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CAN MILLENNIALS LIVE THEIR BEST LIVES – NOW AND IN THE FUTURE? FIDELITY® STUDY FINDS TWO-THIRDS AGREE SAVING FOR FUTURE IS AS GRATIFYING AS TREATING THEMSELVES TODAY

Yet, Peer Pressure and FOMO Could Derail Balancing Act:
63% Say Social Media is a Negative Influence on Finances

BOSTON, Oct. 30, 2018 – Fidelity Investments® today announces its *2018 Millennial Money Study*, which finds millennials (born 1981 – 1996) are seeking balance when it comes to their money habits, especially as it relates to spending now versus saving for the future. Nearly six-in-ten (57 percent) agree they are balancing these equally, and even more agree that saving for the future is as gratifying as treating themselves today (66 percent).

Beyond financial stability, young adults emphasize their mental and physical health. In fact, one-in-four (25 percent) millennials consider mental health (therapy, counseling) an essential expense, compared to just 18 percent of Gen X (born 1965-1980) and 12 percent of boomers (born 1946-1964).

"There are a lot of assumptions that millennials only live in the moment, but our research debunks that – they are balancing their current health and happiness with their financial futures," said Brooke Forbes, senior vice president, Digital Planning and Advice, Fidelity Investments. "We want to help the next generation of investors experience life in a way that is meaningful to them, and not feel restricted by money. By setting goals, creating a plan and practicing mindful money habits, we can experience a treat today, not at the expense of tomorrow's financial stability."

Striking a perfect balance is hard, especially when there are so many competing financial priorities. For millennials, paying essential living expenses (38 percent), building an emergency fund (34 percent), and— despite being years away from a traditional retirement age—accumulating more savings for retirement (33 percent) topped the list.

While thinking about their financial future, millennials aren't depriving themselves of happiness in the moment. When asked how often they "treat" themselves, with a treat being defined as a purchase made specifically to bring joy, 86 percent of millennials admit to treating themselves at least once a month. On average, these purchases cost millennials $110 per month. More specifically, when asked why they want to treat themselves, millennials report: they deserve it (25 percent), to celebrate a success (21 percent), and they received a bonus or unexpected funds (18 percent).

But what happens when social media depicts a social circle frequently splurging? Fidelity's study finds social media users are being impacted by what they see in their network. For instance, 62 percent of millennials agree that they don't understand how people in their social network afford their respective lifestyles, and even more striking, 63 percent think social media has a negative influence on their financial well-being.

"This isn't a new concept; it's the old mentality of 'keeping up with the Joneses', but given the different ways we all stay connected with family, friends, casual acquaintances and even celebrities, the Joneses have multiplied," added Forbes. "Today, we're hyperaware of what others are doing—although it can be through a filtered lens of their choosing. Millennials deserve some credit: many display strong financial habits, despite the magnified temptations they face daily thanks to social media."

Treat Yourself, Now and Later: 4 Tips to Up Your Game & Master the Balance

Many millennials are saving for the future, and enjoying life—but what can they do to continue this momentum and maintain a balanced life without sacrificing their financial stability?

1. **First Things First: Goals.** Think about your financial goal and build a plan to help achieve it. Whether it's paying down debt, making rent, saving for retirement, or buying a home— make sure to visualize it by writing it down or creating a picture. According to the research, 65 percent of millennials agree they would be motivated to save more if they could visualize how saving money now could let them afford tomorrow. It can be hard to think about the future, but consider what saving just 1% more for retirement can look like.
2. **Practice mindful spending**. It's important to lead a life that aligns with your values and priorities, and how you spend your money is part of that. When looking at a budget, think about how much you spend each month on the "fun stuff," also called discretionary expenses. Fidelity's budgeting guideline recommends about 30 percent of your paycheck be spent on discretionary expenses, and as you look at your designated dollars, aim to spend money in ways that bring happiness. For instance, more than one quarter (28 percent) of millennials say after a rough week, the thing that would bring them the most joy is some form of entertainment (movies, happy hour, dinner with friends, a concert, etc.). Everyone's idea of a "treat" is different, and the value of a treat means more than what it costs. Think about how it makes you feel and what you're gaining from the experience. Then, consider incorporating these into your plan by setting up a reward system for reaching a money goal.

