Millennials' Parents Encouraged Them To Save, Not Invest: PNC Investments Survey

- Findings from PNC Investments' Millennials & Investing Survey reveal that millennials' childhood financial education revolved around saving

- As children, younger millennials were taught more about investing than older cohorts

- Millennials who were college-aged during recession have different attitudes about money than those who were in high school at the time

- Only half of millennials report that their families modeled good money management

PITTSBURGH, May 9, 2018 /PRNewswire/ -- Now comprising the largest percentage of the workforce, with a new crop of recent graduates about to embark upon their professional careers, millennials report not feeling confident they're saving enough for the future, according to findings from PNC Investments' Millennials & Investing Survey.

Equally troubling, more than half of millennials admit they do not have an emergency fund. The survey reveals the generation as a whole is more familiar with saving than investing – the result of the financial lessons their parents imparted on them as children.

According to the survey, millennials agree they learned about saving money at a young age, but did not receive as much guidance from their parents about building wealth through investing.

While almost two-thirds of millennials report that their parents always encouraged them to save money while they were children, only half say their family modeled good money management and even fewer disclose that their parents showed them ways to grow wealth beyond having a job.

"It's no secret that our attitudes toward money are likely influenced by how much financial education we received as children and the types of role models we have in our immediate family," said Rich Ramassini, CFP, senior vice president and director of strategy and sales performance for PNC Investments. "However, this survey finds that millennials' financial education largely skewed toward savings instead of investing. When it comes to building wealth over the long-term, investing is a critical component of a portfolio and one that should not be ignored."

The survey reports that younger millennials – those who were likely in high school during the 2008-2009 Great Recession – describe their family as having modeled good money management slightly more so than older millennials, who were likely in college or in the workforce during the same time period.

Of the millennials surveyed, 79 percent between the ages of 25-29 say their parents talked to them about managing finances, while 70 percent of millennials between the ages of 30-35 report the same.

"The money mindset that millennials adopted during their childhood could derail their long-term financial goals," Ramassini added.

About half of millennials say they expect to retire with financial stability, though most admit that they do not have a solid understanding of how to successfully invest their money.

"As this generation matures and acquires more wealth, it's absolutely critical that they devise a comprehensive financial plan, which consists of an emergency fund, a mix of savings and investing and an intimate understanding of their future goals," Ramassini said.

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Survey Methodology

The Millennials & Investing Survey was commissioned by PNC Investments to identify attitudes and behaviors of millennials. The study was conducted online between Jan. 16-25, 2018 among a cross section of millennials age 21 to 35 with self-reported investable assets of $5,000 or more or those who have a qualified retirement plan (401(k), 403(b)) and at least $1,000 in investable assets. Survey results are balanced in accordance of the US Census population distribution for age and gender to ensure representativeness. No weighting was required.

The survey was designed by Chadwick Martin Bailey, a market research firm specializing in custom research.

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