Investing views, habits, and tendencies of Millennial generation in USA.

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Abstract

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Abstract

This Bachelor's thesis research was to study investing views, habits, and tendencies of the Millennial generation in the United States of America. This study aimed to determine how well-informed the Millennial generation in the USA about investing. Another two primary objectives were to analyze the reasons for the decline in investment of this generation. As well as to formulate the overview of how FINTECH companies advertise their services to Millennial generation. Due to the high level of interest among this group in this industry.

This study includes a theoretical framework which provides a thesis with secondary data of existing research and online sources. The primary data collected through a quantitative research method in the form of a survey.

The theory of this thesis investigates the main specifications of the reasons for the decline in investment, investing views and habits of Millennials. Besides indicating the basic principles of investment and the attitude of the generation to such. Including consideration of marketing strategies of FINTECH companies for possible subsequent implementation in traditional financial institutions.

The primary quantitative data in the form of the survey involved the generation of Millennials across America. This study recruited 132 participants, including 87 Gen-Y.1 respondents and 45 Gen-Y.2 respondents. The results were analyzed with the help of SPSS. The gathered data from the questionnaire concerning topics of saving and investing, attitudes to the investment of the Millennial generation, risk attitude and basic understanding.

The results of this research presented that there are several reasons for the decline in investment. The two main ones are lack of capital and lack of appropriate financial education. 85% of respondents said that they believe that the main reason for financial illiteracy among their generation is the lack of appropriate education in educational institutions. The author attributes the high level of student loan debt to the lack of savings funds for investment. The inability to budget personal finances along with a low level of financial education is the reason for challenges in paying off educational loans. It was determined that many traditional financial institutions are experiencing a decline in the interest of this generation. The lack of trust and revision of values in this generation is the reason for the decline in interest. The level of financial education of Millennials is considered as low

Keywords

Investing, Millennials, Investing views, Investing habits, Investing tendencies, Fintech advertising.

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Appendices

1 Introduction

This Chapter covers the preliminary information about the thesis and demonstrates the questions and goals of the research. It covers the research questions used to write the thesis and demonstrates the scale of the project. The first Chapter also discusses key concepts that help the reader to understand the thesis paper better.

1.1 Background

Numerous research centers conducted a measurement of public opinion on crucial issues about differences in demographics, particularly generation Millennials. Researchers and popular media use the early 1980s as the Millennial generation's initial birth years and till the mid-1990s to the early 2000s as the final birth years. (Goldman Sachs Global Investment Research 2015.). Although the Pew Research Center considers that the last year of birth of Millennials is 1996. (Pew Research Center 2019.) Anyone born between 1981 and 1996 is considered a Millennial, and anyone born since 1997 is part of the new generation. (Pew Research Center 2019.)

In this thesis, the author stretches this framework from the beginning of 1982 to the end of 2000 as the endpoint of the Millennial generation's birth.

Members of the demographic cohort are known as Millennials because the oldest became adults at the turn of the third-millennium AD. (D. Paulin G., 2018.). Subsequently, in 1993, the publishing house Advertising Age introduced the concept of Generation Y or Gen-Y as a short name for this generation, which meant the teenager of the day. (Adage 1993.) Nonetheless, in general usage, the name "Millennials" is more often applied.

In 2015 the U.S. Census Bureau used the mark from 1982 to 2000 as a description of Millennials. (U.S. Census 2015.) According to Goldman Sachs, in 2015, the population of Millennials in the United States was 92 million (1980-2000). At the same time, the Baby Boomer generation (Defined as people born from 1946 to 1964 (Sheehan 2011.)) has stepped the 77 million mark.

The number population of Millennials varies depending on the definition used. In the present case, this definition is from 1982 to the 2000 year of birth. It is estimated that in 2025 the Millennial generation will make up more than 50% of the U.S. workforce. (Lettink 2019.) It also essential to bear in mind that the number of Millennials is continuously growing due to immigration and naturalization. However, based on a Pew Research Center forecast, deaths will exceed immigration in 2033. (Fry 2020.)

This thesis will review the literature on existing research on Millennials' investment tendencies and made personal inferences based on a group of respondents in the United States. Considering that there is currently a relatively small amount of research devoted to Millennials investment, this research will be intended to complement existing research on this topic.

1.2 Limitations

Since this thesis's primary focus is to explore "How well-informed is the Millennial generation in the USA about investments?" the first limitation will be the population's age and geographical group. The study's geographical group will be American citizens or citizens legally residing in the United States (for example, with a green card). The author chose this geographical group for several reasons: Firstly, the United States of America has an open economic and investment policy. Secondly, there is an enormous number of online resources available for studying investments in the United States. Thirdly during the review of various possible countries to apply this study has been revealed that the United States has an issue of financial illiteracy of the Millennial generation.

The second limitation of this study is the demographic composition of the U.S. population. Given that this research explores the views habits and opinions of the Millennial generation, the author set the age frame for people born between 1982 and 2000.

Investment is the main direction of this research. This thesis will cover the main types of investment, such as savings accounts, funds, stocks, bonds, and real estate. The author excludes the consideration of cryptocurrency trading in this thesis. Trading involves short-term speculation making numerous transactions in cryptocurrency. Further, in this thesis, the author will not give investment advice or any other personal views on investment types.

The habits and investment tendencies of the Millennial generation is the focus of the research. The author considered the opinions of Millennials on the topic of investment in the United States. The further author addressed possible reasons for declining in the interest or ability of the generation to invest; in other words, what prevents the Millennial generation from investing. Additionally, the study considers what types of investment the majority of this generation prefers and how these trends are changing the United States' investment market.

Besides thesis includes a consideration of how investment FINTECH (Wealthtech) companies advertise their service to Millennials. Fintech companies comprise Robo-advisors' digital brokers micro-investment platforms and personal Finance management programs. Such companies are working on automation and market accessibility for retail investors. Investors especially value FINTECH companies because of predictive analysis and robotization of the process. The author believes it essential to consider several companies' advertisement strategies since Wealthtech companies are in high demand among the Millennial generation. Consideration of FINTECH companies' advertisement strategies may serve as an auxiliary point for implementing similar strategies for other financial institutions.

1.3 Research purpose and objectives

The topic of the thesis is a financial investment. This study aims to identify the habits and investment tendencies of the Millennial generation in the United States. The thesis reviews the literature on existing research on Millennials investment trends and draws personal conclusions based on groups of respondents in the United States. Since there is currently a relatively limited amount of research on Millennials investment, the study is intended to complement existing research on that subject. The idea is to attract more attention from financial services institutions to adapt to today's youth's changing investment strategies successfully. Among other things, this research could help raise public awareness of financial illiteracy among the young population.

The fact that the sphere of financial investment is continually changing suggests that the younger generation should be financially educated. After all, such financial education of the younger generation will contribute to the country's economic growth and the welfare of the nation. Given that this research topic is fairly new since Millennials entered the workforce stage relatively recently (in terms of time), the author focused on the disclosure of such questions as:

The main question of this study:

How well-informed the Millennial generation in the USA about investments?

Sub-questions serve as an auxiliary point of reference for revealing a possible identified problem. The author identified two additional questions for this study:

What are the reasons for the decline in investment by generations?

How are FINTECH companies marketing their services to Millennials?

1.4 Research method

This study is conducted in two stages. The first stage consists of studying secondary data from similar studies or those that can provide a thesis with a basis for research. The second stage includes collecting information through a survey of the target population.

1.4.1 Secondary data research

Many different sources were studied to form a complete picture for this study, and then several primary sources were identified for the basis. Secondary data is based mainly on Internet resources or research that have been published on the Internet. The author accepts that Internet resources are an excellent option for studying secondary data since they are a repository of many analyzed and examine data in the public domain.

1.4.2 Quantitative research method

In the second stage, a quantitative research method is applied, aiming to obtain the most complete and detailed information about the object of study. A survey is conducted among the target population of Millennials in the United States. The data that was collected focused on a specific thesis within the topic. Based on the information received, the statistical data was analyzed with the SPSS program.

The survey's primary purpose is to measure different opinions, habits, and the level of desire to invest in the stock markets as well as to find the composition of possible declines in investment interest. The survey was compiled using Google forms. The survey’s U.S. participants were recruited through various Internet platforms such as Facebook, Reddit, SurveySwap, and other web sources.

1.5 Key concepts

The Chapter defines the main concepts of the theoretical part to achieve a complete understanding of the reader's part on the topic of this thesis. These aspects and theories are focused on the topic of financial investments.

Financial investments are the allocation of capital to make a profit. (InvestorWords) It could also be defined as an investment of free funds (capital) in various financial instruments to generate income. These financial instruments include shares, bonds, shares, etc. The structure of the financial investment market divided into the following segments:

The stock market, where shares of various companies are traded. The credit market where securities such as government and corporate bonds and other types of debt obligations are purchased. The foreign exchange market where investors can purchase options to buy currency trade on the FOREX market etc. (Investopedia 2020.)

