

## Letter from Andrew Plepler, Global Corporate Social Responsibility Executive



We are pleased to share the results from the third installment of the Bank of America/USA TODAY Better Money Habits Millennial Report, which measures millennials' attitudes and priorities around money.

The newest findings show that while millennials are reasonably confident about money and are focused on their finances, they are also experiencing a great deal of stress around the topic. That's due in part to factors out of their control, including a volatile global economy, a changing job

market and, to some extent, the student debt they've taken on.

On a positive note, a majority have savings - a meaningful step that has the potential to set them up for long-term financial achievement. They also prioritize decreasing their debt, managing their spending and building an emergency fund. We also see that they're spending time tending to their finances - an average of three hours per week - and taking many positive steps to manage their money responsibly.

The survey indicates there may be room for more effective financial management efforts that enable millennials to take better control of their finances and hopefully alleviate some of the stress they feel. Resources that can provide millennials with actionable and digestible guidance to help them navigate tough choices are critical.

One tool is [BetterMoneyHabits.com](http://BetterMoneyHabits.com), a partnership between Bank of America and Khan Academy - a non-profit with the mission of providing a free, world-class education for anyone, anywhere - that provides practical, actionable financial education. Free, objective and open to all, this online education resource delivers easy-to-understand information on a wide range of personal finance topics from paying down debt to buying a home.

We hope these findings create discussion around the concerns facing this generation and also inspire people to utilize Better Money Habits to understand more about money and take control of their finances.

## Methodology

In follow-up research to November 2014 and April 2015 reports on millennials' financial habits, Bank of America and USA TODAY commissioned a survey of 1,320 millennials to explore millennials' challenges, behaviors and attitudes related to achieving financial wellness. The survey was conducted online during the period of August 6 - August 24, 2015 by GfK Public Affairs and Corporate Communication, using GfK's KnowledgePanel®, a statistically representative sample source used to yield results that are projectable to the American population. To qualify, millennial respondents had to be 18 to 34 years old. The margin of sampling error for national data is +/- 3.2 percentage points at the 95 percent confidence level. Margin of error for the Chicago, Houston, Los Angeles, New York and Washington, DC DMA oversamples is slightly higher.

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About the Bank of America/ USA TODAY Better Money Habits Millennial Report

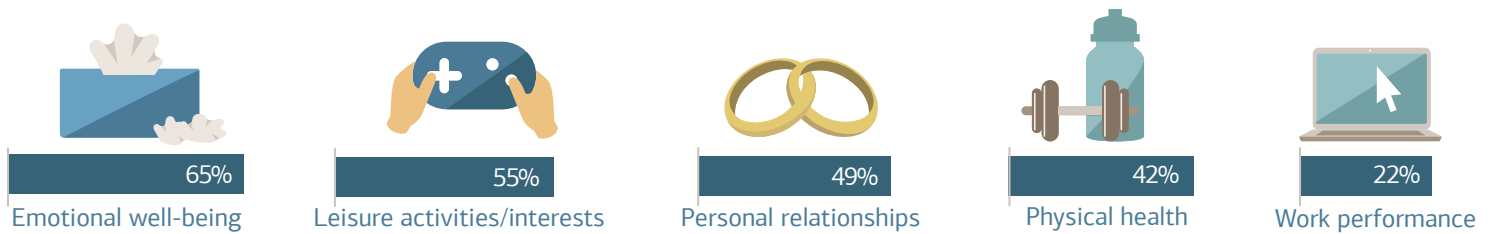
# Better Money Habits® Millennial Report

