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## Majority of Millennials Are Happy Despite Financial Anxiety, Wells Fargo Study Finds

*Engagement in financial planning drives happiness, Wells Fargo's new Positive Financial Indicator (PFI) shows*

SAN FRANCISCO, Sept. 20, 2017 – Sixty-two percent of American millennials describe themselves as very “happy,” and 65 percent say their life is “meaningful,” according to a new study published today by Wells Fargo & Company. Although millennials are happy, 69 percent say they want to get over their “anxiety” about money, and only a third say they are “satisfied” with their financial life. In the face of financial pressures, the study’s Positive Financial Indicator (PFI, see page 2) shows that millennials are happier when they take specific action with their money and are engaged in financial planning.

These findings are part a comprehensive study to gauge the nature of millennial happiness, financial knowledge, and millennial attitudes about career and relationships. Conducted by Harris Poll June 16–29, 2017, on behalf of Wells Fargo, the results of the [2017 Wells Fargo Millennial Study](#) are based on an online survey of 1,771 millennials (ages 20–36), 26 percent of whom are “affluent,” have \$100,000 or more in investable assets (earning a median personal income of \$88,000) and 74 percent of whom are not affluent with less than \$100,000 in investable assets (earning a median personal income of \$43,000).

The study found that the millennial generation of more than 75 million Americans does not directly connect happiness to the pursuit of money. In fact, 88 percent say they see success as more about being “happy” and less about “material prosperity.” A quarter of millennials say, “I don’t care about money.”

The study also found that across all millennials, men rate themselves happier than do women (68 percent and 58 percent respectively) on a seven-point scale (see page 7 for complete happiness findings).

“In this research, millennials have told us that love and family are the keys to happiness,” said Kristi Mitchem, CEO of Wells Fargo Asset Management. “However, the study also uncovered another driver of happiness for millennials, and it revolves around action and engagement with their financial lives. The more active this generation is with their finances, the happier they are — and this was proven out by the group of millennials who affirm all five statements in what we are calling the ‘Positive Financial Indicator.’ What’s interesting about this is it’s not clear that millennials *recognize* how being proactive with finances leads to happiness. We have an opportunity to explain that with this study.”

### **Wells Fargo’s Positive Financial Indicator (PFI) – A Driver of Happiness**

In the Wells Fargo study, a group of five specific statements (listed below) were highly correlated, and when looked at in aggregate, is also a driver of happiness. Called the Positive Financial Indicator (PFI), the five statements identify various aspects of financial engagement that range from saving for retirement to taking an active role in setting and achieving financial goals. Out of the entire population, the 36 percent of millennials who affirm all five aspects of engagement in the PFI are happier than those who do not. (**Note:** Warren Cormier of Boston Research Technologies conducted a multivariate analysis of the data from the survey and found PFI as a driver of happiness.)

Other attributes of the 36 percent who affirm all five statements are as follows:

- 55 percent are men and 45 percent are women
- Men and women earn the same median personal income of \$63,000
- 33 percent of the group earn less than \$50,000
- 31 percent of the group fall between the ages of 20 and 27 and 69 percent fall between ages of 28 and 36

(The table below indicates how many millennials are engaging in these activities individually.)

#### **The PFI Statements:**

	<b>All Millennials</b>	<b>Women</b>	<b>Men</b>
I have enough money to be able to save for future needs	58%	51%	68%
I am saving enough for retirement	58%	50%	68%

I feel in control of my financial life	68%	62%	78%
I take an active role in setting and achieving goals for my financial life	83%	81%	87%
I am able to pay for my monthly expenses	85%	84%	87%

### Top 2-Box Happiness

Millennials who rate themselves 6 to 7 on a 7-point agreement scale

All millennials	Total	Women	Men
“In general I consider myself happy”	62%	58%	68%
<b>Millennials who affirm all 5 aspects of PFI</b>			
“In general I consider myself happy”	79%	74%	83%

### Financial Pressures on Millennials

Millennials in the study were asked to rate areas of satisfaction in their lives. The fewest were satisfied with their “financial life” (among eight categories) with only 32 percent of millennials saying they are satisfied, rating it a 6 or 7 on a 7-point scale. The highest rated area is “family relationships” with 56 percent saying this gives them satisfaction.