Financial literacy or illiteracy. Investopedia defines financial illiteracy by defining financial literacy. Fernando indirectly defines financial illiteracy as an inability to reduce debt over time, pay bills on time, or even inspect a Bank account. (Investopedia 2020.) Financial illiteracy can lead to poor credit history, bankruptcy, and foreclosure. People with financial illiteracy are more likely to fall into debt because of poor spending decisions. (Fernando 2020.)

401(k) plan – is a defined contribution and tax-advantaged retirement account that numerous employers provide to their employees. Employees of enterprises can make contributions to their 401(K) accounts through automatic salary deduction. Employers also have the option to compensate some or all of the contributions. The profit of the pension Deposit is not taxed until the funds are withdrawn. There are two types of 401(K) – traditional and Roth. Traditional 401 (K) retirement accounts with contributions reduce income tax for the year, but withdrawal is taxable. Through the Roth, type employees contribute from after-tax income, but withdrawals are not taxed. In 2020 the rules and withdrawal amount for individuals affected by COVID-19 were mitigated. (Wohlner 2020.)

Financial Technologies (FINTECH) companies focus on improving and automating the provision and use of financial services. Helping business owners' companies and consumers effectively manage financial processes and operations by using software and algorithms both on a computer and a smartphone. (Kagan 2020.) Fintech companies comprise Robo-advisor's digital brokers' micro-investment platforms and personal Finance management programs. Such companies are working on automation and market accessibility for retail investors. Investors especially value FINTECH companies because of predictive analysis and robotization of the process.

2 Theoretical framework

The purpose of this Chapter is to introduce the reader to the basics of financial investment in the position of Millennials. Furthermore, in this Chapter, the author discloses the marketing strategies of FINTECH companies to identify possible subsequent implementation in traditional financial institutions.

2.1 Millennial generation

Millennials are now entering the workforce defining trends in working world both in the United States and around the globe. It is essential to consider that any aspirations of this generation, whether career, political, investment or ordinary views of the world affect the development of many economic spheres.

The Millennial generation is characterized as a group of individuals who were brought to use technology; people are comfortable with multi-tasking. Millennials have the desire to learn but explore only what they want to study. (Bauerlein 2008.) Millennials have grown up in the age of technology, the Internet, and the Web. Generation prefers online banking and online shopping to the traditional form, which radically changes the world that baby boomers are used to.

2.2 Challenges

While studying the literature for this study, the author concluded that there are various factors why generation Y's interest in investment is declining. This Chapter looks at the primary factors and reasons for the decline in Millennials ' interest in investment.

2.2.1 Wealth Gap

According to a report by the think tank New America "The Emerging Millennial Wealth Gap," the current unemployment rate of Millennials is three times higher than the older generations at the same stage of life, which significantly threatens their future well-being. (World Employment Social Outlook 2015.) Even though this younger generation is more optimistic, adventurous, and inclined to evaluate solutions to achieve a goal realistically. (Citi Foundation 2017.) The average earnings variation between the 18-to 34-year-old age group is lower than in the 1980s, first noted in 2017 by the non-profit organization Young Invincible.

At this point, Millennials earn 20% less than baby boomers at the same stage in life. (New America 2019.) Lower-income levels affect the ability of this generation to accumulate funds through savings and equity. (New America 2019.) Millennials' wealth in 2020 is estimated for 4.6% of the U.S. wealth or $5.19 trillion, while Boomers at the same age accounted for 21.3% of the U.S. wealth which is four times less than Gen-Y today. It is worth noting that this gap in the welfare of the generation can be assessed as "historical".

Partial reasons for this decline are the consequences of the Great Recession and the significant ongoing global COVID-19 crisis that coincided with the U.S. presidential election. The pandemic is the most pressing matter that is holding back the financial growth of the Millennial generation. More than half of American Millennials lost their jobs, reduced working hours, or were sent on vacation. (Data for progress 2020.) Which is 10% higher than in 2009 at the peak of the Great Recession. (Business Insider 2020.)

All this data reflects the same message: if Millennials have fewer savings, it will affect the future of coming generations.

2.2.2 Financial illiteracy

Financial illiteracy is also one of the reasons why many Millennials do not invest. This tendency of low financial literacy has continued over the past twenty years. This generation is considered to have the lowest level of financial education compared to previous generations. Only 24% of all Millennials in the U.S. have a primary financial education, while barely 8% demonstrate a high level. (PWC 2014.) Based on a 2014 PWC research, Millennials were found to be more familiar with math and mortgage topics than with asset inflation and diversification topics, where they performed relatively poorly. (PWC 2014.)

Based on an analysis of data from Yahoo's National financial capacity research, it is estimated that such a low financial literacy level is directly related to the student loan crisis. (Yahoo! Finance 2020.) This issue significantly prevents the younger generation from investing.

2.2.3 Student Loan Debt

In modern America, the wage gap between Millennials with higher education and those with only a high school diploma is growing. With the number of applicants who want to get a higher education, educational institutions' tuition cost also increases. This subsequently increases the total student debt of this generation in the United States. Of course, it is worth considering that a loan of money for education can provide a lifetime of income. The basic theory of such debts is that borrowed funds contribute to the aggregate indicators. (New America 2019.) However, this does not negate the fact that such debt consumes a significant share of Millennials ' income. It follows that the issue of student debt has become one of the sources of deterioration in the financial condition of Millennials.

At the beginning of 2019, the number of Millennial who have a loan (15.1 million) have an estimated total outstanding debt of $497.6 billion, which is an average of $33,000 per debtor. (New America 2019.)

It is notable that students take loans for education with the belief that in the future, this type of investment will provide the learner with a greater probability of employment and an increase in earnings. Statistics confirm that this is an efficient type of investment that is more likely to bring significant revenue growth. However, some Millennials drop out of colleges and universities before they graduate, thereby not getting the benefits and experiencing the most significant difficulty paying off their debts. (New America 2019.)

Based on the facts given above, the author concludes that in addition to reduced wages, Millennials must pay off their student loans, which ultimately causes a lack of funds for investment or, in other words, savings.

2.2.4 Potential 401(k) crisis

Furthermore, Millennials' financial problems continue to accumulate in the face of a potential 401 (k) crisis as more companies reduce or cancel benefits packages for their employees. Eisenberg, in his 2016 study "Are Millennials Heading for A Retirement Crisis Too?" found that 48% of Millennials face a problem accessing a 401(k) plan. The reason is that numerous individuals of this generation work independently part-time or in small enterprises that do not provide 401(k) plans. (Eisenberg 2016.) This may again lead to the idea that numerous young investors will be required to rely more on their investments for retirement.

2.3 Risk and Returns

When investing, understanding the concept of risk and return is essential when it comes to motivating people to invest and save. There are various models for calculating risk and return, but in this section, the author considers one of the most frequently used models for pricing capital assets (CAPM). (CFI) This model describes the relationship between systematic risk and expected return on assets, particularly stocks. (Kenton 2020.) Widely used in Finance for pricing risky securities. (Kenton 2020.) Below is a formula for calculating the expected return on an asset taking risk into account:

$$ER_i = R_f + \beta_i(ER_m - R_f)$$

Equation 1 CAPM

where:

- ERi is the expected return of investment
- Rf is the risk-free rate
- βi (Beta) is the sensitivity of the expected excess asset returns
- (ERm−Rf) is the market risk premium

Additionally, the Sharpe ratio can be used to help investors understand investment returns versus risk. By subtracting a risk-free rate from the average return rate, the profit associated with a risky investment could be isolated. (Hargrave 2020.) The Sharpe ratio is calculated with:

$$Sharpe\ Ratio = \frac{R_p - R_f}{\sigma_p}$$

Equation 2 Sharpe ratio

where:

- Rp is the return of the portfolio
- Rf is the risk-free rate
- σp is the standard deviation of the portfolio's excess return

2.4 Investment options

There are various ways of investing, the safest options, medium, and high-risk options. A variety of investment types means that investors can choose a suitable portfolio with the appropriate level of risk. (Bankrate 2020.)

In this Chapter, the author considers possible investment options to form a clearer picture of investing for the reader.

2.4.1 Savings account

Roughly speaking, a savings account is a service provided by a Bank. This service allows Bank customers to keep their money under interest. Thus, the client can earn a certain amount of interest set by the Bank. This type of service is considered one of the safest types of savings. Savings accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC is an independent agency that was founded by the U.S. government and is intended to protect the U.S. financial system which assists in protecting customer deposits in the case of bank failures. (Royal. 2020)

As public distrust of the banking system grows and especially among Millennials the independent FDIC agency assists to promote the financial system in the United States by overseeing financial institutions and attempting to increase trust in the banking system. (Pritchard. 2020)

Savings accounts serve as the secure storage funds in a bank or credit union. Credit unions are similarly under the supervision of the National Credit Union Share Insurance Fund (NCUSIF). However, some credit unions are not federally insured. (Pritchard 2020.)

When investor deposits wealth to savings accounts, particular interest is credited. The interest rate depends on the economic situation and the bank's competitiveness in the market. Such rates, especially in savings accounts, are not exceptionally high and average 0.09% per week. Interest rates in banks may not correspond to the level of inflation, but commonly they do, and the risk of loss under such conditions is minimal since funds are insured at the Federal level. (Pritchard 2020.)

