
Here come the new Boomers (sans Beatles)

By Editorial Staff Wed, Dec 30, 2015

Millennials have replaced Boomers as the big demo group, and Northwestern Mutual has been studying them. Just like the Boomers of the 60s and 70s, they will stay in youth hostels if they can save a buck.

Here's a look at six of the strongest financial trends among Millennials and a preview of what to expect from Millennials in 2016, courtesy of Northwestern Mutual:

There will be an influx of Millennials in the workforce. According to the Bureau of Labor Statistics, in 2016 Millennials will represent the largest generational segment. They will have more disposable income as they reach management positions.

Millennials are socially conscious investors. Socially-conscious funds play to Millennials' inclination to "give back." In 2001, investment in these models totalled \$3.1 trillion; by 2014 this had jumped to \$6.6 trillion.

Weddings will become even more expensive. In 2014, the average price of a wedding rose to \$31,213, a 4% increase from 2013, according to The Knot's annual survey. Many couples already choose to wed later due to student loan debt and unstable financial situations.

The average student loan debt will continue to increase. As of 2015, U.S. students carry \$1.2 trillion in debt. In 2014, average loan debt was \$28,950, up 2% from 2013, among 70% of students who graduated. Student-loan debt helps explain the number of Millennials living at home and the tendency among young adults to delay home-buying. TheMintGrad.org, Northwestern Mutual's online resource for Millennials, offers tools to help pay down student debt

Millennials will skip the gym, but not the exercise. Wellness remains a top priority among Millennials, with 88% saying they exercise. But a Mintel survey shows that 72% of Millennials say gym memberships are too expensive. So they have been cutting their gym expenses and instead paying for community exercise programs, fitness apps, classes and other nontraditional workouts.

Millennials travel, but spend less per trip. Millennials are willing to make sacrifices, like forgoing hotel stays for hostels, to cut down travel expenses. According to a Yahoo! Travel Survey, 68% of Millennials are more likely to spend less than \$1,000 per trip versus

33% of the population surveyed who said they would spend \$1,000 to \$4,999 on a vacation.

“Millennials tend to follow their hearts,” says Emily Holbrook, director of the young personal market at Northwestern Mutual. “Their financial decisions are reflective of their personal values, beliefs and lifestyles.”

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