Fall 2015

## Confident, yet chronically stressed about money

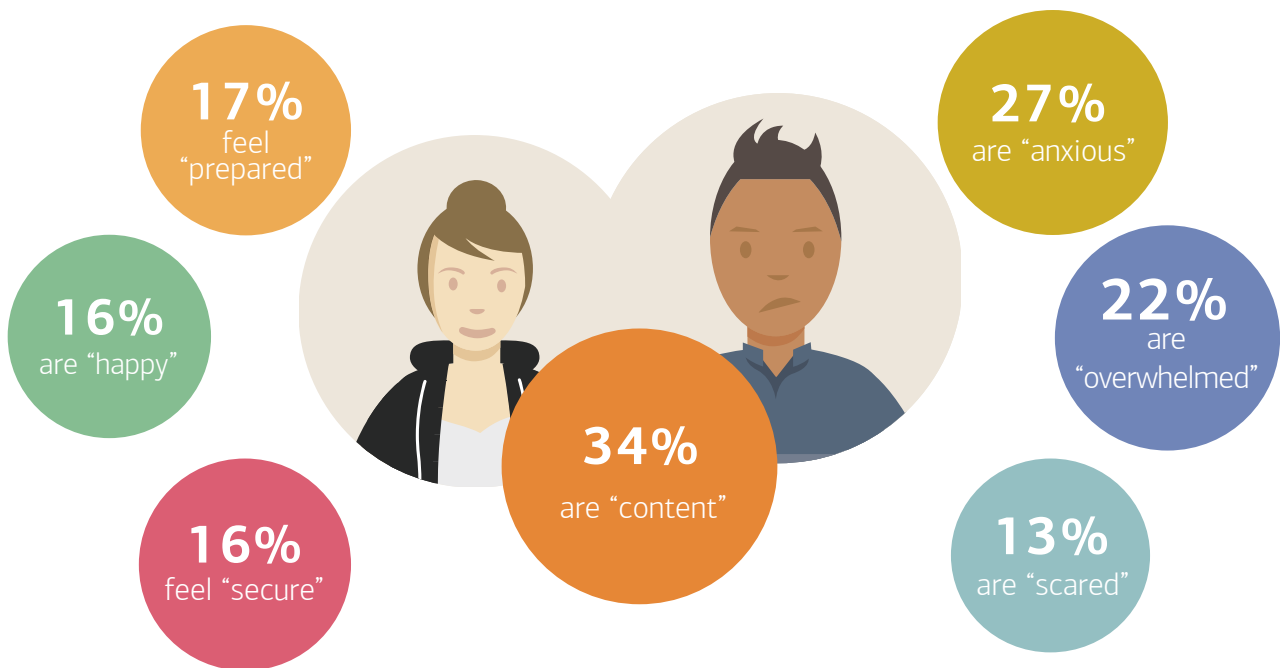
A large majority (84 percent) of millennials are “somewhat” or “very” confident in their ability to manage their personal finances. However, 41 percent are “chronically stressed” about money.

When millennials are stressed about money, the anxiety permeates other areas of their lives, including:



Though generally confident in their abilities, millennials feel a range of emotions when it comes to managing their money.

## Millennials have mixed feelings about their finances



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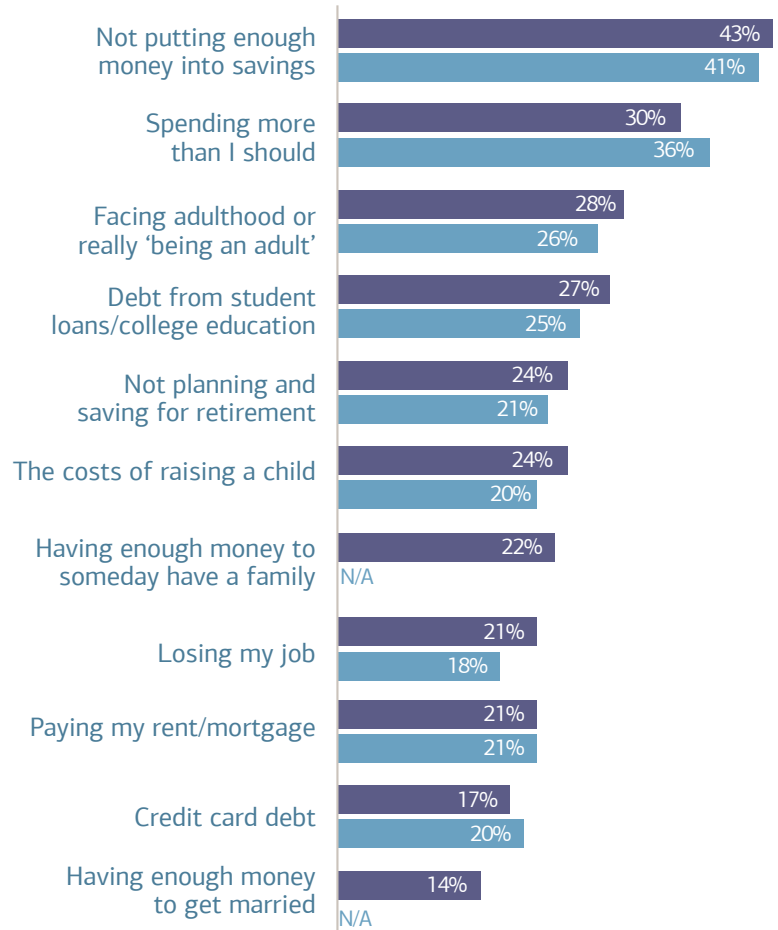
## Those who worry, do so often



