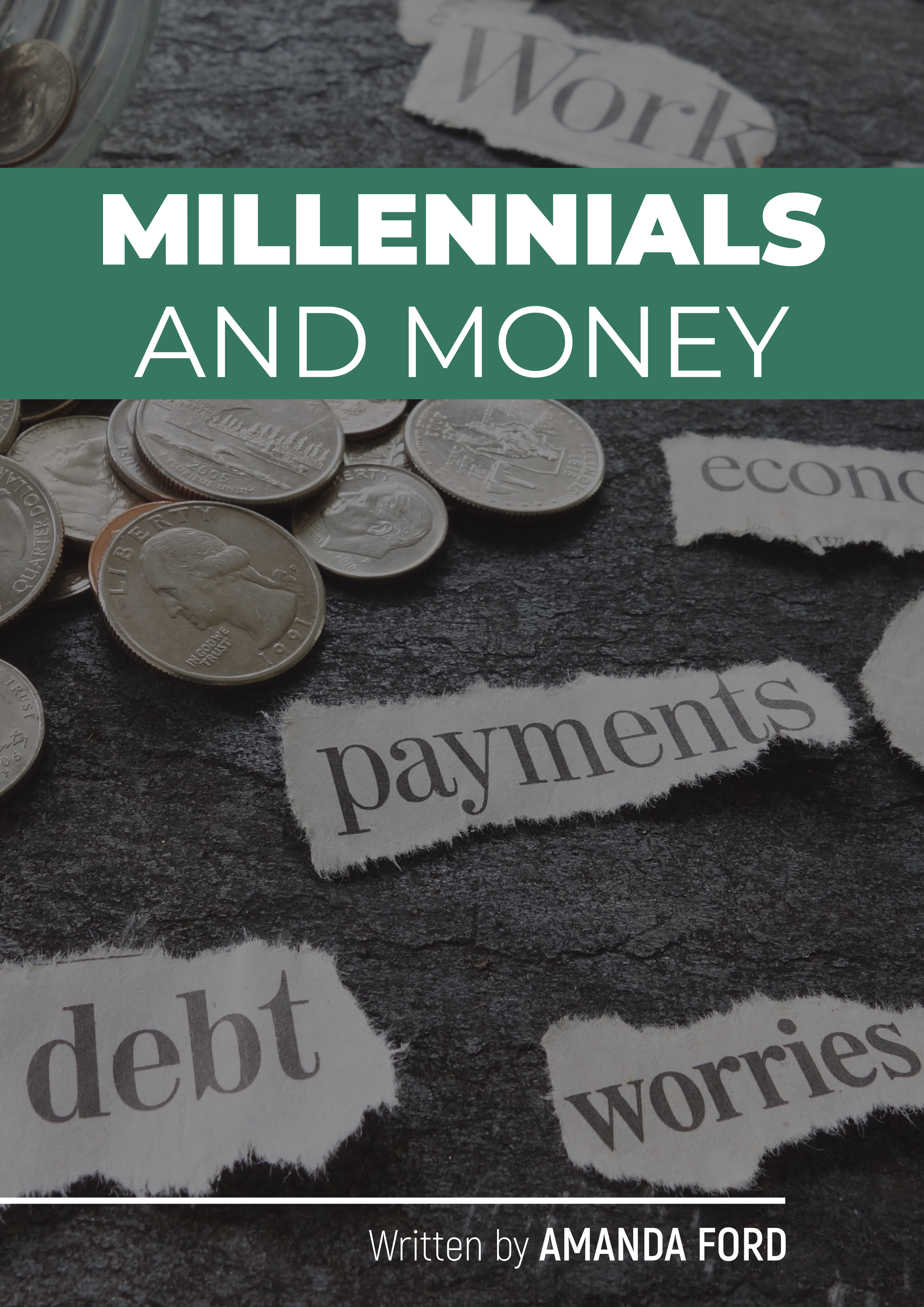
MILLENNIALS AND MONEY



Written by **AMANDA FORD**

A Millennial AND A MIRACLE

Dan Ford was 26 years old when he realized he knew little about money. His credit cards were racked up from his lavish dates and traveling. He didn't qualify for a personal loan to help consolidate debt because of those cards. So he found himself stuck between a rock and a hard place; with $25,000 credit card debt, a 522-credit score, and a 98 percent credit utilization rate, he needed a miracle to get out.

The more Ford spoke with his millennial friends; he learned that much to his surprise, they were in similar boats. He wondered, was it a lack of education or something much larger? Had the Great Recession of 2008 played a more prominent role in their current financial situations than they knew? Most of his friends remember the crisis and continue to talk about it today.

Skip ahead to 2021; Ford and his now wife sold their home, which Ford inherited from his grandmother, during the height of the housing market. He got his miracle with a big payout, but he was aware of all the other millennials who hadn't.

