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VOLUME ONE

WELCOME TO 'GEN WHY'

Millennials take a lot of guff: you've been called lazy, materialistic, and spoiled. You live with your parents, have a sense of entitlement; are suspicious toward banks and Wall St; and you bounce from one job to another.

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EARNING YOUR MONEY

When it comes to attitudes about work, we’re not in Kansas anymore! By 2025, millennials will account for a large number of the world’s work force. You are shaping the future of employment. And your perspectives and preferences are driving it.

WHY YOU WORK

The traditional career path meant you land a decent job, work your way up, and get salary increases as you're promoted. Then you retire, and armed with a pension and fat 401(k), not to mention monthly Social Security checks, you take that European cruise. Well, not anymore! Most millennials reject the concept of staying with a company for decades just to pay the bills and build some savings. You seek a job that's meaningful, one that has a purpose you care about. In a recent survey by Deloitte, 60% of the respondents chose "a sense of purpose" as the main reason why they accept a job with a particular company. They ranked "being in a role I'm passionate about" above salary and other benefits.

EXPERIENCES, NOT STUFF

If Gen Y has a single mantra, it would be "I don't live to work. I work to live." Rather than accumulating things, you value experiences, such as frequent socializing with friends, dinners out, some travel. You crave the flexibility to enjoy a robust lifestyle. You're ready to forego retirement, and work virtually forever, in order to have the freedom to enjoy your life along the way. You're also willing to switch jobs frequently, and to take on side hustles. Some studies show that on average, you will have four different jobs by the time you're 32.

LEAVING'S NOT A BAD THING

Yes, switching jobs is prevalent among millennials (21% of you switched jobs last year – three times more than other generations of workers.) But the fact is, young people from every generation tend to leave jobs in search of new opportunities. And it can actually be a good thing, if you bear a few things in mind:

- Know when to go: you don't have to love your job, but you shouldn't hate it. If you really dread going to work, or if you feel you're not being treated fairly, or the corporate culture just isn't right for you, it's time to leave.
- Have a plan: don't wait until you quit in frustration. Start looking early, and snag the next job before you leave this one. It looks better on your resume. And it's a lot easier on your budget.
- Exit professionally: be sure to give your boss enough time (at least 2 weeks) to find a replacement, and if possible, offer to train the new hire. Consider writing a letter of resignation – it helps HR plan for your departure, it's your chance to formally thank everyone, and it's classy.
- Take away as much as you give: every job is a chance to gain experience, and to showcase your skills and willingness to learn. Always bring your "A" game. And always leave having made a contribution.
- Networking works: bosses and coworkers are potential future associates. They recommend, they remember, and are usually happy to help people who impress them with their hard work and great attitude. Try to get along with everybody.

WHERE YOU WORK

When it comes to making career choices, work/life balance is your preferred rule of measurement. Of course, salary is also critical (remember those crushing college loans.) So are flexibility, teamwork, opportunities for learning and growth, as well as jobs that add to the greater good.

So using that criteria, where does the job search take you? SmartAsset, using data from the Bureau of Labor Statistics, compiled this list of 2018's most millennial-dominated occupations:

- **Statistician** – has the highest rate of millennials. Of 74,000 in the US, 33,000 (44%) are between age 25 and 34.

  Bartender – though not very high-paying, it offers ample opportunity for side hustles and gigging.

- **Financial analyst** – faster-than-average growth rate is expected in coming years for this career.

- **Advertising/promotion manager** – about 40% of these positions are held by millennials, who most likely brought years of experience to the job.

- **Paramedic/EMT** – the physically strenuous and stressful nature of this work could make it better suited to younger people.

- **Physician assistant** – healthcare is one of the fastest growing fields. Millennials hold 38% of PA positions, which require at least a masters degree.

- **Web developer** – Nearly 38% are between 25 and 34, which is not at all surprising for a generation that never knew life without the internet.

- **Marketing/market research** – usually clustered in NY, LA and other large cities.

- **TV, movie and video camera operators and editors** – HBO, Netflix, and other online resources are creating increased demand.

- **Firefighter** – Once again, dangerous and physically demanding work, with millennials filling 90,000 or the country's 252,000 positions.

Other popular occupations that offer a positive work-life balance include dental hygienist, mechanical engineer, interpreter/translator, insurance sales, and massage therapist.