Two-thirds (67 percent) of millennials who worry about money worry “often” or “sometimes.” Younger millennials may not have a full understanding of the gravity of their financial situation. Older millennials (26-34 years old) tend to worry “often” more than younger millennials (18-25 years old) (25 percent vs. 19 percent).

Top financial stressors remain similar to those millennials cited a year ago. However, young adults are less stressed than they were then about credit card debt and spending beyond their means, suggesting they may be making improvements to financial management.

### Millennial stressors compared YOY:



Fall 2015 Fall 2014

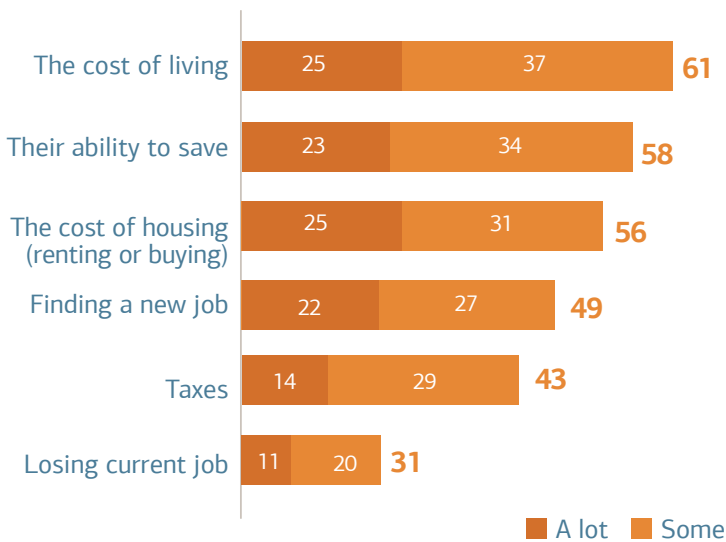
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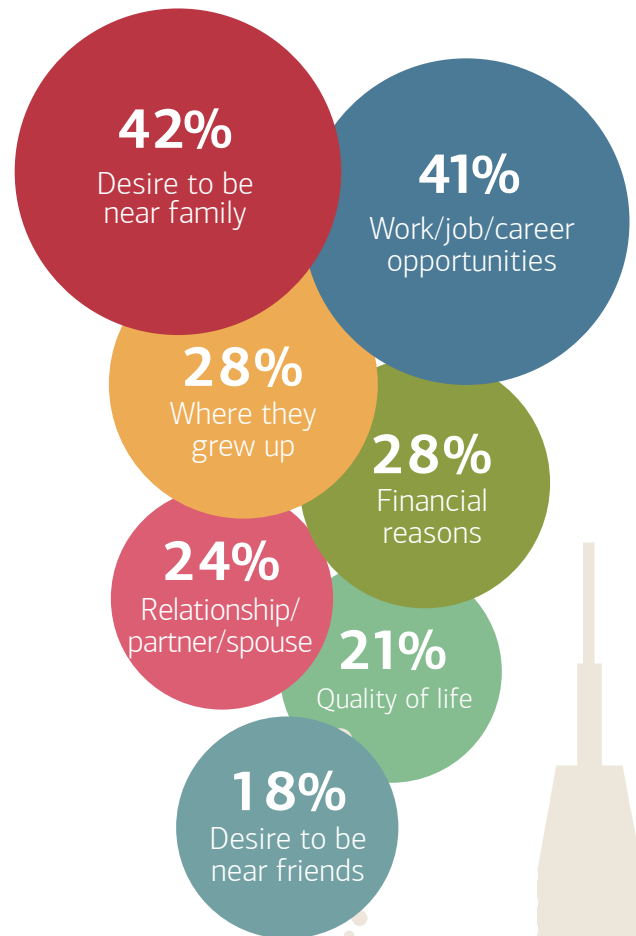
## Worries about cost of living, ability to save

No matter where they live, the cost of living is a concern for a majority of millennials. More than half are also concerned about their ability to save based on where they live.