The "Unluckiest" GENERATION

Millennials have been given a bad reputation, most notoriously for their poor relationship with money. Other generations, including baby boomers, Generation X, and Generation Z, have labeled millennials as the "entitled" generation. But is that a fair criticism? On the contrary, the argument can be made that millennials are the "unluckiest" generation.

Each generation has a monumental event that shapes their life choices. For millennials, it was the Great Recession. While the Great Recession also impacted older generations, it traumatized millennials. It largely affected how millennials would go on to manage their finances. What happened to the United States' economy had a ripple effect that continues today. With large amounts of college debt, racked up credit cards,

high-interest personal loans and struggling credit scores, millennials changed what was "normal." More millennials are renting than purchasing homes. Couples are moving in together sooner to save money. Millennials are putting off marriage due to the financial burden of a wedding. And, often, they are adopting pets instead of having children.

Rather than blaming millennials for their poor management of money, we will dissect why they manage money the way they do. But first, we need to understand who is considered a millennial and if there are different types of millennials. Then we will determine how the Great Recession impacted millennials' financial decisions and how the recent global pandemic further triggered them.

Definition of a MILLENNIAL

Millennials are hardly the rowdy college kids on spring break. They are not even recent college graduates entering the workforce. Millennials are not your young colleagues who you call lazy and codependent. Even further, most are not the loud young adults in the cafe who keep you from focusing. While this should be obvious to many, it is far from it.

Most older generations assume any young adult who appears entitled, selfish, or impatient is a millennial. But, as a society, we must move away from this perception. For one, millennials have been wrongly stereotyped. And secondly, millennials are between the ages of 26 and 41 years old.

Millennials are often depicted as self-centered, unmotivated, disrespectful, and disloyal. But what is the true definition of a millennial? Pew Research Center defines a millennial as a person who was born between 1981 and 1996. Yes, it is as simple as that. With that said, the millennial generation has splintered itself into two subgroups.

Types of GENERATION

OLDER VERSUS YOUNGER

> "My brother and I are both millennials, but I have always felt like we come from two different generations," said Corinne Ford, who is 38 years old. With a six-year age gap, Corinne and her brother Daniel have many different perspectives and life experiences.

With the youngest millennial being 26 years old and the oldest being 41, the differences run the gamut from how old each was when they first got online, got a cell phone, or entered the workforce. Older millennials[1] are born between 1981 and 1988, making them 34 to 41 years old. Younger millennials are between 26 and 33 years old, born between 1989 and 1996.

While we will focus on all millennials – no matter their age – it is important to note some apparent differences between older and younger millennials. For example, older millennials spent most of their childhood playing outside, usually unsupervised, with physical toys and took phone calls from landlines. Meanwhile, younger millennials spent most of their time with technology, whether

playing video games, pinging friends on AOL Instant Messenger (AIM), or calling them from their new cell phones. These differences are due to a spark in internet usage, with Yahoo, Amazon, Microsoft's Windows 95, Internet Explorer, and eBay launching between 1994 and 1995. Additionally, JavaScript was created, allowing animation on webpages, which inspired a new rush of internet activity.

Regardless of these differences, one main event affected both older and younger millennials. That event is the economic collapse of 2008, also referred to as the Great Recession.

Vice President of CrossCountry Freight Solutions Kimberly Hamm says, "I've found that most millennials tend to view money as a means to an end. What I mean by that is they value the quality of life working at a company versus being paid more. They are usually accepting of what the job pays." Hamm continued,

> "While some millennials were between their teenage and young adult ages during the Great Recession, we all witnessed companies that were mismanaged and people being laid off. It was perceived as a scary and volatile time for everyone, no matter the age range."

While many scholars have depicted the differences between older and younger millennials, our focus is on all millennials' relationships with money. Whether it's Vice President Hamm or the Wall Street Journal, it's clear that the Great Recession impacted millennials, no matter their subgroup.

1 Singal, J., & Us, S. of. (2017, May 1). Snapchat? no thanks; I'm an old millennial. CNN. Retrieved November 9, 2022, from https://www.cnn.com/2017/05/01/health/young-old-millennial-partner/index.html

The Great

RECESSION

IMPACTS AND LESSONS LEARNED

The Great Recession shaped the millennial generation by creating a domino effect of financial struggles. The recession negatively affected all American households, but it was among millennials that the largest psychological impact occurred – as they were in their formative years.

So, what caused the Great Recession? The housing industry imploded because lenders of subprime mortgages had tenacious incentives to bundle and pass off risky mortgage-backed securities to other investors to profit from high origination fees[2]. Simply put, the banks did not care if the borrowers could pay the loans off because they never intended to hold on to the loans they created for very long. This perfect storm led to the United States economy nearly collapsing. The majority of Americans were financially impacted, just in different ways. The housing industry was the first to become affected by the Great Recession.