BECOMING A FREELANCER

With flexibility and freedom such priorities, it's no wonder there's a movement among millennials to strike out on their own. Being your own boss certainly gives you the chance to create your own schedule, and to work around kids' games, social occasions, and me-time. In a recent MetLife poll, 74% of millennial respondents said they are interested in freelancing vs. working full-time; far more than Gen X (57%) and Boomers (43%).

But there may be a price to pay for that freedom: you will have to forego the security of a regular salary and paid vacation time. Medical coverage is entirely on you. No more company benefits. In short, you'll be giving up your safety net. Perhaps that's why most of the workforce that makes the leap into freelance are those in their 20s and early 30s, who usually have fewer responsibilities and financial obligations.

SIDE HUSTLES AND GIGGING

Short of rent money? Saving up for a large purchase? Want extra disposable income for fun stuff? Over half of all millennials are turning to side hustles, according to a new Bankrate study. It's a great way to make money on your own terms. And for many, it can be a way to pursue your bliss. And the trend is growing, as the economy becomes more entrepreneurial, and the demand for freelancers and outsourced help blossoms. Side hustlers can average about $580 month, and 15% raking in $1000 or more.

Probably the most lucrative side hustle is renting your place on Air B & B. But even if you don't have a spare bedroom (or if you live in Mom's basement), there's still money to be made. According to Bankrate, the most popular side hustles are landscaping/home repair, followed by babysitting, then reselling on Amazon and eBay.

Here are some other popular gigs:

- Consultant/tutor/part time teacher
- Online web design
- Freelance graphic designer/copywriter/photographer/videographer
- Uber/Lyft driver
- Craft
- Odd jobs via the Task Rabbit app

Learn more at sidehustlenation.com and taskrabbit.com

Whatever gig gets you going, be sure it doesn't interfere with your full-time job. Stick to evenings and weekends. And build some personal time into your schedule, so you get a chance to enjoy the fruits of your extra labor.

SAVING YOUR MONEY

Despite substantial loan debt, notoriously low salaries, and ‘live for the moment’ tendencies, Gen Y is developing a saving habit. More millennials are socking it away than Gen X and Boomers, and you’re saving more this year than last year. Overall, that’s great news. But not for everyone. Surveys indicate that 1 in 6 millennials has $100,000 or more in savings. They also show that 4 in 6 have absolutely nothing saved for their future. Wherever you fall on this savings spectrum, there are steps you can take to increase your nest egg, even on a small salary. First, don’t confuse income with net worth. It’s not how much you earn, it’s how much you save, that puts you on a sound financial track.

NEVER SAVE LEFTOVER MONEY

There usually isn't any. You probably spend everything you take in. That's why it's critical to pay yourself first. Decide on a realistic percentage of your of income, then automatically stash it in savings, and leave it there. $20 a week (the price of one movie) adds up to over $1000 a year. And you won't even miss it. Don't forget to increase your savings amount with each raise.

LOOK WHERE YOU LIVE

If you're currently living in your parents' home, you have the absolute best opportunity to save most of your income. (And you have absolutely no excuse not to.) But for the rest of us, living expenses are the largest bills we pay each month. Can you downsize to a smaller apartment? That could save you hundreds each month. Perhaps rent in a less-classy part of town? A longer commute might also equal less-expensive apartment prices. Or consider a roommate to split expenses in half.

HOARD YOUR SIDE HUSTLES

Make a commitment to save every bit of your extra earnings. Or create income by selling stuff you won't miss. Snap, post and sell clothes, videos and CDs, games, jewelry, even cars. Not only will you benefit from the de-clutter, you'll be generating cash with practically no effort. You can start with eBay, Amazon and Etsy. Then look into 65 other outlets on thebalancesmb.com

SO LONG, SUBSCRIPTIONS

Do you really need HBO, Hulu, and Audible? Sure, it's just a few bucks a month. That's exactly how the companies snag you. Choose a single, less costly option, like Netflix. Then hit the local library for books, music and movies, both actual and digital. Don't forget to cancel those magazines too, and read free, with the Zinio.com app, available through the library.

THINK MULTIPLE

Experts recommend opening more than one savings account. For instance, have one for bills, one for emergency funds, and maybe a third for long-term goals, like a car, home, or honeymoon. This way, you always have a clear picture of where you stand financially.

YOU RAISED THE CASH. NOW WHAT DO YOU DO WITH IT?