When thinking about where they currently live, millennials worry about:



Millennials choose where they live based on...

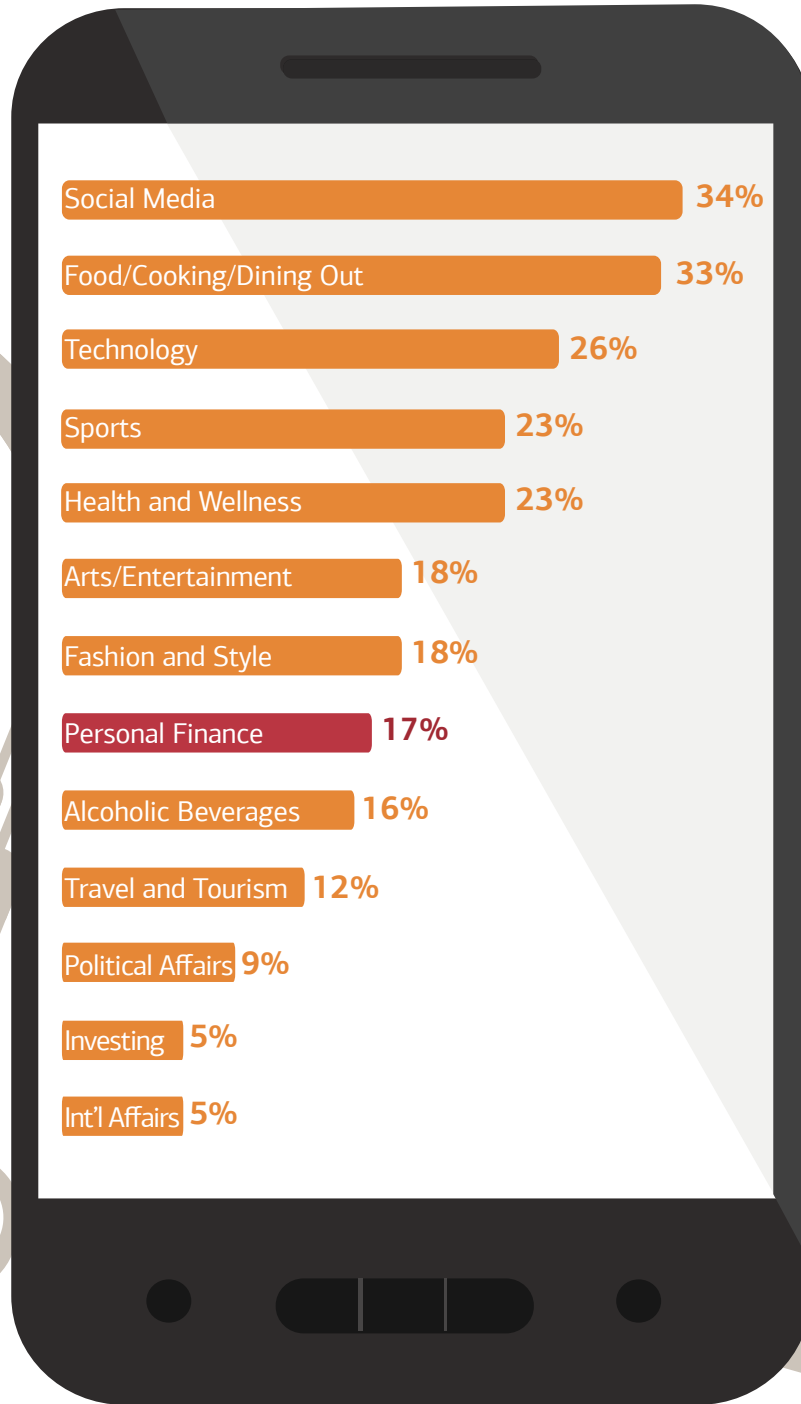


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## More knowledgeable about social media than personal finance