Derek James, former owner of Destiny Mortgage and now sales manager of Sandcastle Property Management said, "Although the world remembers the Great Recession being in 2008, those of us in the housing industry saw signs in 2006 and definitely felt the effects in 2007. The mortgage sector was drying up quickly by 2007." This puts into question why the crisis is referred to as the Recession of 2008 when most in the housing industry felt it prior. It is likely because other industries failed to feel the effects until a couple of years after the recession's beginning.

The Great Recession demolished jobs. It did not discriminate, and it came for jobs that should have been secure. Millennials learned the above five lessons from living through collapse, both firsthand and from witnessing the impacts on their parents.[3]

The Great Recession's impact was largely out of millennials' control. Those who just entered the workforce either struggled to find a job or quickly lost the one they found. Millennials thought the only way to success was college and many built student loan debt without a plan to repay it. Younger millennials watched their families lose everything. Many were bullied in

Financial Lessons Learned

1. **Save money.** Build a savings account and do not touch it unless absolutely necessary. Sounds simple enough, right? Well, 56 percent of Americans cannot cover a $1,000 emergency expense[4]. Financial expert David Ramsey encourages people to save 20 percent of their income.
2. **Think before rejecting jobs.** Job offers come and go. The labor market is constantly changing. If the market is not doing well, never be ashamed to take a job that is not your dream job. A job is a job at the end of the day, and it will keep the roof over your head and the lights on. Put your ego aside when the economy might not be at its best.
3. **Educate yourself about money.** School teaches us everything from mathematics to writing to history. But what it often fails to teach us is how to manage money. Many millennial parents didn't teach them about money due to being in survival mode. It is important to learn about finances, including financial hardship programs, student-loan repayment options, or balance transfer credit cards. Learn how to save on interest and ditch debt faster.
4. **Establish multiple streams of income.** Unemployment in 2008 was 10 percent[5]. Americans quickly learned that one stream of income often is not enough. Losing your job can mean losing all revenue. On the other hand, if you invest in stocks, bonds, and properties, or have a part-time small business, you will likely still have income coming in. Hobbies can often become an additional income stream.
5. **Protect your credit.** Credit matters, and never let anyone convince you otherwise. It especially matters during a financial crisis, when your cash slowly runs out. Make sure you always make payments on time and avoid collections. If your credit already took a hit, work with a credit agency to help you dispute discrepancies.

2 Coghlan, E. (2019, May 8). What really caused the great recession? Institute for Research on Labor and Employment. Retrieved October 14, 2022, from https://irle.berkeley.edu/what-really-caused-the-great-recession/

3 Lambarena, Melissa. (2020). Millennial Money: Six Great Recession lessons that still apply. Indianapolis Business Journal, 41(29), 2–2B. https://usf-flvc.primo.exlibrisgroup.com/permalink/01FALSC_USF/un0hgn/cdi_proquest_reports_2444990774

4 Reinicke, Carmen. (2022, January 20). 56% of Americans can't cover a $1,000 emergency expense with savings. CNBC. Retrieved October 14, 2022, from https://www.cnbc.com/2022/01/19/56percent-of-americans-cant-cover-a-1000-emergency-expense-with-savings.html

5 U.S. Bureau of Labor Statistics. (2012, February). The recession of 2007–2009 - Bureau of Labor Statistics. The Recession of 2007–2009. Retrieved October 14, 2022, from https://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf

school for not being able to afford school lunch or being forced to wear hand-me-down clothing.

Dan Ford – the millennial who received the financial miracle – now 32 years old, remembers these times, "My mom would take my sister and me to garage sales and buy our clothes there. I would go to school wearing clothes that had stains on them from their previous owners. It was embarrassing, and I was picked on for it." While Ford understands his parents did their best during a difficult time, that trauma sticks with him, and he plans to ensure his kids never experience that.

Whether millennials have executed the lessons they learned post recession is what we are going to explore. Most millennials know what they should do to avoid or mitigate financial struggles, but that does not necessarily mean they follow through. It is the same as a single person giving a married friend relationship advice. The advice may be good, but some cannot take it themselves.

College & CAREER

STUDENT LOANS & JOB HOPPING

Recently, the Biden-Harris Administration tackled a topic most politicians were afraid to touch: student loan debt. Seeking to help relieve some Americans' student loan debt, the administration put forth a student loan forgiveness program. While not every student loan borrower would be eligible, individual borrowers who make less than $125,000 a year and married couples who make less than $250,000 a year would be. Borrowers could have up to $20,000 in student loan debt forgiven, depending on if they received a Pell Grant while in school. Unfortunately, while Congress passed the program, it was blocked by a federal judge in North Texas. The forgiveness plan's fate remains unknown as President Biden asked the Supreme Court to allow the program.

Politics aside, most can agree student loan debt has gotten out of hand, with millennials being the most affected. The millennial generation, more than other generations, felt pressured to go to college. Jennifer Boulet, 35 years old, confessed,

"My parents told me that traditional college was my only option. After the Great Recession, they made it seem like that was the only path to success." Boulet is voicing an experience many millennials have gone through.