Various banks have various restrictions such as the minimum balance or charging a monthly or annual fee if the minimum balance does not meet the norm set by the Bank. Since savings accounts are intended for savings, many banks have restrictions on possible withdrawals per month or over the Bank's set period. According to the same liquidity of savings accounts and cash and FDIC insurance, this type of investment experiences a good reputation among the old generation. However, the younger generation's interest in traditional banks is falling, significantly changing traditional banks to more modern, technological, and convenient types. According to a Gallup survey, Millennials are 2.5 times more likely to change banks. A possible reason is the presence of diverse views and judgments and the low level of interaction with customers on the part of traditional banks. (Mcfelly. 2018)

2.4.2 Certificates of Deposit

Certificates of Deposit typically offer a higher interest rate than savings accounts. The main feature of term deposits is that it is irritable to withdraw funds within a certain period set by banks without penalties. This Deposit is also low-risk and warranted to profits. Long-term certificates of Deposit have higher returns than short-term ones. However, certificates of Deposit have less liquidity than the previously mentioned savings accounts. (Strohm. 2020)

Certificates of Deposit bear the risk of reinvestment (if interest rates fall, investors will get a lower return if they decide to re-invest the amount and interest in new certificates of Deposit). (Royal 2020.)

A 2014 Bankrate study found that 69% of Millennials are few or no familiar with CD. However, various financial experts consider that CD is one of the most undervalued types of savings accounts for Millennials. (Kporis 2020.)

2.4.3 Bonds

A bond is a debt security that is a loan. This promissory note is signed between the lender and the borrower and includes information about the loan and payments. Bonds are used by companies, municipalities, states, and government to provide various projects with the necessary financial support. (O'Sullivan, Sheffrin & Steven 2004,507.) The most common types of bonds are municipal and corporate bonds.

Government and companies practice bonds as a form of borrowing. Bonds or securities are fixed income and are part of the three principal asset classes. (Hayes 2020.)

A company issues corporate bonds to raise finances for, for example, business expansion, current operations or mergers, and acquisitions between companies. (O'Sullivan, Sheffrin & Steven 2003, 281.) Short-term corporate bonds have an average maturity of one to five years. Executes corporate bonds are less susceptible to interest rate fluctuations than medium-term or long-term corporate bonds. (Royal 2020.) There is frequently a risk that the company will face financial difficulties or have its credit rating downgraded, leading to a default on the bonds. Since the FDIC does not insure short-term corporate bonds, this significantly increases the risk of losses. However, corporate bond funds are considered a valid investment option in reducing the overall risk of the portfolio. (Royal 2020.)

The Federal government issues Treasury bonds while the authorities and state governments issue municipal bonds. The government issues a municipal bond with financing public projects (schools, roads, infrastructure repairs, airports, etc.). Roughly speaking, these are loans that investors provide to local authorities. (Chen 2020.)

As for the general understanding of bonds, this security can be described as a loan. The most common types of payments are nominal and interest payments. The nominal value of a bond is the amount paid to the investor at the end of its maturity. The percentage of certificate yield can be calculated using the following formula:

$$Coupon = \frac{CPR * FV}{NPER}$$

Equation 3 Percentage of certificate

CRP=Coupon rate of interest

FV= Face value

NPER=Number of coupon payments per year

Additionally, there are the most superficial non-coupon bonds; such bonds do not make coupon payments. Thus, the investor receives only one cash flow. The U.S. government offers coupon-free bonds or, in other words, Treasury bills. The person purchasing the bill provides the government with a loan for the duration of the security. When the term of a Treasury bill comes to an end, the government pays the debt in the amount of the nominal value of the bill. Only the Central Bank of the state, which acts as the final credit authority, can issue a Treasury bill. Since bills are sold at a discount, they do not earn interest, and when the time comes for repayment, the government compensates for the face value. (Royal 2020.) For example, if an investor acquires a $3000 Treasury bill for $2000, the investor will gain a profit of $1000.

Millennials are intimidated by the volatility of bond prices. However, it is essential to note that volatility is a temporary feature and is considered as a price for higher returns than stocks. (Curtis 2019.)

2.4.4 Shares

Corporate ownership is divided into shares (also called stocks), which can be purchased on the stock market. A share is a type of equity security that gives the owner the right to receive a part of the net income from the activities of a joint-stock company in the form of dividends as well as a part of the company's property in the event of its liquidation. There are two types of shares: common and preferred. Common shares give owners the right not only to receive a part of the company's profit but also to engage in the joint-stock company's administration. At the same time, one share corresponds to one vote at the general meeting of shareholders. Preferred shares license owners to receive a share of the profit (usually more than for common shares), but they do not provide the right to vote at the shareholders ' meeting. (Hayes 2020.) The income received from holding shares is a dividend.

Companies place shares of their stock on an exchange called an Initial Public Offering or IPO. When investors purchase shares, it permits companies to attract more financial support for business expansion. As a result, investors can purchase and trade shares, and the stock exchange only tracks supply and demand (which helps determine the share price) of each share that was registered.

Currently, transactions in the stock markets take place via the Internet or through online stockbrokers. Compared to earlier times when stock trading took place in physical stock markets, the modern type of trading makes it much easier to attract new investors to the financial environment. (O'Shea, Davis 2020.)

Commonly many investors track the dynamics of stock markets through a broad market index, for example, such as the S&P 500 or DJIA. This is covered in more detail about the indices in 2.4.5.

Investing in the stock market ordinarily means "high risk," but if the investor chooses the right investment strategy, holding shares will be safe and frequently means with minimal risk of long-term losses. A long-term investment in the stock market is a reliable way to accumulate wealth. Moreover, in the case of short-term purchasing and selling of shares, the probability of making mistakes increases, which can ultimately lead to losses.

Oddly enough, many Americans do not even suppose that they have probably already invested in the stock market through 401(k). Various mutual funds that consist of shares of various companies are included in 401(k). Shares can likewise be purchased through a brokerage account or an individual IPA retirement account.

When purchasing shares, the investor should consider that shares carry more risk than other securities but thereby increase the profit opportunities. Stocks and mutual funds are more proper for an extended period than short-term investments within five years.

Nevertheless, only 23% of Millennials choose to invest their savings in the stock market. (Tepper 2018.) An exciting fact is, that as mentioned earlier, many Millennials invest in the stock market through a 401(k)-pension portfolio. Meanwhile, 30% of Millennials prefer to keep their savings in cash.

2.4.5 Indexes and funds

Mutual and exchange-traded funds represent a variety of different assets and a common way to diversify for investors. The main distinction between an ETF and a mutual fund is the ability to trade shares since mutual funds only trade at the end of each trading day at the estimated price. The mutual account manager determines how to allocate assets in the Fund while the ETF is managed based on the market index. As of the end of 2018, the total value of assets in mutual funds was $17.71 trillion, while the total assets of ETFs were $3.37 trillion. (Investment Company Institute 2018.)

Mutual funds combine investors' money and invest in securities such as stocks, bonds, and short-term debt. Each share represents the investor's share of the Fund as well as the income that the investor earns. Positive, distinctive qualities of a mutual investment fund provide an advantage when choosing investors where to invest their savings. These functions include professional management, diversification availability, and liquidity. Investing in diverse industries and companies significantly reduce the risk of losses. (Investor 2020.) Although ETFs have the same basic principle for allocating investments in securities, a significant difference is that ETFs are traded on stock exchanges like shares of a public company. Furthermore, this subsequently leads to regular pricing.

Warren Buffett, one of the famous and legendary entrepreneurs and investors around the world, has for years advised individual investors to buy and hold an index fund to get the most out of their investment in the long run. An index fund is a type of investment Fund (unit or ETF) based on an index. This Fund is considered a traditional type of investment with passive management, which adjusts assets only when the benchmark index changes. (Royal 2019.) There is various number of indexes that were formed based on the number of variables. Such variables may include companies' indexes based on their geolocation, or industry, or whether dividends are paid. The author considers some of the most extensive U.S. stock market indexes.

The Standard & Poor's 500 is one such index. This index is considered a benchmark for the U.S. stock market. The reason for this is that the index lists the 500 most stable companies in the U.S. The S&P 500 also holds a wide range of different industries and is diversified, and accounts for about 80% of the value of the U.S. stock market. Some of the largest companies in the S&P 500 include Intel, Microsoft, Apple, Walmart, Facebook, and Alphabet. The S&P 500 provides to own a share in hundreds of stocks. A wide range of companies significantly reduces the risk of losses since if one company goes bankrupt, it will not cause serious harm to the index's stability. Most likely, it will be replaced. Low cost is also considered an advantage of this index. The reason for this is due to passive index management. The average annual return on the S&P 500 is 10% over a long period. Finally, it is easier to invest in index funds than buying individual stocks. S&P 500 index funds have almost the lowest expense ratios in the market. Index investing is considered to be the most affordable type of investment than any other.

