both age groups fall in-step with one another is education; about 40 percent regardless of age claim to hold debt from student loans.

Varied Saving Patterns
While debt numbers are trending down, so is the number of millennials claiming to save, dropping 6 percent overall since PNC's 2011 survey. Younger respondents however, are more likely to save (90 percent) than their older peers (83 percent) and do so with a larger proportion of their annual income for short and long-term saving combined (59 percent) than the older set (52 percent).

Millennials hold ambitious goals when it comes to major life events that require financing in their future. Regardless of age, three-quarters (74 percent) think they'll own a home before age 35, two-thirds think they will retire before or in their early to mid-sixties, and more than three in five (62 percent) claim to have considered starting a business.

Reported saving patterns, however, do not currently reflect these aspirations. Just 11 percent claim to save for buying a home, four percent for starting a business, nine percent for starting a family and just six percent for retirement. The top savings category regardless of age is emergency funds.

Starting 2014 Right
Millennial goals are ambitious, but not un-attainable, when it comes to owned assets, careers and retirement. Based on survey results, credit scores and saving continue to stand out as categories where young adults are generally not taking action.

There are simple actions one can take to start 2014 on the right foot, regardless of individual salary, that can put finances on a solid path to success in order to achieve said goals:

- ***Better Credit - Baby Steps:*** Having credit can boost scores, but make an effort to use cards lightly. Big balances can drive scores down, even if making payments on time. Also, carefully review your credit report and be sure to dispute significant errors.
- ***Home Ownership – Don't Save Blindly:*** Having a real number in mind maintains motivation and provides a way to measure ongoing progress. Research house prices you can afford and take 20% from that to pull a firm goal for your down-payment.
- ***Starting a Business – It's Not Only About the Money:*** If you're not financially ready to quit your day job, use time wisely now to research and write a solid business plan. This puts you ahead of the game once you're ready.
- ***Retirement – Don't Turn Down Free Money:*** Especially when contribution matching is available, start contributing at

least the minimum amount each month to your employer's 401K; the small percentage absent from paychecks will barely be noticeable.

More in-depth financial advice can be found on PNC's Achievement Sessions website, offering an opportunity to interact with financial bloggers on relevant, real world issues personally experienced such as debt, spending, saving and budgeting.

The PNC Financial Services Group, Inc. (www.pnc.com) is one of the nation's largest diversified financial services organizations providing retail and business banking; residential mortgage banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management.

Methodology
PNC commissioned The Financial Independence Survey to identify attitudes and behaviors about personal finances among those ages 20-29. The study was conducted online within the United States from June 7 to June 24, 2013 among a nationwide cross section of 3,288 participants. The margin of error for the total results is +/- 1.7 percent at the 95 percent confidence level. Artemis Strategy Group (www.Artemissg.com) designed and managed the survey.

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