45 percent[6] of millennials have student loan debt. Oppressive student loan debt has threatened many millennials' financial dreams and hopes. Too much

6 Staff, C. B. J. E. (2020, November 27). What percentage of Millennials Have Student Debt. California Business Journal. Retrieved November 13, 2022, from https://calbizjournal.com/what-percentage-of-millennials-have-student-debt/

college debt has forced millennials to live in a constant state of postponement, such as waiting to chase their dream job – or even putting off getting married and having children.

James Cox, a 33-year-old property manager with First Service Residential, was asked why millennials have been late pursuing their dream jobs. In response he said,

> "With the jobs that were left post-recession, millennials were forced to become passionate about the only options they had."

Millennials are also known for job hopping. 75 percent believe job hopping helped advance their careers. Rarely do you hear about a millennial who has remained at a company for a decade like you would for Generation Xers and baby boomers. Indeed, the average millennial stays at a company for only two to three years[7].

But why? Cox also gave his thoughts on this matter, "With the rise of the internet, more opportunities arose, and millennials had lesser loyalty to companies and easier access to their passions. It's similar to dating nowadays, this mentality that there is always something better out there."

Millennials have made job hopping the new normal, especially recently. The Great Resignation – an economic trend in which employees resigned from their jobs for better company culture and pay – found many Americans doubling their earnings because of a job hop. Additionally, the movement saw many millennials quitting their six-figure jobs in search of a company that was more aligned with their values.

Vice President Hamm views job hopping as a positive. "In my opinion, the Great Recession helped many millennials realize that now, more than ever, they need to depend on themselves and not a company to take care of them. With pension plans being a thing of the past, millennials are taking their financial future into their own hands and are willing to jump to different companies that pay them well and provide quality matches in their 401k plans. They value a family and social life more than previous generations."

Ultimately, millennials want the same as everyone wants; financial security, a thriving career and professional fulfillment. But how they get there has proven to be different than earlier generations.

Money MANAGEMENT

CREDIT SCORES, DEBT & SAVINGS

Only 16 percent of millennials[8] are considered financially literate, which is the ability to understand and use various financial skills, including management, budgeting and investing. This concerning low percentage gives some context behind most millennials' lack of savings and low credit scores.

Most millennials entered adulthood with low financial literacy. Natalia Crawford, a co-founder of Evolve Credit Repair, shared her opinion. "Millennials

7 Meister, J. (2018, January 3). The future of work: Job hopping is the 'new normal' for millennials. Forbes. Retrieved October 15, 2022, from https://www.forbes.com/sites/jeannemeister/2012/08/14/the-future-of-work-job-hopping-is-the-new-normal-for-millennials/?sh=704696c013b8

8 Werschkul, B. (2020, February 25). New report finds only 16% of millennials qualify as 'financially literate'. Yahoo! Retrieved October 16, 2022, from https://www.yahoo.com/video/a-new-report-finds-only-16-of-millennials-qualify-at-financially-literate/

have a problem with financial education. Personally, I never had any financial literacy training in school. If we are not trained on personal finance in school, then we're bound to learn through experience."

While the argument of financial illiteracy can be made for other generations, Crawford expressed that most of her clients are millennials. Specifically, their lack of financial education – which covers anything from credit cards to interest rates, salary negotiations, savings plans and credit knowledge – shows in their credit scores. "The average score for millennials who come seeking our help at Evolve Credit Repair is 560," detailed Crawford.

To help understand where a 560 score lands on the spectrum, here is a list of credit ranges and what they mean:

- 800 to 850: Excellent
- 740 to 799: Very good
- 670 to 739: Good
- 580 to 669: Fair
- 300 to 579: Poor

The average credit score for a younger millennial is 652, with the average score for an older millennial being 665[9]. So, between Crawford's credit results and these numbers, millennials are mainly landing in the "fair" credit range.

What can a fair credit score get you? Sadly, it lands you with a high-interest credit card or loan, which is much harder to pay off. This can quickly snowball millennials into debt. To compound this issue, debt mixed with high interest rates leaves people with

9 Hill, C. (2019, August 23). This is precisely how horrendous millennial credit scores are. MarketWatch. Retrieved October 16, 2022, from https://www.marketwatch.com/story/this-is-precise-

high monthly payments.

The average millennial has over $4,600 in credit card debt[10]. The average millennial's annual salary is a bit more challenging to pinpoint, with it varying depending on the source. However, the U.S. Census Bureau's 2021 statistics claim that the average millennial makes $47,000 yearly[11]. Keep in mind, these are general numbers that cover a significant age and geographic range.

Not only do millennials have credit card debt, but most also have student loan debt, as previously mentioned, and personal loan debt. Not including mortgage debt, the average millennial has around $100,000 of debt. With a staggering debt burden, millennials struggle to plan and save for their futures. One in three millennials regrets going into debt[12].