The Dow Jones Industrial Average 30 is also among the most widespread and most followed indexes on the U.S. stock market. It includes the 30 largest publicly-owned companies with stable profits (or blue-chip companies). These companies include Visa, McDonald's, Nike, Apple, Microsoft, and Disney. The DJIA varies significantly from other similar indexes in that the index uses price weighting rather than market-capitalization weighting, as the S&P 500, for example. This indicates that its price weights each share concerning the price of all other shares within this index. Stocks with higher prices carry more power in DJIA, which means that a more significant percentage change in the more expensive element will have a significant impact on the final calculated value. (Ganti 2020.) As the country's economy changes, so does the structure of the index. Changes in the index's structure commonly occur when a company becomes less stable or relevant to current trends in the economy. Due to the loss of part of its market capitalization in the case of financial crises, the company may be excluded from the DJIA index.

The 100 largest technology companies are incorporated in the Nasdaq index, which is also one of the most actively traded indexes in the United States. The index includes companies in retail, biotechnology, industry, technology, healthcare, and others besides the financial industry, which includes companies such as Adobe, Apple, Microsoft, Facebook, Netflix, Nvidia, PepsiCo, and Amazon. The index is based on a modified capitalization methodology, using individual weights of the included companies by their market capitalization. (Chen 2019.) Most of the 54% weight of the index covers the technology sector, followed by consumer services, which covers a quarter of the capitalization weight.

Like any publicly traded stock, all the above indexes can lose value during an economic downturn. However, during the economic recovery, their value increases again. Furthermore, these are considered the least risky ways to invest in stocks because they consist of the leading companies in the markets. The state does not insure these indexes, so there is a possibility to lose money when the value fluctuates.

2.4.6 Real estate

Unlike investing in stocks and bonds, property owners can use loans to buy real estate. Owning and purchasing real estate is also considered an investment strategy. Property is considered an excellent way to invest. The average selling price of real estate, especially homes, increased every year between 1963 and 2007. House prices peaked in the period from 2006 and began to decline in 2007, reaching new historical lows. The reason for this decline was the credit crunch, which occurred as a result of the bursting of the real estate bubble. That is part of the reason for the beginning of the great recession in the United States. Consequently, the purchase prices of houses have reached lows, and many neighborhoods and areas have become unsuitable for living in.

However, to date, the causes of the Great Recession have been eliminated by the real estate industry, the financial industry, and politicians. By encouraging lending to financial institutions, the effect of zero interest rates has stabilized the U.S. economy. Supply and demand for housing have stabilized, and mortgage rates are in balance. Considering the COVID-19 pandemic, the results of the crisis are not yet noticeable; however, likely, real estate sales will significantly decrease due to the vast number of unemployed citizens. However, this does not mean that house prices will follow the economic downturn, but it will at least cause a decline in real estate purchasing and selling power. (Mansa 2020.)

Real estate in financial investment is, roughly speaking, ownership of property. Such real estate can be owned, sold, or leased. Due to the fact that mortgage rates have hit an all-time low, now may be an excellent time to finance the purchase of a new property. Purchasing and selling real estate is a time-consuming and sensitive issue compared to other investment types in the stock market. Nevertheless still, over time, by paying off debts and raising rents, the investor will have a powerful flow of funds in their retirement. The level of liquidity of this type of investment is considered one of the lowest, making real estate a risky investment. (Royal 2020.)

Based on Bankrate's research, investing in real estate was considered a favorite method among many Millennials until 2017. In 2018, Bankrate research showed that the real estate market has moved to the third position, accounting for 22% of Millennials' preferences among types of investment. (Tapper 2018.) The National Association of Realtors said the real estate market is experiencing a downturn, as home sales are down 2.2% among Millennials compared to 2017.

2.5 Advertising of investments

The author considers it essential to examine how some investment financiers' companies advertise their services as an excellent example of Millennial generation consumer-oriented advertising strategies.

The values and needs of the Millennial generation differ significantly from other, older generations. This generation has grown up and lived in a time when technology is improving and making the everyday investment experience easier. Therefore, Millennials value services, products, and people that are as close to their perception of the world as possible. Such value demonstrates transparency, convenience, and simplification of life. (Kassin 2016.) In five to six years, the first digital generation will own more than 48% of global revenue. (Computools 2019.) In today's reality, the millennial generation has a severe impact on the development of the economy. This generation will shape the future of the financial industry. However, it is also widely known that the financial sector is the slowest to adjust to any changes and regulatory schemes. Also, banks were an integral part of society in the past. However, research shows that banks such as Chase, Bank of America, Citigroup, and Wells Fargo, which are the top banks in the United States, currently enjoy the lowest demand among Millennials. According to the Millennial Disruption Index, 33% of Millennials believe that banks will run out of consumer demand.

Moreover, according to a study by Blumberg Capital, 60% of Americans believe that banks do not meet and do not cope with the needs of Millennials. In comparison, 57% assume that traditional financial institutions will cease to exist as they do today. With no sense of loyalty to certain banks, Millennials are looking for ways to replace getting financial advice and information with newer methods.

FINTECH companies quickly adapt to the needs of the younger generation showing their openness, relevance, and speed of services provided. Also, not the least important factor of FINTECH companies in cybersecurity and the technologies they provide. This means that using the latest cutting-edge technologies such as artificial intelligence and machine learning provides an advantage for Millennial consumers. It should also be taken into account that for this generation, not only “what” but also “how” are crucial [questions]. This "how" includes the quality and speed of services performed. (Computools 2019.)

Thus, the generation that cannot live a day without a smartphone is no longer seen as a disadvantage in this matter; even more, the smartphone provides FINTECH companies with a dedicated consumer group. Many financial apps are More Focused on Millennials as they help solve a lot of financial issues without visiting a Bank. It is also widely known that social networks (Instagram, Twitter, Facebook) are also an integral part of everyday use for Millennials.

2.5.1 Advertising in FINTECH companies

For a complete picture of how financial institutions should advertise their services, the author studies several FINTECH companies and how they advertise their services to Millennials.

The first company, Wealthsimple, is a Canadian online service of Robo-consultants for investment management. Founder Michael Katchen launched his Wealthsimple project in 2014 after realizing that many people find investing difficult, intimidating, and expensive. By setting a goal to help people achieve what they want and live the life, they dream of. Creating a service and brand that is fundamentally different from traditional brokerage services modernizing the brokerage market. (Tell 2018.) Wealthsimple offers its clients an easy-to-manage interface, a digital communication channel as well as fashion branding, and active participation in social networks. (Tell 2018.) Wealthsimple's strategy is to target the Millennial generation as a niche subgroup of people when the issue of money has lost interest on their part. This campaign tells the story in a language that Millennials appreciate (lexicon and focus).

Strong storytelling in the form of videos posted on social networks Youtube and other Internet sites representing different stories of ordinary people putting a substantial value in the company's marketing strategy. This company's various advertising videos have a more humorous relaxing character with an outstanding directorial performance that is more attractive to the younger generation, making it intuitive and inspiring to think about such a complex topic as "Money". For example, readers can watch the commercial "Wealth Super Bowl Ad-Mad World". Actual influence marketing is also the predominant marketing strategy used. Millennials are 54% more likely to buy products or use services that are promoted by celebrities or people who have an impact on the audience.

Wealthfront, an industry-leading company, was similarly created around a new wave of Millennial investors. Founded in 2011, the Wealthfront business model offers cost-effective financial portfolio management by monetizing it with a fixed commission (0.25%) for assets over $10,000. Maintaining low costs by applying a universal approach using Robo-advisers is the reason this company refused high commissions. (HBS Digital Initiative 2017.) Most of the clientele of this company are individuals under 35 years of age and make up more than 60%. The ability to keep track of their portfolio via the Internet or a smartphone app is a critical component that allows making the user experience as simplified and transparent as possible, which again attracts Millennials. (Rao 2015.)

In many ways, the Wealthfront strategy does not differ from the working strategy of traditional financial institutions since the portfolio focuses on asset diversification and managing it through a portfolio of exchange-traded funds (ETFs) tracking market indices. However, Wealthfront's service offering is more diversified than typical balanced mutual funds. (HBS Digital Initiative 2017.) Wealthfront attracts public attention by maintaining an active blog on social networks, where it discusses economic and market issues. By educating their audience, they keep the company's Wealthfront up to date while also taking advantage of the free marketing trend where interested people share posts with friends or on their social media wall. A distinctive feature of this company is close cooperation with various technology giants and start-up companies. In partnership with Palantir and Google, Wealthfront created an integrated alternative for 401(k) employees, creating an API for interacting with employees. (Rao 2014.) It launched an individual stock diversification service in collaboration with Twitter allowing employees to suppress the company's stock through their accounts strategically, which provided the company with a distinct position among others in the field of financial consulting, matching the needs of the Millennials with additional revenue streams.