Millennials feel they have expertise in:

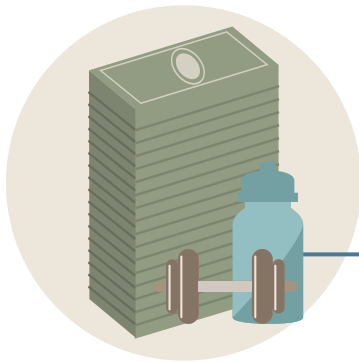


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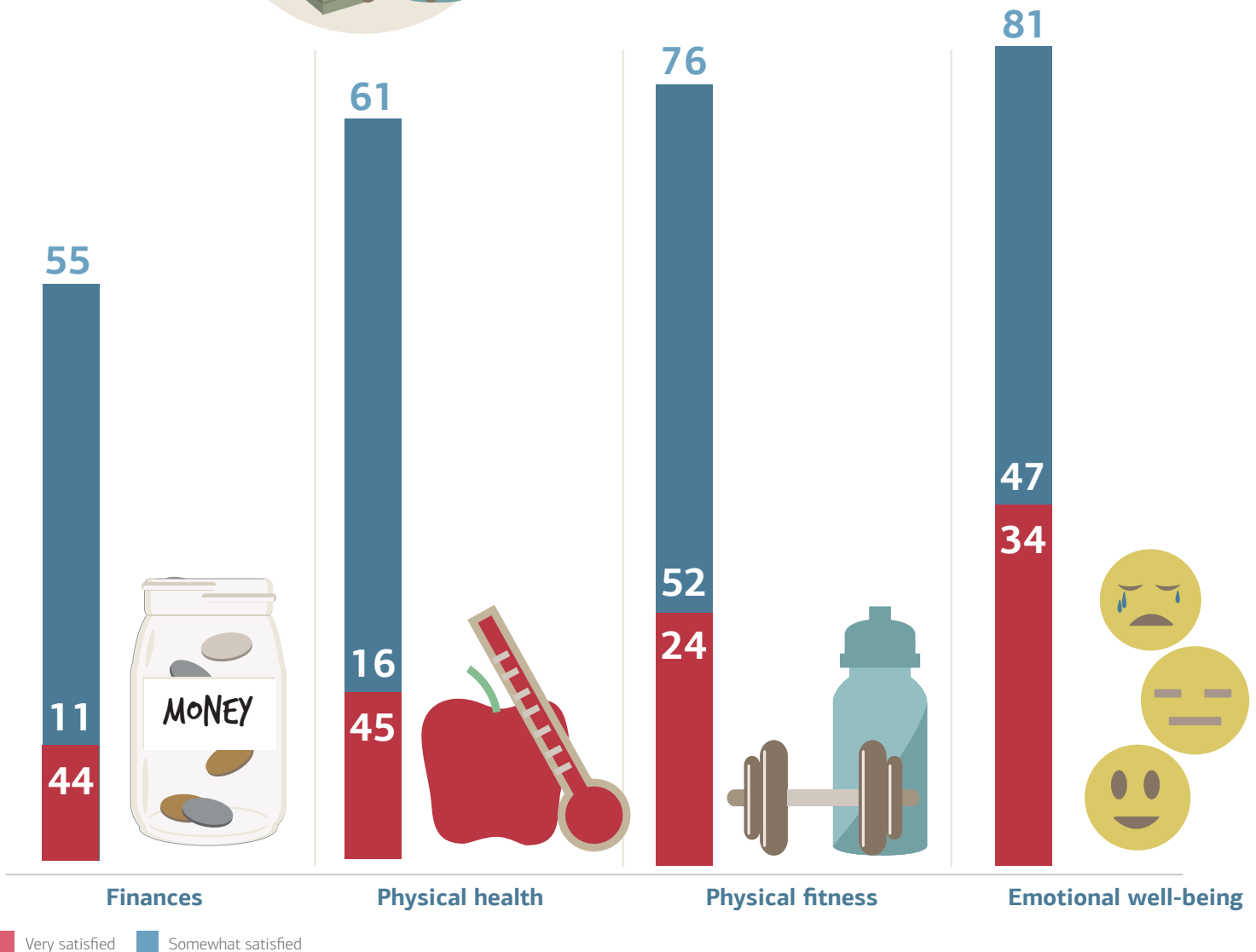
## Financial vs. physical fitness

Millennials spend the same amount of time tending to personal finance as they do working out, but they aren't as satisfied with the financial payoff.