66 percent of millennials do not feel on track when it

10 Back, H. (2021, November 4). Millennial credit card balances by State. Experian. Retrieved October 16, 2022, from https://www.experian.com/blogs/ask-experian/millennial-credit-card-balances-by-state/

11 Cautero, R. M. (2021, June 1). How much does the average millennial make? The Balance. Retrieved October 16, 2022, from https://www.thebalancemoney.com/what-is-the-average-millennial-income-4171296

12 Dunaway-Seale, J. (2022, July 6). Millennials are more than $100,000 in debt: 2022 data. Real Estate Witch. Retrieved October 16, 2022, from https://www.realestatewitch.com/millennial-debt-2022/

comes to their savings. 26 percent cite inadequate income causing them to fall behind and 33 percent blame having to support additional family members financially[13]. It is clear that millennials have a savings problem, and the problem is most don't have any savings.

While millennials struggle to build their cash savings, they take 401k plans more seriously than other generations. The U.S. Census Bureau found that millennials had higher balances in their 401k plans than members of Generation X or baby boomers did at their age[14].

So, while the stereotype is that millennials do not care for their future, they are doing pretty well considering their debt. By choosing companies offering 401k match plans, millennials save where they can. Millennials are the first generation to rely primarily on defined-contribution plans. A recent study backed this up when it found that millennials started to save for retirement nearly 10 years ahead of their parents[15]. This offers optimism in light of surveys that show millennials aren't saving enough for the future.

13 Elkins, K. (2019, September 25). The no. 1 reason millennials are struggling to save for retirement-and it's not debt. CNBC. Retrieved October 16, 2022, from https://www.cnbc.com/2019/09/25/the-no-1-reason-millennials-are-struggling-to-save-for-retirement.html

14 Infield, T. (2018, November 2). Actually, Millennials Are Planning For Retirement. The Pew Charitable Trusts. Retrieved October 16, 2022, from https://www.pewtrusts.org/en/trust/archive/fall-2018/actually-millennials-are-planning-for-retirement

15 Peralta, P. (2020, February 24). Millennials are the new face of the retirement crisis. Employee Benefit News. Retrieved November 19, 2022, from https://www.benefitnews.com/news/why-millennials-are-the-new-face-of-the-retirement-crisis

Real ESTATE

RENTERS VERSUS HOMEBUYERS

There is a well-known stereotype that millennials choose to rent over homebuying. But is there any validity to it?

Contrary to common belief, millennials are the largest group of homebuyers. They represent 43 percent of homebuyers overall[16]. So, where does the stereotype come from? Millennials tend to wait longer to purchase their first home than earlier generations did. The average millennial buys their first home between 33 and 41 years old[17]. For comparison, the average baby boomer[16] purchased their first home between 25 and 34[18].

16 Jackson, S. (2022, September). Millennial homebuyers reshape the real estate market. Bankrate. Retrieved October 22, 2022, from https://www.bankrate.com/mortgages/millennials-and-homebuying/

17 Jackson, S. (2022, September). Millennial homebuyers reshape the real estate market. Bankrate. Retrieved October 22, 2022, from https://www.bankrate.com/mortgages/millennials-and-homebuying/

18 Rubtsova, V. (2019, April 22). Baby boomers and the future of Homeownership in the United States. Berkeley Education Review. Retrieved October 22, 2022, from https://econreview.berkeley.edu/baby-boomers-and-the-future-of-homeownership-in-the-united-states/

Housing is no longer as affordable as it once was. Lauren Cox, a 33-year-old beautician, gave her thoughts on this reality:

> "What would have bought a modest home in a safe area 20 years ago now only buys a shack in the worst parts of town."

The average price of a home today is $388,000, while the average price 20 years ago was $99,000[19]. Recent inflation has also played a role in housing going up, with home prices going up 18.6 percent between 2020 and 2022[20].

With that said, some may argue that millennials are paid more today than baby boomers were. In truth, that is incorrect. Millennials earn 20 percent less than baby boomers did at their age, despite being better educated – taking into account higher living costs[21].

Forty percent of millennials have at least a bachelor's degree compared to 25 percent of baby boomers. With a clear generational wealth gap, it is no surprise that millennials wait until they are older to purchase their first home. If anything, they are defying the odds by still being the largest portion of homebuyers while still making less than older generations did.

Millennials who are renting also often find themselves needing a roommate. Rayelle Scebba, owner of Brow Lashed Co., is one such millennial. "Prices today have affected the ability for millennials to rent alone. Just two years ago, it was about $150 per sq. ft., and it's at least tripled since. We cannot live without a roommate."

National rents have reached a new high, with the average place costing $2,000 a month[22]. Older generations look down on younger generations for living with roommates, but they are doing so because that is only what they can afford. For millennials who are not married or living with a partner, a roommate is often their only other option. To live alone in the U.S., a person must make an estimated $67,690[23]. Meanwhile, the average millennial[24] makes $47,000.

Nataly Sevilla, a leasing agent at FirstKey Homes, detailed her work experience, "Most of the millennials who rent from me tell me that they don't make enough to qualify to buy a home, but they qualify to pay more money towards rent than what a mortgage would be. The price of rent has gone up so much that millennials don't have enough overhead to save for a down payment on a home."

