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TIAA INSTITUTE AND GFLEC STUDY FINDS THAT DEBT AND FINANCIAL INSECURITY CONTINUE TO INCREASE FOR MILLENNIALS

37 percent of millennials report they would not be able to come up with \$2,000 in 30 days

NEW YORK (February 25, 2020) – Millennials tend to rely more heavily on debt, engage more frequently in expensive short- and long-term money management behaviors, and display lower financial literacy than older working-age adults, according to a new study released today by the [TIAA Institute](#) and the George Washington University’s Global Financial Literacy Excellence Center ([GFLEC](#)).

“Millennials and Money: The State of Their Financial Management and How Workplaces Can Help Them” – written by Annamaria Lusardi, Andrea Hasler, and Andrea Bolognesi from GFLEC – found that Millennial difficulties with student debt and money management decision-making are greater compared to those in the same age range (18-37) a decade ago, while at the same time their financial literacy levels are lower.

“As one of the largest and most highly educated generations, Millennials play an increasingly pivotal role in our economy,” said [Stephanie Bell-Rose](#), Head of the TIAA Institute. “The results of this study are a wakeup call to employers, financial institutions, and anyone else who is concerned about improving economic outcomes and supporting the younger workforce through financial education.”

“Millennials’ precarious financial situations combined with their low level of financial literacy can put their financial wellbeing at risk,” said [Annamaria Lusardi](#), the Academic Director of GFLEC and the Denit Trust Chair of Economics and Accountancy at the GW School of Business. “This is why employer-sponsored financial education becomes critical in helping them secure a financially secure future. The more these programs are tailored to specific individual needs and financial situations, the more effective they will be.”

Only 19 percent of Millennials who perceived themselves as having high knowledge about personal finance were able to correctly answer basic questions assessing fundamental financial concepts.

Other key findings include:

- The proportion of young adults with outstanding student loan debt has increased from 34 percent in 2012 to 43 percent in 2018.
- Over 50 percent of Millennials are concerned that they may not be able to pay off their student debt.
- The proportion of young adults accruing high credit card fees increased from 54 percent in 2009 to 60 percent in 2018.

- Millennials are financially fragile; 37 percent report they would not be able to come up with \$2,000 in 30 days.
- The majority (68 percent) of Millennials report feeling anxious or stressed about their personal finances.

Forty percent of Millennials have been offered financial education by a school, college, or employer. Of those offered such programs, 68 percent chose to participate, with 31 percent accessing these programs through an employer.

To improve the financial literacy and financial wellbeing of this demographic, the report recommends that employers consider the following tactics:

- Start with a financial check-up to assess employees' current financial wellness. Each individual has specific financial needs and circumstances. This can reveal where an employee is struggling or lacks financial knowledge.
- Focus on an integrated and individual approach that helps employees manage both assets and debt, as well as build short- and long-term savings.
- Make workplace programs personalized and simple. Research shows that simple language and a step-by-step action plan is critically important to improve engagement and affect behavioral change.

To view the full report, please click [HERE](#).

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About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. For more information about the TIAA Institute, visit www.tiaainstitute.org and follow us on Twitter @TIAAInstitute.

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With an award-winning¹ track record for consistent investment performance, TIAA (TIAA.org) is the leading provider of financial services in the academic, research,

¹ The Lipper Mixed-Assets Large Fund Award is given to the group with the lowest average decile ranking of three years' Consistent Return for eligible funds over the three-year period ended 11/30/15 (against 39 fund families), 11/30/16 (36), 11/30/17 (35) and 11/30/18 (35). Note this award pertains to mixed-assets mutual funds within the TIAA-CREF group of mutual funds; other funds distributed by Nuveen Securities were not included. From Thomson Reuters Lipper Awards, © 2019 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited. Certain funds have fee waivers in effect. Without such waivers ratings could be lower. Past performance does not guarantee future results. For current performance, rankings and prospectuses, please visit the Research and Performance section on TIAA.org. The investment advisory services, strategies and expertise of TIAA Investments, a division of Nuveen, are provided by Teachers Advisors, LLC and TIAA-CREF Investment

medical, cultural and government fields. TIAA has \$1 trillion in assets under management (as of 12/31/2019²) and offers a wide range of financial solutions, including investing, banking, advice and education, and retirement services.

About GFLEC

The Global Financial Literacy Excellence Center (GFLEC) is dedicated to advancing research and solutions that open the door to universal financial literacy. In working toward that mission, GFLEC has positioned itself as the world's leading incubator for financial literacy research, policy, and solutions. GFLEC launched in 2011 at the George Washington University School of Business in Washington, D.C. Since then, it has pioneered breakthrough tools to measure financial literacy, developed and advised on educational programs, and crafted policy guidelines aimed at advancing financial knowledge in the United States and around the world. For more information on GFLEC, visit www.gflec.org.

Management, LLC. TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Members FINRA and SIPC, distribute securities products.

² Based on \$1.1 trillion of assets under management across Nuveen Investments affiliates and TIAA investment management teams as of 12/31/19.