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Are Millennials Who Save Doing it Right?

Contrary to common belief, a majority of millennials are indeed saving for retirement. A May 2017 [study](#) conducted by **Pentegra Retirement Services**, saw the generation contributing to their retirement savings, although it seems some millennials are not saving adequately.

Out of the 100 plus millennials surveyed with birth years ranging from the 80s to the 00s and professions across diverse fields, over 80 percent are currently saving for retirement — with 37 percent saving at least 5 percent of their salary.

However, 18 percent of millennials either aren't saving at all, or aren't saving adequately. In fact, roughly 62 percent of savers are putting less than 5 percent of their paycheck away, which Pentegra deems as inadequate.

"While it is encouraging that over 80 percent of millennials surveyed are saving something for retirement, it is troubling that a large portion are saving less than five percent, and some not at all. This is what we want millennials to really think about. How are you spending your money?" states **Rich Rausser**, SVP at Pentegra. "What is a 'need' versus 'want'? Retirement may seem decades away, but they must think about it today."

Speaking of a 'need' versus a 'want,' Pentegra's report moves to millennial spending habits, and the negotiable expense of coffee.

According to the report, millennials spend an average of \$75 or more per week on eating out, including coffee. Other than mandatory expenses like student loans, rent, or bills, these negotiable expenses are advised to be decreased.

Rausser adds, "The coffee example is a great way to explain to this generation what a difference small purchases can make, and how valuable long term compounding is. I am not suggesting they give everything up, but it is certainly possible to cut back and prioritize. We hope this new report is a wake up call and a tool the public can use."

In tandem with cutting back and prioritizing, Pentegra also

suggests that employers should educate their younger employees, and economic education at the high school and university level should be improved.

"It may not be so easy for this generation; we see in our report that many have not been taught what to do and how to do it when it comes to planning for their golden years," states Rausser.

Hopefully, the tips and figures noted in this report can encourage millennials to think more seriously about retirement sooner rather than later.

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