Not all millennials were educated on homebuying in their earlier years, Christian Geymayr, a 38-year-old property manager for First Service Residential, said, "My main reason for waiting was having a large lack of knowledge in how to acquire a home. I didn't realize how much goes into being approved for a loan, and it wasn't something my parents went over with me."

Geymayr makes a solid point that buying a home in the U.S. is more challenging than it appears on the surface. Factors such as income, debt-to-income ratio, credit scores, renters' history, and down payments delay millennials from purchasing their first home. Moreover, recent inflation will probably only delay them more.

But let us get one thing right: millennials are a huge portion of homebuyers, but basic financial needs are forcing them to wait.

19 DQYDJ. (2022, October 16). Historical us home prices: Monthly median from 1953-2022. DQYDJ. Retrieved October 22, 2022, from https://dqydj.com/historical-home-prices/

20 The United States Government. (2021, November 30). Housing prices and inflation - CEA. The White House. Retrieved October 22, 2022, from https://www.whitehouse.gov/cea/written-materials/2021/09/09/housing-prices-and-inflation/

21 Leonhardt, M. (2019, November 5). Millennials earn 20% less than baby boomers did-despite being better educated. CNBC. Retrieved October 22, 2022, from https://www.cnbc.com/2019/11/05/millennials-earn-20-percent-less-than-boomersdespite-being-better-educated.html

22 Arnold, C. (2022, June 9). Rents across U.S. rise above $2,000 a month for the first time ever. NPR. Retrieved October 22, 2022, from https://www.npr.org/2022/06/09/1103919413/rents-across-u-s-rise-above-2-000-a-month-for-the-first-time-ever

23 Borden, T. (2022). How much money you need to make to live comfortably in every state in America. Business Insider. Retrieved October 22, 2022, from https://www.businessinsider.com/living-wage-income-to-live-comfortably-in-every-us-state#the-living-wage-in-alabama-is-60016-1

24 Leonhardt, M. (2021, May 18). Older millennials have lived through 2 economic crises-and it's affecting their decisions around having kids. CNBC. Retrieved October 23, 2022, from https://www.cnbc.com/2021/05/18/older-millennials-delayed-families-but-the-pandemic-made-kids-more-uncertain.html

Familial RELATIONSHIPS

MARRIAGE, PETS & CHILDREN

We have all seen social media posts with the hashtags #DogMom or #FurBabies, which have over six million posts on Instagram. But why are they so popular? The millennial generation has adopted more pets than any other generation. One in ten millennials has chosen to wait to have kids and first buy a pet[25].

When asked why he and his wife are waiting to have kids, Geymayr responded,

> "Being 38 years old, it is only now that I can say I can afford to have a kid and give it the life I never got. Our cat costs way less than a child ultimately would."

Finances are the most significant factor in why millennials choose pets over children. Ultimately, pets have lower upfront and maintenance costs. While they can still be costly, pets are more affordable long term. The average pet costs $4,500[26] yearly, while the average kid costs $13,000[27].

A single parent, or combined parents, must make $233,000 annually to successfully give a child a good life from birth to age 17 in the U.S.[28]. Keep in mind, we already determined that the average millennial only makes $47,000 a year, meaning the average millennial couple makes around $94,000 annually, $139,000 short of what the U.S. Department of Agriculture recommends.

Having and raising children sparks financial anxiety in most millennials. The fear originally stems from their trauma during the Great Recession. Many millennials either lost money or watched their parents lose money during the recession and, as a result, struggle to pay household bills.

The recent pandemic, and the inflation that ensued, have only further triggered millennials' fears around money.

Having lived through two economic crises, 25 percent of millennials say they decided to wait longer to have children, while 19 percent say they do not plan on having kids[29]. Domonique Padilla, a 30-year-old resource operations analyst at Apple, is part of the latter group, "I decided in my early twenties that I don't want kids, and that plan hasn't changed."

The median age of new mothers has risen to 30 years old[30]. With advancements in fertility plans, such as in vitro fertilization (IVF), surrogacy and egg and sperm donors, women physically can wait to have children. Plenty of millennial women prioritize their careers so they can offer their children more stability than they had growing up. Remember, many parents amid the Great Recession were caught off guard when they lost their jobs, leaving them without any financial backup plan.

But, while most millennials wait, do they regret it?

Sarah Thiemann, the 30-year-old owner of Sarah's Spanish School, and her husband put off having kids for financial reasons. However, while discussing the topic, Thiemann expressed her regret for waiting. Her love for her son made her realize how much she was missing during her earlier years. Her son, a now 1 year old, changed her entire life perspective.

Science backs up Thiemann's claim, confirming that women biologically change after giving birth. A combination of pregnancy hormones and the experience of pregnancy and birth improve a woman's memory and learning abilities[31].

