

Millennials & Gen Z Fear Lasting, Negative Financial Impact From Pandemic, According to New Georgetown University Survey

Women Feel Less Secure About Financial Wellness Than Men

DISTRICT OF COLUMBIA, UNITED STATES, November 17, 2020 /EINPresswire.com/ -- One in four young adults report that the pandemic will have lasting negative impact on them financially, while one in three millennial parents feel financial strain and project long-term repercussions. This is a troubling new finding from a national survey of 2,280 young adults, ages 18-39, conducted by [Georgetown University Business for Impact's AgingWell Hub](#), part of the McDonough School of Business. The survey found that 25% of adult Gen Zers (ages 18-23) and 35% of millennials (ages 24-39) had spent savings or delayed saving or paying off debt as a result of the pandemic.

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Business for Impact*

The survey also found women were less optimistic than

men on the country's prospects for economic recovery, with 40% of men saying things will be better a year from now compared to 25% of women. Similar significant differences between genders were noted on the state of American society:

- 55% of Gen Z women are optimistic about where American society is headed compared to 24% of Gen Z men, and
- 49% of millennial women are optimistic compared to 39% of millennial men.

“This survey makes clear that millennials and Gen Z are very concerned about the impact the COVID-19 pandemic will have on their lives, both in the present moment and in the future. Transamerica has long focused on the connection between wealth and health, and we believe it is important to shine a light on the challenges younger generations expect to face moving forward,” said Kent Callahan, CEO of Workplace Solutions at Transamerica. “While the lack of optimism is understandable, these survey results also make clear that our role helping people achieve a lifetime of financial security is critically important, now more than ever. For our part, Transamerica has introduced a variety of resources and solutions intended to make planning for the future less daunting—from juggling expenses and paying back student loans to managing

care for aging parents and saving for retirement.”

Prior to the pandemic, these two generations already were facing the challenges of stagnant wage growth, college tuitions and rents that outpace inflation, and lower access to employer-sponsored retirement plans. The survey uncovered:

- 41% of Gen Z and 28% of millennials are confident they can pay back their student loan debt, and
- Nearly four in ten millennials say they will probably not be able to pay their student debt without outside help.

“It’s not just student debt but also the persistent presence of credit card debt that is impacting these two generations at every life stage,” said Diane Ty, senior partner at Business for Impact and interim director of the AgingWell Hub, who led the study. “Servicing monthly debt means less ability to start saving for retirement when time is on your side or building other assets like home ownership.”

Gen Z and Millennials lag in retirement savings

With their longer life expectancy, Gen Z and millennials should be saving for retirement. The survey showed three in four do not have an employer-sponsored retirement accounts and most do not have strong role models for building retirement savings. Baby boomers, ages 55-64, have a median 401(k) balance of \$177,000, which translates to approximately \$7,112 per year in retirement, while 45% in this same age cohort have zero retirement savings. Yet the survey revealed that young adults are falsely confident about their parents’ retirement readiness and few worry about becoming full-time caregivers for their parents as they age:

- 61% of Gen Z and 62% of millennials are confident their parents will be able to live independently,
- Less than 20% believe their parents will need financial help from them, and
- Less than 20% envision their parents moving in with them to take care of them physically or for financial reasons.

“The survey touches on a wide range of topics beyond just finances and highlights many of the challenges facing Gen Z and millennials today and in the future,” said Lorna Sabbia, the head of Retirement and Personal Wealth Solutions at Bank of America, and survey co-sponsor. “The findings underscore the need for employers to provide a broad array of financial wellness programs to their employees that will help them navigate challenges and opportunities.”

Methodology

The survey was conducted from July 13 to July 26, 2020 with a national sample of 2,280 young adults, ages 18-39. Of those, Gen Zers are inclusive of those 18-23 and millennials are

categorized as those 24-39. An online panel was utilized to produce a nationally representative sample distribution for gender, age, geography, education, and income and with sufficient samples of races/ethnicities and marital, parent, and student statuses collected. It was developed in partnership with Bank of America and Transamerica and designed and conducted by Edge Research, a women-owned marketing research firm based in the Washington DC area with a diverse mix of clients in the non-profit and consumer sectors.

For complete survey findings, visit: the-pandemics-perfect-storm.org

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