Considering the online banking environment, the author highlights Starling Bank as one of the most outstanding in terms of marketing strategy and openness. Starling Bank-provides a current Bank account that exists in the app on users ' smartphones. This company does an outstanding job with branding, using a content strategy in the form of informative newsletters called "the Murmur" with relevant and diverse content. With the Murmur, they publish content created by their users and sharing the success stories of users using their app. (Mint Studios 2020.) A marketing strategy for building loyalty with users is also their advantage. An individual and practical approach to their users is well displayed in their manner of conflict resolution. (Mint Studios 2020.) Traditional banks are losing the loyalty of Millennial users due to the lack of sufficient conflict resolution.

2.5.2 Attracting Millennials

It is necessary for financial service brands and banks to adapt to attract Millennial consumers. They face the challenge of identifying factors to attract a young audience as well as finding the best way to communicate with them. According to Yell's research, approximately 70% of Millennials say that what banks tell them not only inspires distrust but also discourages the desire to listen to what these financial institutions promote. Therefore, it is essential to understand what strategies to attract Millennials should be used to achieve a positive response from this generation. (Yell 2016.)

A peculiarity of the Millennial generation is the desire to access certain information at any convenient time and place via a smartphone, for example. Therefore, financial companies must develop an integrated plan based on the needs of this generation by distributing services through communication channels where Millennials get content planning promotions inefficient environment. By building a business strategy following the desires (openness and transparency) for consumers of generation Y. (Yell 2016.) By being a reliable, relevant source of information with relevant content is likewise an essential part of the demand from consumers. Especially when it comes to financial and wealth management, marketers can attract young people with numerous possible options, for example, by simplifying complex financial conditions by addressing the public with needful financial messages and advice. According to a Yahoo EMEA study published by Houriham, about 45% of Millennials are looking for education and financial advice. By thinking "uniquely", marketers have the opportunity to develop enthusiasm in the financial sector of the younger generation and to demonstrate social responsibility and commitment to improving the world. (Yell 2016.)

3 Research methodology

This study is conducted in two stages. The first stage consists of studying secondary data. The second stage includes collecting information through a survey of the target population. The aim of this study is to identify the habits and investment trends of the Millennial generation in the United States. Bearing that in mind, the author needed to collect a large amount of data from American Millennials from a sample reliable enough to base conclusions on. The author considers the quantitative approach as the most appropriate for further analysis. Therefore, the author decided that a suitable way to carry out the research was an online questionnaire. This questionnaire was distributed through various online channels such as Facebook, Reddit, SurveyCircle, and SurveySwap. The questionnaire was released through a brief explanation of the purpose of this questionnaire and an invitation to participate.

All participants were aware of the limitations of this study and expressed a desire to participate by accepting these requirements. The restrictions were as follows: Americans or citizens legally residing in the United States between the ages of 20 and 35. In other words, this was a random sample of study participants. However, there is a possibility that some participants did not meet the specified requirements. Nevertheless, this is only considered a feature of the online questionnaire.

3.1 Selection of population

American citizens or citizens are legally residing in the United States (for example, with a green card) in age between 20 to 35. they acted as a sample population for this research. The author chose this geographical group for several reasons: Firstly, the United States of America has an open economic and investment policy. Secondly, there is an enormous number of online resources available for studying investments in the United States. Thirdly, during the review of various possible countries to apply this study to, it became clear that the United States has an issue of the Millennial generation's financial illiteracy. Given the fact that this research is exploring the views, habits, and opinions of the Millennial generation, the author set the age frame for the period between 1982 and 2000 years.

3.2 Gathering and analyzing data

Primary data was collected using a questionnaire. A group of people were asked to participate in the study by filling out a questionnaire with a fixed number of questions. Secondary data sources include online sources and online publications as well as past research on the topic that was taken as the basis of the study to form a complete picture.

The primary data analysis method for this thesis is quantitative analysis. To achieve the most appropriate analyzing results author use SPSS Statistics. Defining the connection between different variables among the Millennials population in the U.S. the descriptive statistics are used. The author will use variables to name different characteristics of respondents.

4 Results

Before starting to analyze the data obtained, it is worth noting that due to the wide range of ages of the surveyed participants, the author will also compare two categories of people from 20 to 27 (Gen-Y.1) and 28 to 35 years (Gen-Y. 2). The reason for this is the fact that although they are in the same category of Millennials, however, the life stage, level of experience and self-knowledge of these ages are significantly diverse. Based on Javelin research, Gen-Y.1 are in early adulthood, struggling for a career and just beginning to enter independent life. While Gen-Y.2 considered "older" Millennials, in most cases they have a base (a house) and are on the way to making a family, changing priorities, goals and interests. The financial position also differs between the Younger and Older Millennials. The younger group is just beginning to delve into Finance, trying to change their purchasing power. While the Older ones already have a formed credit history, being able to get the first mortgage. So, the difference in priorities and needs of the generation is vast. (Kasasa, 2020)

This study recruited 132 participants, including 87 Gen-Y.1 participants and 45 Gen-Y.2 participants.

4.1 Savings and investments

The survey started with the question "Do you currently have personal savings?". (Table 1) Most of the participants gave a positive answer which was 120 people (or 90.9%). A negative response was given by 12 people (or 9.1%). It is worth noting that most of the respondents (13), who answered negatively are from the Gen-Y.1 group and only one of the Gen-Y.2 group. It makes sense to be, as described earlier, young people have too many barriers to making savings. Which significantly hinders not only accumulation but also an investment for further savings. However, 76 people surveyed by the younger generation still gave a positive answer, which is the overwhelming majority between the answers "Yes" and "No". 44 participants from Gen-Y.2 also gave a positive response. Conclude from the question that 90.9% of respondents have a satisfactory financial situation with the possibility to make further investment steps. (Table 2)

		Do you currently have personal savings?		
		No	Yes	Total
Age	20	0	3	3
	21	3	8	11
	22	1	14	15
	23	1	9	10
	24	1	14	15

	25	2	13	15
	26	0	11	11
	27	3	4	7
	28	1	6	7
	29	0	4	4
	30	0	7	7
	31	0	4	4
	32	0	6	6
	33	0	5	5
	34	0	7	7
	35	0	5	5
Total		12	120	132

Table 1 Personal savings (By group age)

127 respondents or (96.2%) have higher education. (Table 3) At the same time, only 5 respondents (3.8%) noted that they do not have. This question is an introductory one for a better understanding of the following question.

The next question for Millennials was, "Do you currently have College or University debt?" (Table 4), which is fairly important for understanding the possibilities of accumulation. The Answers were divided almost equally, making up 70 (or 53%) of the answers in the "No" section, and 62 (or 47%) of the participants gave a positive answer. The number of members of the Gen-Y.1 group who have education debts is 42. While 47 gave a negative answer, which in principle can be calculated as equal to the percentage component ratio. Analyzing the responses of the older generation, it can be noticed a similar equal distribution of the percentage ratio; 20 people gave a positive answer, while 25 reported that they have no debts. (Table 5)

		Do you currently have College or University debt?		
		No	Yes	Total
Age	20	3	0	3
	21	8	3	11
	22	10	5	15
	23	6	4	10
	24	7	8	15
	25	7	8	15
	26	2	9	11

	27	2	5	7
	28	4	3	7
	29	3	1	4
	30	3	4	7
	31	3	1	4
	32	3	3	6
	33	2	3	5
	34	6	1	7
	35	1	4	5
Total		70	62	132

Table 2 Debts (By group age)

4.2 Behavior

The purpose of the following questions is to determine how much the Millennial generation is oriented on investing.

The third question in the survey was "What's the likelihood that you will invest in the next 6 years?" (Tables 6 and 7). 36.4% (or 48 people) reported that they are likely to invest in the next 6 years. In contrast, 15.9% (or 21 people) are not going to invest. It is also impressive that ¼ of the respondents (or 33 participants) already invest. However, 22.7% (or 30 people) are still undecided about the next opportunity to invest in something. (Table 6)

Dividing the answers into groups, Gen-Y.1 has 52 participants (or 59.8%) who answered "Already invested" and "Likely", 11 respondents (or 12.6%) answered "Not likely", and 24 people (27.6%) noted that they still find it difficult to respond this question. The older generation has a more formed position on this issue: 29 participants (64.4%) said that they are "Already invested" and "Likely", 10 people (22.2%) believe that they will not invest, and only 6 people (13.3%) who are undecided yet. (Table 7)

		What's the likelihood that you will invest in the next 6 years?				
		Already invested	Likely	Not likely	Unsure	Total
Age	20	0	3	0	0	3
	21	3	4	1	3	11
	22	1	7	1	6	15
	23	3	3	1	3	10
	24	1	8	3	3	15

	25	4	4	3	4	15
	26	5	2	1	3	11
	27	2	2	1	2	7
	28	4	1	1	1	7
	29	1	1	2	0	4
	30	1	2	3	1	7
	31	0	2	2	0	4
	32	1	2	1	2	6
	33	2	1	0	2	5
	34	3	4	0	0	7
	35	2	2	1	0	5
Total		33	48	21	30	132

Table 3 Invest in the next 6 years (By group age)

The fourth question was, "What do you feel about personally investing?" (Tables 8 and 9). Showing how certain the generation is in their knowledge and confidence when investing. The author does not claim that a high level of confidence in their own investment is a positive aspect. However, it is possible to understand the predisposition to confidence in the future.