The traditional combo of a checking account and a savings account from your local bank has morphed into a more accessible, flexible way to handle money. Studies show that over 5 million millennials don't even have checking accounts. You're wary of restrictions like minimum balance requirements, maintenance fees, and the inconvenience of branch banking. Result: nearly 95% of millennials do online banking exclusively. Your preferences as the "unbanked" generation have reverberated throughout the financial industry, and institutions are rushing to offer digital services. Which means it will be easier than ever for you to manage your money.

ONLINE BENEFITS

Internet-only banks may offer higher interest on savings, and many come with free checks and a debit card. Another plus: it's harder to get to your money, because it usually takes a few days for cash to be transferred to an accessible account. So you're less likely to use it impulsively. Some online banks offer automatic savings options, such as an app tied to a credit card that enables you to round your purchases to the nearest dollar amount, sending the extra change to your savings account. Compare Kiplinger's 2018 top banks for millennials at advisoryhq.com/articles/best-banks-for-millennials

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NOT ALL SAVINGS ACCOUNTS ARE CREATED EQUAL

Whether you have an account with a brick and mortar bank branch, or do all your banking online or on your phone, every financial institution needs deposits in order to make loans and grow. The longer they have use of savers' money, the more interest they are willing to pay them. So banks offer a range of savings account types, with different features, terms and interest rates.

Here are the most popular types of savings instruments:

- **Traditional Savings Account** – Good for short and long-term savings. You earn interest on deposits, and there are no minimum deposit requirements. You have instant access to your money by making a withdrawal at any time. Your savings account may have a passbook, or you may receive a statement in the mail each month. Many savings accounts come with a debit card, which gives you the added convenience of ATM usage.

  Money Market Deposit Accounts (MMDAs) – Better for long-term savings. Banks offer higher interest rates on these accounts, because they expect you to keep your savings relatively untouched. You are usually limited to six withdrawals per month, and you may be charged a service fee if you don't keep a minimum amount on deposit.

- **Certificates of Deposit (CDs)** – Best for long-term savings. When you open this account you agree to leave your money untouched for a specific length of time. In return the bank offers you a higher rate of interest than on other accounts. CDs can offer terms of three months up to six years, at a locked-in interest rate. The longer your term, the higher your interest rate may be. But there is usually a sizeable penalty if you withdraw money before your CD's maturity date.

MOBILE MONEY MANAGEMENT

The cell phone has easily outpaced the internet, becoming the most-utilized banking method of Gen Y. You virtually live with a phone in your hand. It makes sense to do your bill paying, transfers, and even your budgeting with it. You can sign up for text or email alerts when your balance falls below a particular level. This will help you avoid costly fees or penalties. And a person-to-person electronic-payment app (such as PayPal, Venmo and Zelle) lets you send and receive money with a click. www.thebalance.com evaluates this year's best P2P payment apps.

HOW MUCH IS ENOUGH?

That's not an easy question to answer. How many future college educations will you have to pay for? How many years will you work? How many raises can you expect? How will your housing costs change? How much will your investments return? All you can do is hope for the best, prepare for the worst, and let the power of compound interest power your savings.

That said, here are some snippets of advice from money experts:

- Begin your saving strategy by building an emergency fund. It should contain enough money to cover at least three months of living expenses. It should be used only for unforeseen emergencies, and replenished as needed. That fund should also be adjusted upward as your expenses grow.
- Your goal should be to accumulate a retirement nest egg that is at least 25 times your annual expenses. (Be sure to factor in the changes mentioned above. And expect to deal with higher rates of inflation and rising healthcare costs.)
- The sooner you start, the more savings can grow through compounding. Try to save 25% of your gross income in your twenties.
- Ideally, you should have at least one year of salary saved by the time you're 30.
- At 35, strive to have saved two times your annual salary.

It's not as difficult as it sounds, but the key is to start young. For example, say your goal is to save $1,000,000 when you retire at age 67. Let's assume that with a combination of savings, IRAs and 401(k)s and investments, you reap a 10% return. If you start socking away just $35 a month from age 22 to 67, you will easily hit your $1,000,000 target. But if you wait til you're 40 to save for your million-dollar goal, you'll need over $600 a month to achieve it.

How is your does your net worth stack up to the average millennial? thecollegeinvestor.com breaks it down for you, year by year.

