



## **'Generation Spent'? Millennials are saving more than Gen X**

*Millennials are more financially responsible than they're given credit for, suggests Zopa research*

### **Key stats:**

- Millennials save more of their monthly income (10.9 per cent) than Gen Xers (8.8 per cent), but admit that it's still not enough
- Far from being spendthrifts, young people are prepared to spend far less on everyday essentials than older generations
- Used to debt - Millennials see debt as a normal part of life as almost half (46 per cent) expect to manage their life with some form of ongoing debt

**London, 13 April 2016:** A study released today sheds new light on the financial attitudes of 'millennials' (those aged 18-35) compared to their elder counterparts in 'generation X' (36-54).

Far from their reputations as spendthrifts, research by peer-to-peer lender Zopa has found that those in the younger age group are actually saving more of their income every month (10.9 per cent) than their parents' generation (8.8 per cent). In addition, they are far less inclined to pay over the odds for essentials such as coffees, holidays and drinks than older consumers.

The study paints a picture of a generation pulling out the stops to save, but still worrying that they are not doing enough. Despite putting away an average of almost 11 per cent of their post-tax income, millennials still think they should be saving more; closer to 17 per cent. Indeed, almost a quarter (24 per cent) admit to saving nothing at all as they use all of their money every month.

The research also found that 18-35 year-olds are seeing debt as a normal part of lives as millennials are more pragmatic about managing life with some form of debt. Almost half (46 per cent) said they expect to manage some form of debt for the rest of their lives. Coupled with this, they also have a much higher threshold of what they consider to be a 'manageable' amount of personal debt; an average of £5,892 compared to £4,251 among the older generation (a difference of 39 per cent)

Despite facing rising prices on home ownership, many millennials remain upbeat about their financial futures. Only 38 per cent thought that they would never own their own home outright, and less than a third believed there was 'little point in saving'. For the majority who are putting money aside each month, 41 per cent were saving towards their first home.

And whilst they were more likely to say that their parents were better off financially than them at the same age, millennials did not agree that their parents were having more fun than them at the same stage in life.

When asked what measures they believed could help the financial prospects of their generation, 44 per cent cited lower higher education costs, 42 per cent said fairer deals for renting and over a third (37 per cent) said better financial education in schools would be most useful, highlighting a need for better understanding of finance for their and future generations.



New government incentives and innovative new ways to save and invest money could also spur a step-change in the financial attitudes of millennials. In particular, the government's new Lifetime ISA has sparked interest, with 45 per cent of millennials surveyed agreeing that this new ISA would make them more inclined to put money aside. Meanwhile, the advent of Innovative Finance ISAs means that investors can finally get returns which could outstrip the price inflation of the property market. 61 per cent of millennials said that they would be more likely to save/invest if interest rates were higher.

Giles Andrews, Executive Chairman and co-founder of Zopa, comments: "Millennials have been characterised in some quarters as spendthrifts, but this research shows that most young people have a very responsible and positive attitude towards their finances, in most cases beating the odds heavily stacked against them. In recent years, low interest rates have discouraged millennials from investing in their future, so it's vital that young people are now given innovative ways to grow their money by making saving and investing worth their while.

"At Zopa we're committed to creating a richer life for everyone by making money simple and fair. This is why we've built our P2P lending products based on customer feedback. We believe that by creating a fairer future we can help people boost their money to achieve their life goals. We believe peer-to-peer lending offers will be the normal way for millennials to invest for the important things in life like a home deposit."

#### **How much are millennials prepared to pay for their essential purchases?**

	Millennials	Generation X
Cup of coffee	£2.68	£3.07
Pint of beer	£3.87	£4.74
Meal out for two	£33.86	£33.79
Cinema ticket	£7.83	£8.30
Week long holiday in Europe	£416	£490
Gym membership (per month)	£31.54	£23.72

**ENDS**

#### **Notes to editors:**

Research was conducted by Opinium between 22<sup>nd</sup> and 30<sup>th</sup> March 2016. Sample:1,000 respondents aged 20-35 and 1,003 respondents aged 36-50.

#### **About Zopa**

[Zopa](#) is the UK's leading peer-to-peer consumer loans service - bypassing banks and their high charges to put more back into the pockets of the UK's lenders and borrowers. Zopa matches smart borrowers looking for lower-rate loans with lenders looking for higher interest. Since Zopa was founded in 2005, it has arranged more than £1.4 billion in peer-to-peer loans and has been voted MoneySuperMarket's Best Personal Loans



Provider 2016, 'Most Trusted Personal Loan Provider' in the Moneywise Customer Service Awards for the past six years and Consumer Moneyfacts best overall customer service in 2014.