More than half (56.1% or 74 people) of the respondents are positive about their own investment. While 12.1% (16 people) negatively view this type of investment. 31.8% of respondents (42 people) have a neutral opinion. (Table 8) Dividing opinions into groups of individuals, 74 people (making up 85%) of the Gen-Y.1 group view this species positively or neutrally, while Gen-Y.2 has 93.3% (42 people) responding positively and neutrally. 13 (14.9%) Gen-Y.1 and 3 (6.7%) Gen-Y.2 individuals have a negative opinion. (Table 9)

The difference in self-investment confidence between the two groups is reasonable. However, self-confidence, while investing with a high overall score, can be regarded as positive.

		What do you feel about personally investing?			
		Negative	Neutral	Positive	Total
Age	20	0	1	2	3
	21	1	5	5	11
	22	2	4	9	15
	23	5	0	5	10
	24	1	7	7	15
	25	2	5	8	15

	26	0	3	8	11
	27	2	1	4	7
	28	0	4	3	7
	29	0	2	2	4
	30	1	2	4	7
	31	1	1	2	4
	32	1	2	3	6
	33	0	2	3	5
	34	0	0	7	7
	35	0	3	2	5
Total		16	42	74	132

Table 4 Personally investing (By group age)

The next question was aimed at presenting a possible conditional situation to determine what action the participants in this cohort would do. The question is, "If you have a 2,000$ of personal savings, will you invest some of it into the stock market?". (Tables 10 and 11)

Oddly enough, opinions were almost evenly divided: 50.8% (67 people) answered "No", and 49.2% (65 people) answered "Yes". The possible reason for the answer "No" is the attachment and preference of Millennials to keep money in cash, roughly speaking, to keep it at hand. A significant potential reason for the high negative value is the experienced Great Recession crisis and the ongoing Covid-19 crisis. Also, the level of risk for many Millennials plays a major role, but more on that later. (Table 10)

The number of Gen-Y.1s who would consider or invest in a stock market is 43 people or 49.4% of the total number of this group. A similar percentage is present in the Gen-Y.2 group in 48.9% or 22 people. A negative response to the hypothetical situation was given by 50.6% (44 people) of the Gen-Y.1 group and 51.1% (23 participants) of the Gen-Y.2 group. (Table 11)

		If you have a 2,000$ of personal savings, will you invest some of it?		
		No	Yes	Total
Age	20	0	3	3
	21	6	5	11
	22	9	6	15
	23	7	3	10

	24	5	10	15
	25	8	7	15
	26	4	7	11
	27	5	2	7
	28	3	4	7
	29	2	2	4
	30	3	4	7
	31	3	1	4
	32	5	1	6
	33	3	2	5
	34	1	6	7
	35	3	2	5
Total		67	65	132

Table 5 2,000$ of personal savings (By group age)

The level of self-assessment of knowledge in the financial sphere is also a key factor for understanding and improving your awareness. The question was, "How well are you acquainted with personal Finance and investment topics?". (Tables 12 and 13) A total of 38 respondents (28.8%) said they were "Quite familiar," and 1 (0.8%) said that was employed as a financial adviser.

This value was exceeded by the number of people who answered that they know almost nothing about financial topics, with a mark of 39 people or 29.5%. The largest number of respondents (54 people or 40.9%) answered that they have a basic level of knowledge about Finance. Although the level of knowledge is low, understanding and accepting this fact is a positive hallmark of Millennials. (Table 12)

26 people (29.9%) of the Gen-Y.1 group answered that they are quite familiar with the financial topic and 1 of which is employed as a financial adviser, 34 of respondents (39%) said that they have a basic level, and 27 (31%) of respondents said that they know almost nothing about this topic. A similar number is found in the Gen-Y.2 group, where 13 participants (28.9%) answered that they were quite familiar with the topic, 20 people (44.4%) answered that they had a basic level, and 12 people (26.7%) were practically not familiar with this topic. (Table 13)

		How well are you acquainted with personal Finance and investment topics?				
		Employed as a financial advisor	I do not know much about it	I have general knowledge	Quite familiar	Total
Age	20	0	0	2	1	3
	21	0	4	6	1	11
	22	0	8	4	3	15
	23	0	5	4	1	10
	24	0	1	8	6	15
	25	1	5	4	5	15
	26	0	2	3	6	11
	27	0	2	3	2	7
	28	0	0	4	3	7
	29	0	1	2	1	4
	30	0	1	3	3	7
	31	0	2	2	0	4
	32	0	2	2	2	6
	33	0	3	2	0	5
	34	0	0	5	2	7
	35	0	3	0	2	5
Total		1	39	54	38	132

Table 6 Acquiring with personal Finance and investment topics (By group age)

However, analyzing the next question, "How much are you willing to invest with the finance knowledge you have now?" (Table 14), it can be noted that 3 individuals who noted that they know almost nothing about Finance are investing, and 10 people with an average level of knowledge are also investing. This is a fairly good tendency in the development of investment skills. It's also fair to note that 13 people who also have a basic knowledge of investing would probably be able to invest. The trick is that, in principle, the level of financial literacy is not important to invest successfully. Since in the modern world, there are a huge variety of ways to invest your savings (for example, to hire a financial adviser). However, 43 (32.6% of the total number) people who are not familiar with the financial environment are not ready to invest their savings.

		How much are you willing to invest with the finance knowledge you have now?				
		Already invested	Likely	Not likely	Unsure	Total
	Employed as a financial advisor	1	0	0	0	1
	I don't know much about it	3	4	21	11	39
	I have general knowledge	10	13	22	9	54
	Quite familiar	15	18	5	0	38
Total		29	35	48	20	132

Table 7 Invest with the current finance knowledge (By group age)

Analyzing the question "How much are you willing to invest with the finance knowledge you have now?" (Table 15 and 16), it can be noted that the overwhelming majority of participants of 36.4% (48 people) said that with the current level of knowledge, they would not be willing to invest. 33 people (37.9%) of which are respondents of the Gen-Y.1 group, and 15 respondents (33.3%) of the Gen-Y.2 class. However, the next largest is the "Likely" mark at 26.5% (35 respondents). 17 (19.5%) of which are respondents of the Gen-Y.1 group, and 18 people (40%) of the Gen-Y.2 group. 22% (29 people) said they are already investing. Of which, 21 (24.1%) are from the Gen-Y.1 group, and 8 respondents (17.8%) are from the Gen-Y.2. And 15.2% (20 people) not yet confident in their investment opportunities. Of which, 16 respondents (18.4%) are Gen-Y.1 group, and 4 (8.9%) are Gen-Y.2 class. (Tables 15 and 16)

		How much are you willing to invest with the finance knowledge you have now?				
		Already invested	Likely	Not likely	Unsure	Total
Age	20	0	1	0	2	3
	21	3	0	6	2	11
	22	2	7	4	2	15
	23	2	0	7	1	10
	24	2	5	7	1	15
	25	3	3	4	5	15
	26	7	0	2	2	11
	27	2	1	3	1	7

	28	2	2	3	0	7
	29	0	2	1	1	4
	30	0	3	3	1	7
	31	1	2	1	0	4
	32	0	3	2	1	6
	33	1	1	2	1	5
	34	2	5	0	0	7
	35	2	0	3	0	5
Total		29	35	48	20	132

Table 8 Willing to invest with the current finance knowledge (By group age)

The question "Do you think that the level of financial education in the academies should be improved?" (Table 17) measured opinion on a possible reason Why the millennial generation has such a low level of financial education. The author does not claim that the whole reason for the financial illiteracy of Millennials is the lack of learning in educational institutions. However, one of the supposed problems is exactly this. The question exists to confirm this theory.

Most of the respondents, 84.1% (111 people), agreed with this opinion. While 6.1% (8 people) gave a negative answer. 9.8% (13 people) of respondents are not sure or do not have an opinion on this statement.

In the next question, the author asked for a voluntary answer to "why", respondents who answered " Yes" believe so. The author will use quoting statements of some respondents. The selection of specific responses is based on the vast majority of statements.

- «When kids graduate from school now, they have no financial education on life skills, and you need to learn taxes, debt, interest rates, the economy, budgeting, investing, etc. So many people are disadvantaged from not being taught these skills and are hurt financially when trying to buy a house, build savings, pay off debt, etc. Children are taught to be employees instead of being financially independent and successful. »
- «Financial literacy must become a priority. It should be the 1st year, 1st semester requirement for all college students taking on loan debt.»
- «Cause throwing people who have not learned about personal finance into the world and giving them the immense debt is irresponsible as a society.»
- «Because all I know from it, I learned online or through a friend, which makes me feel like I don't know all of the important factors I should.»

- «To prepare us for real-life.»

Based on the overwhelming majority of respondents, it can be concluded that American citizens believe that students should receive primary financial literacy in educational institutions (especially in schools). Such a lack in the educational program hinders the development of financial independence.