3. **Set your boundaries**. It's human nature to observe your peers and make comparisons. More than one-in-five (21 percent) millennials say "fear of missing out" is a major driver of splurging, versus just 6 percent of boomers reporting the same. Create boundaries: focus on your own opportunities, and not on those in your network. Often, the life one portrays on social media does not show the full picture, so take all those photos, snaps, stories and tweets for what they are: a curated snapshot of one moment. Remind yourself to remain focused on your goals, not the moments others may be displaying through a rose-colored filter.
4. **Ask for help**. Keep your people close and identify your financial coach. It's not that your network can't be a support system or a positive influence on money habits, but it's more likely to be people with whom you have closer, personal relationships. In fact, 65 percent of millennials report parents as their biggest saving influencers, followed by a spouse/significant other (49 percent), and close friends (34 percent). On the other end, only nine percent say their extended social media network influences their savings habits.

How Fidelity Can Help Manage Spending Today, and Investing for Tomorrow

Today's young adults are often trendsetters when it comes to making their lives easier and more enjoyable, whether it's by streaming music, or cutting the phone and cable cord— they seek convenience and value. Is cutting the bank "cord," and the fees that often go along with those accounts, next?

For those looking to stay ahead of the game, Fidelity has a new way to manage money that allows customers to visualize their money in two ways —spending today and investing for tomorrow — by designating money for each in two different accounts. At www.fidelity.com/stack, visitors can learn about Fidelity's everyday spending account (Fidelity Cash Management Account), plus a separate account for short- and long-term investing (Fidelity® Account). With these two accounts, customers have zero investment minimums and zero account fees[1] – even ATM fees are fully reimbursed[2].

Nearly half (47 percent) of millennials say they rarely or never educate themselves on personal finance topics; but of this group, 45 percent say they would like to increase this time. Interested in spending more time on personal finance education? Visit www.fidelity.com/mymoney, an interactive site that offers short, easy-to-digest videos, articles, infographics, and tools to help visitors feel more confident in making financial decisions related to money basics, investing, managing debt, and saving for retirement, such as understanding the differences between a Traditional and Roth IRA. The site also offers resources to help with those important life milestones, such as getting a job, moving in with a partner, getting married, buying a home or having a child.

For more money insights, read "Live for today, plan for tomorrow" or follow Kelly Lannan, Director, Young Investors, Fidelity Investments on LinkedIn, where she shares videos, articles, and stories of her own financial firsts – from signing up for a 401(k) retirement savings account to getting married.

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About the Study

Fidelity's 2018 *Millennial Money Study* was conducted among 2,069 millennials (ages 22 to 37). Data was collected online May 17-29, 2018 by GfK's Public Affairs & Corporate Communications division and Fidelity Investments was not identified as the sponsor. For comparison, 218 Gen Xers (ages 38-53) and 222 baby boomers (ages 54-72) were also interviewed.

About Fidelity Investments

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of $7.4 trillion, including managed assets of $2.6 trillion as of September 30, 2018, we focus on meeting the unique needs of a diverse set of customers: helping more than 28 million people invest their own life savings, 23,000 businesses manage employee benefit programs, as well as providing more than 13,000 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit https://www.fidelity.com/about.

Investing in stock involves risks, including the loss of principal.

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[1] Zero account fees and minimums are available for retail brokerage accounts only. Expenses charged by investments, (e.g., funds and managed accounts, and certain HSAs) and commissions, interest charges, or other expenses for transactions may still apply. All Fidelity funds that previously required investment minimums of $10k or less, and in stock and bond index fund classes that previously had minimums of $100 million or less, now have zero minimums. See the fund's prospectus and Fidelity.com/commissions for further details.

[2] All Fidelity ATM withdrawal fees will be waived for your Fidelity® Cash Management Account. In addition, your account will automatically be reimbursed for all ATM fees charged by other institutions while using a Fidelity® Visa® Gold Check Card linked to your account at any ATM displaying the Visa®, Plus®, or Star® logos. The reimbursement will be credited to the account the same day the ATM fee is debited from the account. Please note that there is a foreign transaction fee of 1% that is not waived, which will be included in the amount charged to your account. The Fidelity® Visa® Gold Check Card is issued by PNC Bank, N.A., and the check card program is administered by BNY Mellon Investment Servicing Trust Company. These entities are not affiliated with each other or with Fidelity Investments. Visa is a registered trademark of Visa International Service Association, and is used by PNC Bank pursuant to a license from Visa U.S.A. Inc.