Spending more on coffee than investing? You're not alone

Required Annotations		Student-Created Annotations		Summary / Questions / Reflection	

Comprehension	Comments

If you're still scratching your head about managing your finances, you aren't alone, according to a new survey on Millennial spending.

More than 45% of 18 to 23-year-olds have spent more on coffee than investing in their retirement, and 35% of 24 to 35-year-olds have done the same, according to a survey from **microinvesting** app Acorns, an app which links credit cards to the app and invests spare change. The survey of 1900 Millenials was done through SurveyMonkey and shows that Millennials are struggling when it comes to understanding and managing their finances.

Over 50% of Millennials said they don't feel "savvy" when it comes to investing. That could be because, over half of the older Millennials (24-35) said they didn't receive enough training about how to manage finances in school, while 42% of younger Millennials agreed.

As Millennials age, the lack of preparedness is starting to weigh heavily on their minds, with 41% of older Millennials (24-35) worried that they won't financially be able to retire until after 65.

And they aren't wrong, according to Jacob Funk Kirkegaard, senior fellow at the Peterson Institute for International Economics. "Everyone in the millennial generation should not think of 65, they should think of 70 or 72 that's a much more realistic planning target for their retirement," Kirkegaard said. Kirkegaard said the retirement age will continue to inch up, and Millennials likely won't be able to lean on social security.

Kirkegaard said many need to drastically change their financial behaviors and start saving towards retirement, something that may be more difficult because a combination of low-interest rates and what could be an end to the multi-decade **bull market** in the future.

"I think broadly speaking compound interest rates are going to lead to less financial gains," Kirkegaard said. "Therefore the size of their **nest egg** will be more determined by how much they set aside than how much they earn on investment."

Kirkegaard said Millennials and people of all ages can start aggressively saving by doing the following:

- Take advantage of employer offers to match your personal contribution to your company retirement saving plan. "Set it up in a way that you basically never see this money, it goes directly into a tax preferred retirement savings accounts," he said.
- Make saving towards retirement **compulsory**. That means automatic withdrawals to a savings account each month.
- Set a budget and learn to live within it.

Questions

1. Why do Millennials have less confidence in investing?
2. Why might it be difficult for Millennials to start saving for retirement?
3. Which punctuation mark is used to indicate that a list is coming? Give an example from the text.
4. There are 26.2 million people ages 18 to 23 in the US today. How many of them spent more money on coffee than investing?
5. Of people ages 24 to 35, there are 15,435,000 who have spent more on coffee than investing. How many total 24- to 35-year-olds are there in the United States?
6. Write a summary of the article.