The question "Do you think that investing is a good opportunity to save money for the future?» (Table 18) was addressed to identify the attitude to investment as a way of saving wealth in general. 84.2% (111 participants) gave a positive response, considering that investing in something can be considered a good way to save money. 14.5% (19 participants) stated that they do not consider this a good way to save. And 1.6% (2 participants) found it difficult to answer.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	17	12,9	12,9	12,9
	No, not saving money, to build.	1	,8	,8	13,6
	Not for an average person.	1	,8	,8	14,4
	Not sure	1	,8	,8	15,2
	Possibly, depending on the type of investment	1	,8	,8	15,9
	too risky	1	,8	,8	16,7
	Yes	108	81,8	81,8	98,5
	Yes, if it is done properly. I'm relatively new to investing and have made mistakes already but have also made a decent profit for further investing.	1	,8	,8	99,2
	You have to be careful. Balance risk and consider the term. Typically, yes.	1	,8	,8	100,0
	Total	132	100,0	100,0	

Table 9 investing as an opportunity to save money for the future?

The next two questions measure the investment orientation of Millennials after experiencing financial crises. The author considers it important to examine these opinions since historical indicators form the opinions and commitment of specific individuals to a specific topic.

The question "After going through the Covid-19 crisis, you feel: More comfortable in investing, Less comfortable in investing and Nor less or more". (Tables 19 and 20) 37.9% (50 people) of respondents believe that after experiencing the Covid-19 crisis, they feel less confident in investing. Of which 36 respondents (42.4% of the "young Millennials") of the Gen-Y.1 group, and 14 respondents (31.1% of the "older Millennials") of the Gen-Y.2 group. 23 respondents (17.4%) of the total number began to feel less comfortable. That is 16 respondents (18.4%) from the Gen-Y.1 group and 7 respondents (15.6%) from the Gen-Y.2 group. However, most of the participants did not feel a change in their investment desires. Making up 44.7% (59 respondents) of which 35 participants (40.2%) of the Gen-Y.1 category, and 24 respondents (53.3%) of the Gen-Y.2 category. (Tables 19 and 20)

		After going through the Covid-19 crisis, you feel:			
		Less comfortable in investing	More comfortable in investing	Nor less or more	Total
Age	20	0	1	2	3
	21	5	0	6	11
	22	4	2	9	15
	23	7	2	1	10
	24	5	3	7	15
	25	8	2	5	15
	26	4	5	2	11
	27	3	1	3	7
	28	2	2	3	7
	29	1	0	3	4
	30	2	2	3	7
	31	2	0	2	4
	32	2	0	4	6
	33	3	0	2	5
	34	1	2	4	7
	35	1	1	3	5
Total		50	23	59	132

Table 10 Influences of Covid-19 crisis (By group age)

The question "After going through the 2008 crisis, you feel: More comfortable in investing, Less comfortable in investing and Nor less or more" (Tables 21 and 22) is also related to the historical predisposition of this generation to invest after the Great Recession crisis.

More than half (51.5%) of respondents believe that their investment views have not changed. It is worth considering the fact that the young group of this generation was too young to comprehend the entire crisis; likely, they did not even remember the economic decline of that time. 35.6% (47 respondents) believe that the crisis has negatively affected the perception and desire to invest. (Table 21) Of these, 17 respondents (37.8%) are representatives of the Gen-Y.2 group, and 30 participants (34.5%) are representatives of the Gen-Y.1. And the smallest percentage is the number of 17 people (12.9%) who believe that the crisis served as a support for a more confident attitude to investment. (Table 22)

		After going through the 2008 crisis, you feel:			
		Less comfortable in investing	More comfortable in investing	Nor less or more	Total
Age	20	2	1	0	3
	21	4	1	6	11
	22	4	1	10	15
	23	4	0	6	10
	24	6	1	8	15
	25	5	3	7	15
	26	5	2	4	11
	27	0	0	7	7
	28	2	1	4	7
	29	1	0	3	4
	30	2	2	3	7
	31	3	0	1	4
	32	2	2	2	6
	33	3	1	1	5
	34	2	2	3	7
	35	2	0	3	5
Total		47	17	68	132

Table 11 Influences the 2008 crisis (By group age)

To match the facts that Millennials consider their own principles and judgments above "traditional norms", the following question was asked: "If the company does not adhere to the same moral standards as you, would you invest in this company?". (Table 23) 55.3% of respondents would not invest in such a company, while 29.5% found it difficult to answer this question. And only 15.2% of respondents ignored their principles and invested their savings in a company that does not meet their moral standards.

This is further proof of the fact that most of the American Millennials adhere to their moral judgments and principles.

The next question is based on the hypothetical situation " If no or unsure. Even if it is going to get you a higher return on your investment?» (Table 24) related to the previous question "If the company does not adhere to the same moral standards as you, would you invest in this company?".

Interestingly, the number of respondents who answered "No" decreased and amounted to 26.9% of the total number of respondents. While the percentage of respondents who answered "Yes" increased by 24%, making up 39% of the total number of respondents. But the number of respondents "Unsure" kept its mark at 33.6%.

If no or unsure. Even if it is going to get you a higher return on your investment?

		If no or unsure. Even if it is going to get you a higher return on your investment?				Total
			No	Unsure	Yes	
If the company does not adhere to the same moral standards as you, would you invest in this company?	No	4	26	10	33	73
	Unsure	0	4	28	7	39
	Yes	11	1	2	6	20
Total		15	31	40	46	132

Table 12 Correlation of moral standards and higher return of investments

For clarity in focusing on stressful situations, the following theoretical question was asked: "What do you intend to do if your short-term investment dropped 10% in two weeks?". To do this, the author analyzed all the open questions and will reveal the top of the most popular selected actions in this situation.

After analyzing, can noticed 3 types of tendencies.

1. "Nothing" takes the leading position with 60% of responses.
2. "Not sure" takes the second position in the response rate with 25%.
3. "Withdraw savings " having the third most popular response with 10%.

There is no right or wrong answer to this question. However, the best thing to do in this situation is to contact a financial adviser for a full analysis and action plan. Some respondents said that for a long-term investment, such a drop is almost irrelevant, especially when investing in an index. A high percentage of the "Not sure" response suggests that the respondent negatively perceive the stressful situation when the question concerns savings.

4.3 Risk attitude

Identifying the significance of risk is also a fundamental factor in measuring investment attitudes. As mentioned earlier, different types of investments have different levels of risk. The investor only chooses the appropriate one to increase or decrease the risk of their portfolio. However, it is essential to understand how Millennials feel about risk after several crises. Perhaps, based on further analysis of risk attitudes, it will be possible to apply some strategies to reduce the fear of "risk" in the Millennial generation.

To identify the Millennials' attitude towards risk in investing, the following question was asked: "How significant is the risk that you take when investing?". (Tables 25 and 26) 71 respondents (53.8%) stated that the risk for them is "Medium significant" when investing. While 42 participants (31.8%) responded, they viewed the risk as "Significant". Furthermore, only 19 people said that they do not consider risk as a significant aspect when investing. (Table 25)

It is important to note that the Gen-Y.2 group less consider risks when investing, with a mark of 17.8% (8 respondents) noted "Significant". Also, 17.8% (8 respondents) noted that they do not consider the significance of risks in their investments at all. 64.4% (29 people) of Gen-Y.2 respondents believe that risk is a midpoint indicator. 39.1% of participants (34 people) of the Gen-Y.1 group consider it necessary to consider risks when investing. 12.6% (11 people) said that they do not consider the level of risk important when investing. Moreover, 48.3% (42 respondents) believe that the assessment of the level of risk when investing is an important medium indicator for them. (Table 26)

		How significant is the risk that you take when investing?			
		Medium significant	Not significant	Significant	Total
Age	20	2	0	1	3
	21	7	3	1	11
	22	6	3	6	15
	23	5	1	4	10

	24	9	1	5	15
	25	4	0	11	15
	26	6	1	4	11
	27	3	2	2	7
	28	4	1	2	7
	29	3	1	0	4
	30	2	3	2	7
	31	3	0	1	4
	32	4	1	1	6
	33	4	1	0	5
	34	4	1	2	7
	35	5	0	0	5
Total		71	19	42	132

Table 13 How significant is the risk (By group age)

In addition to these indicators, the following question is, "Do the rewards outweigh the risks when investing?". (Table 27) Many studies have shown that Millennials are risk-averse, which means they are not inclined to take financial risks.

Three-quarters (100 people or 75.8%) of all respondents would agree to take risks with getting more profit from investments. Moreover, 1/4 (32 people or 24.2%) would refuse to take on more risk than they do now. (Table 27)

The hypothetical situation in the following question "If investing in the stock market today meant your initial investment had the potential to grow significantly over the next 10+ years, would you take the risk?" (Table 28) demonstrates that Millennials are more risk-averse when making more profits. 84.8% (112 people) said that they would be willing to take the risk of investing in the long term. Furthermore, 15.2% (20 people) would refuse such a conditional situation. (Table 28)

4.4 General understanding

Follow-up questions were included to measure Millennials' General understanding of investment topics.