For many being a #DogMom will never be the same as being a real mother, just as having a #FurBaby will never be like having a real baby. However, both give millennial men and women a tremendous amount of love. Before judging millennials for choosing to raise a pet before raising a child, older generations must remember that life is more expensive than it once was.

Millennials are way more concerned about giving their children lavish lifestyles than baby boomers or Generation X. With recent inflation dwindling the middle class, millennials face new financial worries that didn't formerly exist. Not to mention, with mental health and therapy becoming more normalized, millennials are hyperaware of the trauma children receive from growing up in a lower income bracket.

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26 Staff, P. (2021, November 8). Pet parents say pets are as costly as kids. Peoplemag. Retrieved October 23, 2022, from https://people.com/pets/pet-owners-believe-pets-are-as-expensive-as-kids/

27 Harris, D. (2020, January 23). The cost of raising a baby. Parenting. Retrieved November 13, 2022, from https://www.parenting.com/pregnancy/planning/the-cost-of-raising-a-baby/

28 Fiorillo, S. (2018, December 19). How much does it cost to raise a child in the U.S.? TheStreet. Retrieved October 23, 2022, from https://www.thestreet.com/personal-finance/cost-to-raise-child-14814957

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30 Staff, A. P. (2022, May 6). Motherhood deferred: US median age for giving birth hits 30. U.S. News. Retrieved November 13, 2022, from https://www.usnews.com/news/us/articles/2022-05-06/motherhood-deferred-us-median-age-for-giving-birth-hits-30

31 Dunlop, J., & Dunlop, J. (2022, August 27). Science confirms you are a different person after giving birth. Motherly. Retrieved October 23, 2022, from https://www.mother.ly/health-wellness/its-science/how-becoming-a-mom-changes-you/

The Covid

PANDEMIC

FINANCIAL PTSD & INFLATION

The Covid Pandemic rapidly spread worldwide. The virus is highly contagious and even deadly. Nations came together and shared research in the hopes of fighting the disease and saving lives. Today, there are multiple COVID-19 vaccinations available, along with booster shots.

While science has helped people feel safer in public settings again, the global shutdowns brought a new problem: inflation. While politicians continue to argue the exact reasons and decisions that led to inflation, the challenge remains the same. Citizens are struggling to pay for groceries, gas and basic living expenses.

Inflation is too real and affects millennials the most[32]. As if going through one economic crisis was not enough, millennials were forced to live through another. Vast layoffs and fluctuations in the housing market are similar to what millennials saw during the Great Recession. Regardless of whether the economy is heading in the same direction, millennials are triggered with PTSD from the last financial slump.

Some millennials barely recovered from the Great Recession before the pandemic came. While many years have passed since the event, a portion of millennials' financial damages came from decisions made post-recession. However, their psychological trauma from the Great Recession influenced those financial decisions. While this may not appeal to all millennials, it does to the average millennial[33].

After facing a second "once in a lifetime" downturn, millennials are being pinned as the new "lost generation," which refers to the generation that reached adulthood during World War I and the Great Depression[34].

Most millennials had no cushion to fall back on during the pandemic's massive layoffs or furloughs. While companies tried to work with consumers on payments, they could only offer so much without risking themselves. Moreover, the majority of shutdowns lasted longer than initially planned.

On top of those laid off or furloughed, millennial business owners were also negatively impacted. 'The Millennial Movement' refers to the millennial generation advocating for working for themselves over working for a business[35]. The generation has become the driving force behind small businesses in the U.S. Not only have they started their own businesses, but 61 percent prefer to shop small[36].

Rayelle Scebba, a millennial business owner, recalled, "The pandemic played a huge roll in my small business, as I was forced to close down temporarily. I had to pull out loans to pay for my overhead expenses like office rent, which drastically upped my debt." She continued, "Being a businessowner post pandemic, my supplies have gone up, forcing me to raise prices on my customers to keep afloat." The struggle continues, as small business owners are straining to keep up with price increases without losing customers to their larger counterparts[37].

Millennials, both younger and older, are finding themselves in two categories: millennial rich or millennial poor. The pandemic deepened a wealth divide among the generation that dates back to the Great Recession. According to some studies, millennials lack a middle class[38]. The wealthy are bouncing back, and the lower-earning are not.

Lower-income millennials are in a poverty trap, facing more debt without making enough money to pay it off or save. Meanwhile, wealthier millennials with multiple income streams and investments are seeing more money come in and building their cushion.

Millennials' financial struggles reflect those of the larger U.S. population. Citizens are looking to the government for help. But, with their finances figuratively in the hands of divided politicians, it remains a mystery when any needed changes will be made.