CREDIT CARD CONUNDRUM

If you are like most millennials, you have a love-hate relationship with plastic. Perhaps it's because of having witnessed the devastating effects debt can have on personal finances. Maybe the college loans you're struggling to repay make you reluctant to accrue more debt. Whatever the reason, you have fewer credit cards and carry lower balances than Gen Xers did at your age.

NO CREDIT CARD? NO CREDIT SCORE

Establishing good credit is the foundation of a strong financial plan. It's the universal indicator of your ability to handle debt. But according to FICO (Fair Isaac Corporation), the most commonly-used credit scoring company, one in three adults under 30 has no score at all. If your peers do carry plastic, it's usually a debit or prepaid card. This is especially true of people age 18-24. But studies show that as you get older and more affluent, your use of credit cards rises. 83% of older millennials (age 25-34) use them. And their average balance was almost double that of their younger counterparts. In fact, last year, credit cards outpaced student loans as millennials' largest source of debt.

CUE THE PERKS

Credit is now – or will soon be – part of your financial life. And to answer that growing need, companies are offering cards with millennial-centric benefits and rewards. These may include $0 annual fees, bonus money after spending a certain amount, points toward free travel, and, in this competitive industry, sometimes you can get all of the above! There's an Uber card, Amazon Prime card, slews of airline cards. And of course, in deference to your pleasure-loving lifestyle, there are cards for restaurant-lovers, clothes-hounds, car freaks and more. You can compare all the perks at www.thebalance.com/best-credit-cards-for-millennials. Be sure to compare fees and costs, too.

CREDIT-BUILDING BENEFITS

When used carefully, a credit card is a powerful financial tool that can put you in the best light, and save you money. Shopping for a new car? Thinking of buying a condo? Applying for a new job? All of these and more are affected by your credit score. It's what every lender checks first, to see how well you have handled repaying debts in the past. Opening a credit card, and using it responsibly, is one of the best ways to establish and build your credit-worthiness. A high credit score will earn you better interest rates on loans. A low credit score is a red flag that costs you more, and may even have you turned away from a car lease, job or apartment rental.

Using a debit card will not help you build a credit history. Neither will a prepaid card. Or cash. Credit cards also offer better protection against theft. You're only responsible for $50 of fraudulent charges, whereas debit card crime can cost you up to $500.

GETTING APPROVED

Until recently, college kids simply had to walk around campus, and be instantly approved for credit cards (plus get free t-shirts for doing it.) That kind of marketing is now illegal, so millennials are limited in ways to get access to credit. If you're just starting your career, or have little or no credit history, getting approved can be challenging.

Here are some steps to take:

1. **Get a copy of your credit report.** It's free, and it's imperative to know what's listed there. You will see all your loans, your payment history, any missed or late payments, and balances. You'll see whether you've been a victim of fraudulent activity, identity theft, or mistaken reporting by vendors or lenders, so you can take steps to correct the record. Order your free copy at www.annualcreditreport.com or www.ftc.gov/faq/consumer-protection/get-my-free-credit-report

2. **Don't have a great credit rating?** Consider applying for a card for people with limited histories, and low (or bad) credit scores. Find a list of options and requirements at www.wallethub.com/credit-cards/bad-credit. Check your local credit union too, as they tend to be more flexible with their requirements.

3. **A secured card is a smart option if you're just starting your financial life.** You deposit a certain amount of money into the account. That serves as your line of credit. You then use the card to charge purchases up to that line. As you pay your monthly bill, the credit balance is adjusted. If you decide to close your account you are paid back whatever cash is still in reserve. Unlike a prepaid or debit card, secured cards help you build a credit history. But they're only meant as a stepping stone. After a year, switch to a regular card with better benefits and rewards.

BUILD A BETTER CREDIT SCORE

Bad credit costs you big time. For example, on a $20,000 car loan, someone with a low credit score could ultimately pay over $5,000 more in interest than someone with a high score. Large loans like home mortgages can incur extra interest costs in the five figures.