# 40%

believe they are currently financially fit, defined as: Having savings, paying bills, minimizing debt, budgeting and preparing for emergencies

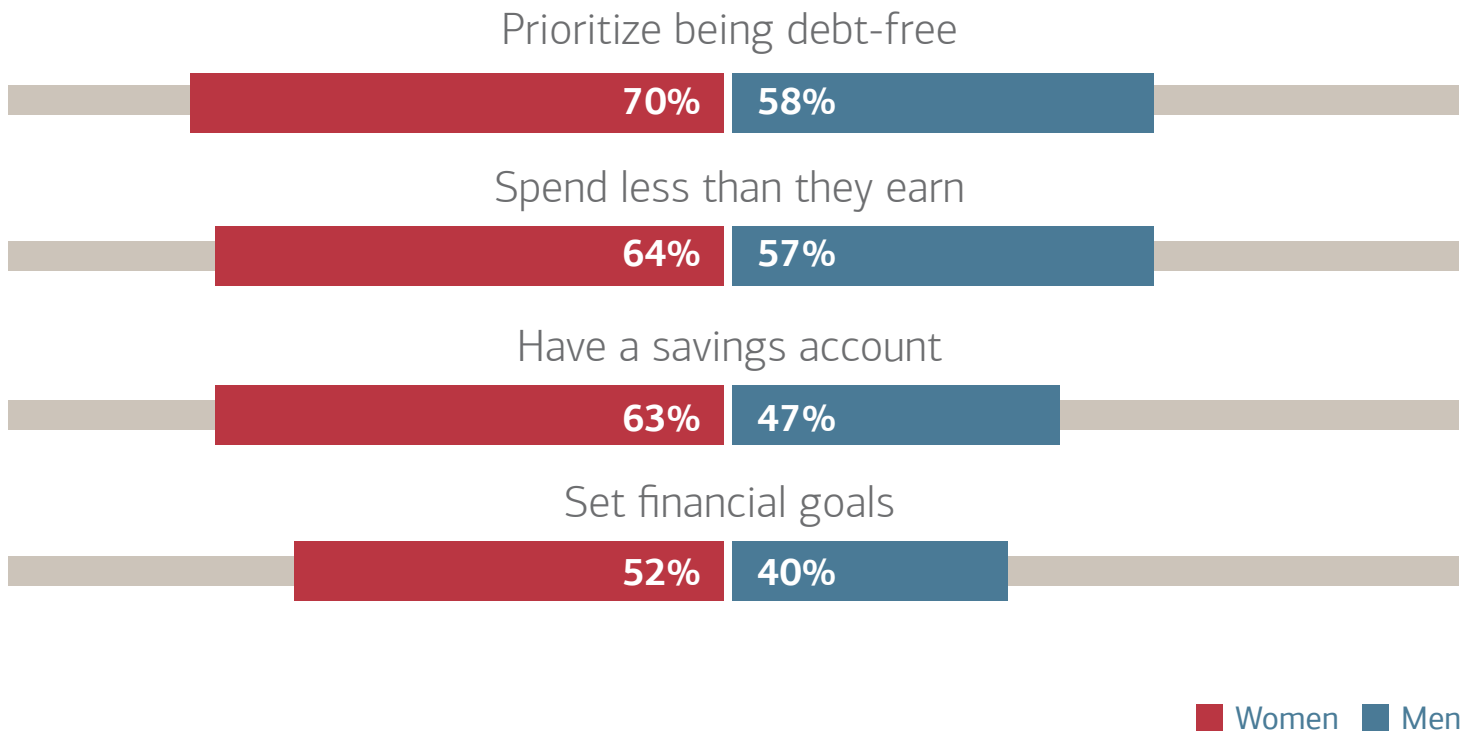


## Women prioritize financial future more than men – but feel more stress

Women and men feel equally confident about managing their personal finances; however, women report feeling more stressed than men on several issues. Thirty-four percent of women worry about spending more than they should versus 26 percent of men. One-third (34 percent) of women are stressed about facing adulthood compared to 23 percent of men. Student loan debt concerns 31 percent of women, but only 22 percent of men.

