

Millennials see a rosy outlook despite rising living costs, new BT research says

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Millennials (Gen Y and Z) are the most optimistic about their future with 74 per cent saying they will be in a better financial position in two years' time despite rising cost of living pressures, says new research from BT Financial Group (BT).

Millennials are far more confident than the broader population, with the majority of people (56 per cent) saying they feel optimistic about their financial position in two years' time. 30 per cent say they will be in the same financial situation, while 14 per cent say they will be worse off.

According to the research, Millennials remain upbeat about their future despite 40 per cent saying it's either *difficult* or *very difficult* to meet their necessary cost of living expenses like housing, electricity, health care and transport.

BT's Head of Financial Literacy & Advocacy, Bryan Ashenden said Millennials' positive outlook was pleasantly surprising and this group were developing strong budgeting and savings attributes from a young age.

"We know Millennials are often preoccupied with balancing their day to day spending with longer term goals such as a getting a foot on to the property ladder and wealth building. So it's good to see that, despite these admirable goals, Millennials are looking to the future with confidence and developing good money habits."

According to the research, currently 54 per cent of Gen Y and Z are more confident about their financial situation now, compared to 12 months ago. While only 21 per cent said they are less confident now than 12 months ago.

Overall, across the broader population, the common cited areas of concern which people think may impact their personal situation are the rising cost of living (54 per cent) and rising unemployment (32 per cent). Contrarily, people are less worried about share market performance with only 14 per cent of people citing this as a concern.

How Millennials fare with their money matters:

- Millennials are better savers than you might think - 17 per cent have savings equal to six month's income; 11 per cent have equal to 4-6 month's income and 23 per cent have equal to 1-3 month's income. However 28 per cent have savings equal to less than one month's income and 21 per cent have no savings
- Nearly one in three Millennials are disciplined at budgeting with 31 per cent saying they have a formal, documented budget. Baby Boomers and Gen X are less likely to have a formal budget in place with only 20 per cent and 23 per cent of the respective groups saying they have a formal budget in place

- Millennials are just as likely (27 per cent) as older cohorts to rely on professionals when making decisions about growing, managing and protecting their wealth. This compares with 26 per cent of Gen X and 24 per cent of Baby Boomers.

Mr Ashenden said “It’s good to see that younger cohorts are relying on the money experts to preserve and grow their money. Having the right team supporting you including stockbrokers, financial advisers and accountants can make a world of difference to helping you feel and stay on top of your money matters now, and will also put you in good stead for the future.”

Bryan’s top tips for getting financially organised:

1	Map your goals - Are you saving for a house deposit, an overseas trip or building your wealth more generally? Be clear on how much you need, what it’s for and your timeline. You can’t achieve what you don’t measure
2	Revise your budget - Assuming you have a budget, if not, best get cracking! Budgeting doesn’t mean you plan how every cent must be spent. But it’s important to know how much is coming in and out. It’s surprising how much of a difference this can make to helping you to stay on track
3	Protect yourself! - Review your insurances in place. If you or your partner becomes ill or unable to work, do you know how you will meet your expenses? If this thought makes you want to bury your head in the sand, it’s time to sort out your insurance. There are different types of insurance which can cover you for long term illness, time away from work and critical illness. Staying on top of this will ensure you can have the financial side of things covered, so you can focus on what matters.

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