Millennials face clear financial pressures:

	All Millennials	Affluent	Non-Affluent	All Women	All Men
I have a significant amount of debt	46%	35%	50%	47%	45%
I can't afford to pay for my healthcare	43%	35%	46%	44%	42%
I rely regularly on others for support (family, spouse, friends)	42%	44%	40%	42%	43%

“Millennials are facing significant debt and say their financial life is generally not satisfying. Money is probably the area they don't *want* to grapple with. Yet if we can change this mindset and expand the population of millennials who engage with their money, they will reap the rewards of greater happiness

— and at the same time, put themselves on better financial footing. Taking a more proactive stance with money is not necessarily dependent on having *more* money. Millennials should start to engage as soon as they start earning money and employers and financial service firms can help push this effort forward,” said Mitchem.

### ***Millennials and the Stock Market***

The study found millennials have mixed feelings about the stock market. Forty-one percent say they have “reduced investments” in the stock market because of the effects of the Great Recession.

Invested in the stock market?

- 17 percent of millennials are not currently invested in the market but “plan to in the future.”
- 20 percent of millennials are not currently invested in the market and “never plan to be.”
- 53 percent of millennials say they will “never be comfortable investing in the market.”

While some millennials do have concerns about investing in the stock market, investors who were invested in the U.S. stock market in March of 2009 would have realized a cumulative gain (including dividends) of 190.7 percent on their investment at the close of second quarter 2017, a period of more than eight years. For illustrative purposes, if a 24-year-old started to invest \$600 a year (\$50 a month) in March of 2009 in a total U.S. equity market index fund, he/she would have \$8,901 at the end of second quarter 2017. (**Source:** Wells Fargo Investment Institute)

### ***Effect of PFI on Investing in the Stock Market***

Men and women who responded positively to all five statements in the PFI were more likely to be invested in the stock market. Ninety percent of the men in the PFI group and 78 percent of women are invested in the market; this compares to 60 percent of men and 46 percent of women who do not affirm all five statements in the PFI.

In addition, millennials who respond positively to all five statements in the PFI are more bullish on the market, with 77 percent of men and 70 percent of women saying “despite it all, the stock market is the

best place to invest my money.” This compares to 49 percent of men and 32 percent of women who do not affirm the PFI.

“The percentage of total millennials who are not investing in the market today is large. It’s important that we address this straight on by showing the value of saving and investing for the long term. However, we see the group that is taking action with their money — our PFI group — *is* more likely to be invested in the market and to say it is the ‘best place’ to invest. But even with this group, women trail men in terms of their overall participation in the market. More millennials — and particularly women — should be in the market with a long-term investing strategy in place,” said Mitchem.

### ***Who is the Financial Decision-maker?***

In addition to examining what women and men are doing to manage their finances and investments, the study looked at how women and men see themselves in terms of whether they are a primary or a joint decision-maker for investments and long-term decisions such as retirement planning. In contrast to the general population of millennials, women who affirm all five statements in the PFI are more likely to see themselves as a primary decision-maker.

<b>All Millennials</b>	<b>Women</b>	<b>Men</b>
Primary decision-maker	59%	82%
Joint decision-maker	41%	18%
<b>Affirm PFI (agree with all 5 questions)</b>		
Primary decision-maker	76%	89%
Joint decision-maker	24%	11%

“When I see this data, it appears that when millennial women set financial goals and take action with their money — those who affirm the PFI — they are more likely to see themselves as the primary decision maker in relation to financial planning. It’s important for women to take an active role in financial decision-making, and for them to *see* themselves in this role, rather than ceding decisions to somebody else,” said Mitchem.

### ***Working Millennial Men and Women: Earning, Saving and Financial Confidence***

Full-time employed millennials rate a fulfilling career as an “important” part of their lives (94 percent), and 77 percent say they are “happy to go to work each day.” However, 82 percent of full-time employed men say they are “happy” going to work versus 72 percent of women who are employed full time.

Among all full-time employed millennials, women are earning a median personal income that trails that of men, and they are saving less on a monthly basis. However, income differences narrow between men and women who are affluent and for those who affirm all five statements in the PFI.