However, men feel more stressed than women about having enough money to someday have a family (25 percent vs. 19 percent).

### Women are more likely than men to:

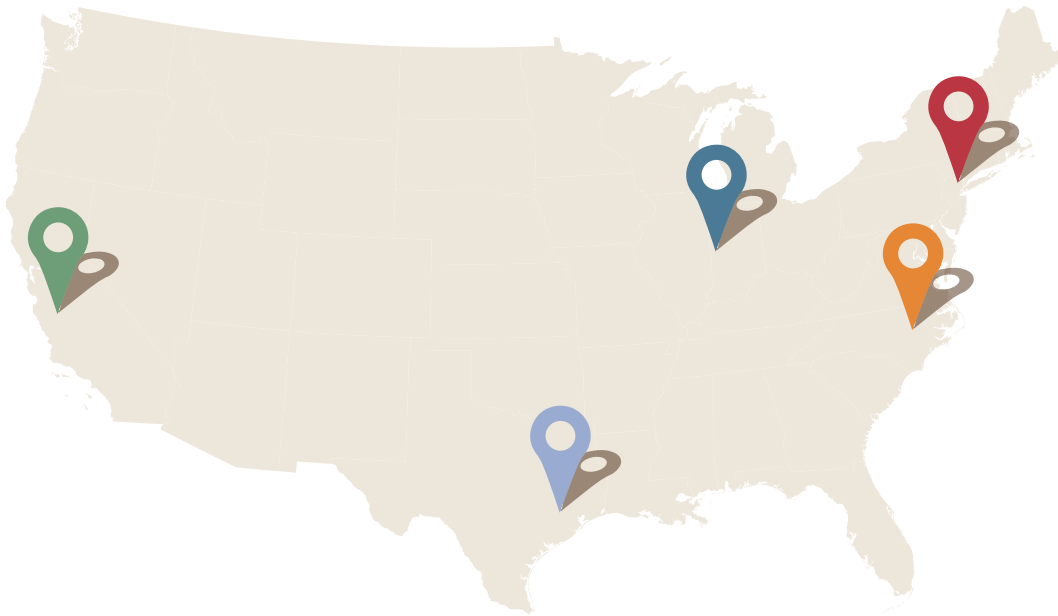


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## Money habits and stress differ across the U.S.

Millennials across the country have varying habits, worries and priorities when it comes to finances.



### Chicago

Chicago millennials regularly set aside money as savings

**70% vs 56%**  
Chicago National

### New York

New Yorkers are more likely to worry about the cost of housing

**48% vs 25%**  
New York National

### Washington, D.C.

D.C. millennials are more likely to pay off their credit card balance in full each month

**58% vs 38%**  
D.C. National

### Los Angeles

L.A. millennials are not at all comfortable talking with their friends about their financial situation

**25% vs 14%**  
Los Angeles National

### Houston

Houston millennials feel more “anxious” about not putting enough money into savings

**63% vs 43%**  
Houston National



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## About Better Money Habits®

Bank of America has made a substantial commitment to address the need for better financial literacy by partnering with Khan Academy – a non-profit with the mission of providing a free, world-class education for anyone, anywhere. Through this partnership, Better Money Habits has tapped into a different way to help people learn about money. It's about creating a customizable experience that breaks down concepts and provides practical, actionable steps to strengthen the connection between financial knowledge and behavior. Since the site launched in 2013, we've connected millions of people to information to help them make more confident financial decisions. To learn more, visit [BetterMoneyHabits.com](http://BetterMoneyHabits.com).

## Bank of America

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 48 million consumer and small business relationships with approximately 4,800 retail financial centers, approximately 16,000 ATMs, and award-winning online banking with 31 million active users and approximately 18 million mobile users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in all 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico and more than 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

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