Here are some ways to boost your credit profile:

- Pay in full every month – you don't have to carry a balance to build credit scores. And paying in full saves you a ton in interest charges.
- Pay on time – even one missed payment can drop your score by hundreds of points, and will take months or years to go away.
- If you do have a late payment, contact the lender and ask them to remove it from your credit score. If you have a solid history of on-time payments, they may make a 'goodwill adjustment.'
- Only use a small percentage of your available credit – aim for 25%. The larger the amount of your credit line that you use, the lower your score. So keep balances down.
  A long history of credit improves your score. So try to keep your oldest credit card active.
- Vary the credit you use – add a small auto loan, use department store and gas cards. Handling different kinds of credit reflects well on your rating. Just be vigilant about not charging more than you can pay in full each month.
- Try not to use credit too much, especially if you have student loan or auto loan debt.
- Set up automatic payments for credit cards, and your other bills.

RESOLVING YOUR DEBT DILEMMA

Wish you could wave a magic wand and make your student loans disappear? So do the 45 million other borrowers who are trying to pay back $1.4 trillion they still owe. Those monthly payments can put your life on hold. Many millennials feel they can't yet afford to move out of their family's home. Over a third are putting off starting a family. And nearly three-quarters believe it's stopping them from saving for retirement. Yes, it's your obligation to handle your debt, but not necessarily at the expense of other life goals. Help is available, and most of it is free. Here are some ways to reduce your debt, and in some cases, to lower – or even eliminate – your payments.

DEAL WITH IT

Don't sacrifice everything else to pay your loans off quickly. Chances are, your federal loans carry a relatively low interest rate, so stretching payback over the full repayment period doesn't 'cost' you too much. As your salary increases the repayments become easier to handle, and there will be more revenue for other goals. If your circumstances are making repayment very difficult, here are some suggestions to consider.

START SMALL

If you have more than one loan, focus on paying off the one with the smallest balance. Then go on to the next smallest loan. You'll still need to make minimal payments on the other loans, while paying as much extra as you can manage on the targeted one. But seeing those loans become 'paid in full' is quite a psychological boost.

JETTISON THE MOST EXPENSIVE

It's another strategy experts recommend. Interest rates on some private loans can be as high as 15%. Paying off these expensive loans first can be a smarter financial move than investing that money and earning far less of a return. Use the 'minimum/maximum' strategy discussed above to make those heavy hitters disappear.

SPEAK TO YOUR SERVICER

Did you even know you have one? Every student borrower is assigned a loan servicer by the federal government. Many private lenders also provide them. (S)he should be the first one you call with questions, or for help if you're are having trouble making payments. Your servicer may suggest student loan consolidation to simplify your payment process; or perhaps a different repayment plan can be created.

STUDENT LOAN FORGIVENESS

In very rare cases, federal student loans can be immediately forgiven. These instances include suffering a permanent disability that makes it impossible to work, or if your school closed, or somehow defrauded you. Again, these are rare and you should beware of scams.

OTHER FEDERAL FORGIVENESS PROGRAMS

Here are some additional options to explore:

Income-based Repayment (IBR) forgiveness – If you have a very large loan balance in relation to your income, consider capping your payments at 10-15% of your monthly income. After 20 or 25 years, your remaining loan balance will be forgiven. Qualifying loans include Direct Subsidized and Unsubsidized Loans, PLUS Loans, FFEL Stafford Loans, consolidated Federal Perkins Loans, and others. Pay As You Earn (PAYE) and Revised Pay As You Earn (REPAYE) are similar income-based programs.

Get details at: www.studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven

Loan forgiveness for Teachers, Nurses, Public Servants, Not-For-Profits – A number of programs are available. Requirements vary, and can include making a certain number of payments, being employed in low-income areas, etc.

Again, get the details from the Department of Education at www.ed.gov

LOOK WHERE YOU WORK

If you don't qualify for government forgiveness, find out if your employer offers student-loan repayment benefits. Companies are beginning to provide this option as a way to attract young employees. Some high-profile companies are offering up to $30,000 for eligible candidates, and even provide online tools to help them manage their debt. And student loan refinance companies are getting on board with programs that enable employers to make contributions to their employees' loan.

PUT IT ON AUTO-PAY

Lenders usually offer a small discount when you set up an automatic payment program. These savings can mount up over the life of your loan. Plus you ensure never having late payments, which could cost you money and hurt your credit score.

CONSIDER REFINANCING

This option can save you money in the long-term. Basically, you bring your student loans to a lender, who gives you a new loan, and new interest rate, usually from 4–7 %. You also get a new repayment schedule that's based on your income, credit rating, and debt to income ratio and other criteria. Benefits include lower interest rates than the federal government loans. But your repayment plan is less flexible.

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