32 Hoffower, H. (2022, February 11). Millennials' life stage means they're suffering the most from rising prices. Business Insider. Retrieved October 27, 2022, from https://www.businessinsider.com/inflation-hitting-millennials-hardest-buying-homes-cars-2022-2

34 Lowrey, A. (2020, May 15). Millennials don't stand a chance. The Atlantic. Retrieved October 28, 2022, from https://www.theatlantic.com/ideas/archive/2020/04/millennials-are-new-lost-generation/609832/

35 Bliss, M. (2022, October). The millennial mindset: Why so many millennials are starting small businesses. Small Business Rainmaker. Retrieved October 28, 2022, from https://www.smallbusinessrainmaker.com/small-business-marketing-blog/the-millennial-mindset-why-so-many-millennials-are-starting-small-businesses

36 Swns. (2019, May 28). Millennials plan to support small businesses with their cash now more than ever. Medium. Retrieved October 28, 2022, from https://swns-research.medium.com/millennials-plan-to-support-small-businesses-with-their-cash-now-more-than-ever-aca6a4fdaa1e

37 Depillis, L. (2022, July 26). After enduring a pandemic, small businesses face new worries. The New York Times. Retrieved October 28, 2022, from https://www.nytimes.com/2022/07/26/business/economy/small-business-recession.html

38 Hoffower, H. (2021, January 8). The pandemic is deepening a wealth divide among young people: The 'millennial rich' and the 'millennial poor'. Business Insider. Retrieved October 28, 2022, from https://www.businessinsider.com/pandemic-widened-millennial-wealth-gap-economic-inequality-rich-poor-henry-2021-1

Millennials are
MISUNDERSTOOD

Millennials are often the butt of jokes and looked down upon due to negative stereotypes. However, after examining millennials and their relationship with money, it is clear millennials are more than their stereotypes. Not only are they misunderstood, but many assumptions about them are inaccurate.

To give them the moniker "the Unluckiest Generation" makes a lot of sense. They have lived through two major economic crises, one during their developmental years. Millennials, born between 1981 and 1996, survived the Great Recession during their adolescence and early adulthood. Whether experiencing the financial struggles firsthand or witnessing their family and friends go through them, it was scarring.

While millennials learned many financial lessons from the crisis, a lot worked against them. Between student loans, lower wages, and personal debt, millennials fought to rebuild their credit scores, pay off loans and credit cards, and build savings. While some succeeded, others were just seeing the light at the end of the tunnel when the global pandemic hit.

The pandemic shook everyone's world, but specifically millennials on the verge of starting a family. Those saving for the perfect family home found themselves in a tough spot. During the pandemic, home prices quickly ballooned, along with interest rates, making purchasing a home that much harder. Some fearing they would end up upside on the home continued to rent. But that option has not turned out to be much better. In 2022 alone, rent prices rose four times faster than income[39].

Inflation has made many millennials question having a family. Already living with financial anxiety due to the Great Recession, the pandemic reminded them once again about "worst-case scenarios" and what happens if you do not have a financial cushion. Adopting a pet started to seem more realistic than having a child.

Frankly, it is judgmental and misguided for other generations to stereotype millennials – referring to them as entitled, lazy and codependent. The truth is millennials are wildly misunderstood. They are a prime example of cause and effect. Their actions are a byproduct of the Great Recession, and the global pandemic only deepened their financial fears.

39 Dunaway-Seale, J. (2022, July 27). U.S. rent prices are rising 4x faster than income (2022 data). Real Estate Witch. Retrieved October 29, 2022, from https://www.realestatewitch.com/rent-to-income-ratio-2022/

While millennials may know what they should and should not do financially, the economy largely failed to support them. The average millennial makes $47,000 annually, yet the average household in the U.S. spends $61,000 a year[40]. Seeing as those numbers do not add up, it becomes easy to understand millennials' frustrations.

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So, the question is: is it time we give millennials a break? Instead of having fingers pointed at them, maybe what they need is a helping hand.

40 Rozsa, A. (1970, January 1). Cost of living in the USA: Your 2022 guide. Wise. Retrieved October 29, 2022, from https://wise.com/us/blog/cost-of-living-in-the-usa

A Grateful Millennial WITH A PLAN

Today, Dan Ford has no personal loan debt, a 757-credit score, and a 6 percent credit utilization rate. After he and his wife sold their home, they paid off their debts and started educating themselves on financial management.

Looking back on the lessons he learned from the Great Recession, Ford started to apply them. Ford is now out of debt; he and his wife both have full-time jobs and own a rental property business. With multiple streams of income, they not only have a savings account but a conscious spending mindset.

Ford, grateful for the financial miracle he was given, reflects, "Inflation has affected my family, but not to the extent it has affected some of my friends. I am extremely grateful for selling our home. It put us in a good position for where the economy is today and where it may be headed. Sadly, many millennials didn't have that opportunity and are still stuck with bad credit, high credit card debt, and personal loans. Now, on top of that, gas and groceries are costly."

Ford is now 32 years old and knows much more about money. With the help of a big payout, he and his wife are steady in a shaky economy. But he can't help but wonder,

> "Would I be where I am today if I wasn't given a miracle? Would I have been able to climb out of the hole I was in without help? As I watch other millennials struggle, I'd be lying