#### **All Millennials** (full-time employed)

	<b>Women</b>	<b>Men</b>
Median personal income	\$43,000	\$63,000
Median monthly saving	\$200	\$500

#### **Affluent Millennials** (full-time employed)

Median personal income	\$88,000	\$88,000
Median monthly saving	\$675	\$1,000

#### **Affirm Five Statements of PFI** (full time employed)

Median personal income	\$63,000	\$63,000
Median Monthly Savings	\$500	\$800

	<b>All millennial</b>		<b>Affluent millennial</b>		<b>Affirm all 5 PFI statements</b>	
	<b>Women</b>	<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>	<b>Men</b>
“I am fully employed in my preferred career”	46%	57%	63%	79%	66%	72%
“I am confident my career will provide me with financial security”	79%	87%	85%	92%	93%	98%
“I know everything I need to know to use my money	43%	63%	53%	74%	66%	82%

successfully”

“Men are more likely to say they are in their preferred career and are more confident in their financial security than are women, but things change and shift positively for women who are taking greater action around their finances. The data shows they earn and save more, although not as much as men, and they are also more confident in their career choice and the financial future they are striving for,” said Mitchem.

### ***The Roots of Happiness and Satisfaction***

A goal of the study was to uncover the roots of happiness among millennials. Sixty-two percent of all millennials describe themselves as “happy” (6 or 7 on a 7-point scale). The study examined the factors that drive millennial happiness and feelings of well-being.

Love and relationships are the top drivers of happiness for all millennials. Respondents were given a choice of five words and asked to select the word they most associate with happiness, and love took the top spot: “love” (62 percent), “doing good” (23 percent), “money” (10 percent), “work” (4 percent) and “power” (1 percent).

When asked to identify activities they actively engage in to make themselves happier, family and friends are highest:

Top-3 actions that millennials actively engage in to make themselves “happier”:

Spending time with family	72%
Spending time with friends	61%
Helping others	59%

Regarding satisfaction with select areas in life that bring satisfaction, the three with the highest levels of satisfaction among millennials are family relationships (56 percent), intellectual life (52 percent), and recreation and hobbies (50 percent). About a third (32 percent) of millennials are “satisfied” with their financial life and yet 98 percent of this generation also says feeling “financially secure” is important to them, along with feeling physically (97 percent) and mentally (97 percent) healthy.

“It’s great to see the bright outlook of the millennial generation and that happiness is about the deep bonds of friendship and family, and not explicitly about money. At the same time, this generation has a chance to become happier by taking specific actions — such as saving and planning for the future — that will benefit this group at large and lead to greater happiness,” said Mitchem.

For more information about this study, visit [wellsfargofunds.com/generations](http://wellsfargofunds.com/generations).

**About the Survey:**

On behalf of Wells Fargo, Harris Poll conducted 1,771 online interviews with American Millennials age 20 to 36 who identify as either the primary or joint financial decision-maker for their household. The survey was conducted from June 16-29, 2017. Data were weighted as needed to represent the population of those meeting the qualification criteria. Figures for education, age, gender, race, ethnicity, region, household income, investable assets, marital status, employment status, and number of adults in the household were weighted where necessary to bring them in line with their actual proportions in the population.

**About Wells Fargo:**

Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with \$1.9 trillion in assets. Wells Fargo’s vision is to satisfy our customers’ financial needs and help them succeed financially. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,500 locations, 13,000 ATMs, the internet ([wellsfargo.com](http://wellsfargo.com)) and mobile banking, and has offices in 42 countries and territories to support customers who conduct business in the global economy. With approximately 271,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 25 on Fortune’s 2017 rankings of America’s largest corporations. News, insights and perspectives from Wells Fargo are also available at [wellsfargo.com/stories](http://wellsfargo.com/stories)

**About Harris Poll:**

Over the last 5 decades, Harris Polls have become media staples. With comprehensive experience and precise technique in public opinion polling, along with a proven track record of uncovering consumers’ motivations and behaviors, The Harris Poll has gained strong brand recognition around the world. The Harris Poll offers a diverse portfolio of proprietary client solutions to transform relevant insights into actionable foresight for a wide range of industries including health care, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer packaged goods. For more information, contact us at [ConsumerInsightsNAInfo@nielsen.com](mailto:ConsumerInsightsNAInfo@nielsen.com).

**About Boston Research Technologies:**

Boston Research Technologies is a strategic marketing research firm founded in 1985 and specializes in consumer attitudes and behaviors in the financial arena. The specific focus of BRT’s research is in decision modeling, applying advanced statistical modeling techniques and behavioral finance concepts to experimental design and analysis.

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