To the next question, respondents were asked to answer the question of which investment method they prefer from the list. It was possible to choose several answers. The question was "When investing, you would prefer to invest via: An in-person broker, Self-investment by trading apps, Robo advisor or Other" 67% of respondents chose the answer "Self-investment by trading apps," and it is the leader of choice. The next most popular answer was "An in-person broker," which was chosen by 38% of respondents. The next answer is "Robo advisor", which was chosen by 17% of respondents. Also were given the option to give own answer in the preferred ways. However, the answers did not match the question. Therefore, the author did not include them.

When asking participants the question, "Do you think you are fully aware of what caused the 2008 financial crisis?" (Table 29), opinions were almost evenly divided. However, 54.5% (72 participants) of respondents reported that they are fully aware of the cause of the 2008 crisis. And 45.5% (60 participants) believe that they are not sufficiently aware of the cause of the 2008 crisis. Although the group that considers itself well-informed has a preponderance, the percentage of those who answered "No" is too huge. Those who answered " Yes" in the Gen-Y.2 group makeup 66.6% (30 people) and 48.7% (42 people) from the Gen-Y.1 group.

By measuring the overall Millennials' trust in banks, can noticed that the overall 2/4 percentage point refers to the answer "No". The "Not sure" and "Yes" answers split in half, making up ¼ each. (Table 30)

56% (74 people) of respondents do not have a 401 (k) plan, 63.4% (56 people) belong to Gen-Y.1, and 40% (18 people) belong to Gen-Y.2. In comparison, 35.6% (31 people) of the Gen-Y.1 group have a pension plan, and 60% (27 people) of Gen-Y.2. This is proved by the fact that many people, especially young people, are in a challenging situation. (Tables 31 and 32)

Do you currently have a 401(k) plan?

		Do you currently have a 401(k) plan?		
		No	Yes	Total
Age	20	3	0	3
	21	10	1	11
	22	13	2	15
	23	8	2	10
	24	8	7	15
	25	9	6	15
	26	2	9	11

	27	3	4	7
	28	4	3	7
	29	2	2	4
	30	4	3	7
	31	2	2	4
	32	1	5	6
	33	2	3	5
	34	0	7	7
	35	3	2	5
Total		74	58	132

Table 14 401(k) plan (By group age)

5 Conclusions

The final Chapter of this thesis is aimed to conclude the main findings of the research questions. This Chapter also provides suggestions for further research.

5.1 Findings

Two sub-research questions were presented in this thesis to investigate the main question.

The first sub-question of this study aimed to identify the causes of the decline in investment of American Millennials. This study revealed that there are several reasons for the decline. The two main ones are lack of capital and lack of financial education. The author considers being the main ones that require more attention from the public and the U.S. government. These conclusions were made based on the study of relevant past studies and the authors' investigation. 85% of respondents said that they believe that the main reason for financial illiteracy among their generation is the lack of appropriate education in educational institutions. In most cases, which were based on the participant's level of education. It is also worth noting that half of the respondents would not be ready to invest their funds for tomorrow's future savings with the present knowledge. Lack of funds for investment is the second component. The author attributes the high level of student loan debt to the lack of savings funds for investment. The inability to budget personal finances and a low level of financial education is the reason for challenges in paying off educational loans. Two historical crises came to the twenty-year phase of the generation while developing financial independence from their relatives. The author concludes that many Millennials will have to develop their financial education level to minimize the income gap with the older generation and to ensure the future of the next generation.

The second sub-question of this study was to identify suitable marketing strategies for financial institutions to attract Millennials to this field. It was determined that many traditional financial institutions are experiencing a decline in the interest of this generation. The lack of trust and revision of values in this generation is the reason for the decline in interest. To build appropriate marketing strategies, the author considered it essential to examine some fintech companies and how such companies advertise services. The reason for this is the preference of Millennial citizens of this financial sphere. Along with fintech companies' openness, Millennials are also attracted to good investment organizations' conditions, according to machine learning and artificial intelligence. Reducing the risk of such investments due to artificial intelligence is also a vital feature of this preference. Being closer to the values of this generation is equivalent to increasing demand. Since the future of financial institutions lies in the perception of Millennials of this area. An essential reason for including this issue in the study is that financial institutions can support to solve financial illiteracy. Gaining trust and educating them with the perspective of future Millennials ' investing in such companies. Thereby creating dedicated and educated users.

From these two sub-questions, the author concludes in the main question, "How well-informed the Millennial generation in the USA about investments?". According to the research and a study of other related studies, Millennials' perception of financial topics causes confusion, insecure or negative feelings. The low level of confidence in Millennials' financial actions supports the theory that Millennials have complexity managing their personal finances. Investment views of this generation are only commencing to form. It should be noted that the level of financial education of Millennials is considered low. However, along with technological progress, this generation has a fair chance of getting out of the low-awareness trap.

5.2 Suggestions for further research

The author believes that further research should be carried out in-depth on each subtopic of this study. Since many in-depth topics were omitted in research. For example, an in-depth review of student loans, increasing interest in financial matters, and reducing the generational wealth gap. This study's consideration can serve as an auxiliary point for understanding such a pressing problem as financial illiteracy. In the future, it will be achievable to come to a resolution to this serious problem.

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Appendices

Appendix 1

Do you currently have personal savings?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	12	9,1	9,1	9,1
	Yes	120	90,9	90,9	100,0
	Total	132	100,0	100,0	

Table 15 Personal savings (By the whole group)

Appendix 2

Do you currently have College or University debt?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	70	53,0	53,0	53,0
	Yes	62	47,0	47,0	100,0
	Total	132	100,0	100,0	

Table 16 Debts (By the whole group)

Appendix 3

What's the likelihood that you will invest in the next 6 years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Already invested	33	25,0	25,0	25,0
	Likely	48	36,4	36,4	61,4
	Not likely	21	15,9	15,9	77,3
	Unsure	30	22,7	22,7	100,0
	Total	132	100,0	100,0	

Table 17 Invest in the next 6 years (By the whole group)

Appendix 4

What do you feel about personally investing?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative	16	12,1	12,1	12,1
	Neutral	42	31,8	31,8	43,9
	Positive	74	56,1	56,1	100,0
	Total	132	100,0	100,0	

Table 18 Personally investing (By the whole group)

Appendix 5

If you have a 2,000$ of personal savings, will you invest some of it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	67	50,8	50,8	50,8
	Yes	65	49,2	49,2	100,0
	Total	132	100,0	100,0	

Table 19 2,000$ of personal savings (By the whole group)

Appendix 6

How well are you acquainted with personal Finance and investment topics?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed as a financial advisor	1	,8	,8	,8
	I don't know much about it	39	29,5	29,5	30,3
	I have general knowledge	54	40,9	40,9	71,2
	Quite familiar	38	28,8	28,8	100,0
	Total	132	100,0	100,0	

Table 20 Acquiring with personal Finance and investment topics (By the whole group)

Appendix 7

How much are you willing to invest with the finance knowledge you have now?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Already invested	29	22,0	22,0	22,0
	Likely	35	26,5	26,5	48,5
	Not likely	48	36,4	36,4	84,8
	Unsure	20	15,2	15,2	100,0
	Total	132	100,0	100,0	

Table 21 Invest with the current finance knowledge (By the whole group)

Appendix 8

Do you think that the level of financial education in the academies should be improved?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	8	6,1	6,1	6,1

	Unsure	13	9,8	9,8	15,9
	Yes	111	84,1	84,1	100,0
	Total	132	100,0	100,0	

Table 22 Opinions of improving the financial education in the academies (By the whole group)

Appendix 9

After going through the Covid-19 crisis, you feel:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less comfortable in investing	50	37,9	37,9	37,9
	More comfortable in investing	23	17,4	17,4	55,3
	Nor less or more	59	44,7	44,7	100,0
	Total	132	100,0	100,0	

Table 23 Influences of Covid-19 crisis (By the whole group)

Appendix 10

After going through the 2008 crisis, you feel:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less comfortable in investing	47	35,6	35,6	35,6
	More comfortable in investing	17	12,9	12,9	48,5
	Nor less or more	68	51,5	51,5	100,0
	Total	132	100,0	100,0	

Table 24 Influences of the 2008 crisis (By the whole group)

Appendix 11

If the company does not adhere to the same moral standards as you, would you invest in this company?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	73	55,3	55,3	55,3
	Unsure	39	29,5	29,5	84,8
	Yes	20	15,2	15,2	100,0
	Total	132	100,0	100,0	

Table 25 Moral standards (By the whole group)

Appendix 12

How significant is the risk that you take when investing?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Medium significant	71	53,8	53,8	53,8
	Not significant	19	14,4	14,4	68,2
	Significant	42	31,8	31,8	100,0
	Total	132	100,0	100,0	

Table 26 How significant is the risk (By the whole group)

Appendix 13

Do the rewards outweigh the risks when investing?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	32	24,2	24,2	24,2
	Yes	100	75,8	75,8	100,0
	Total	132	100,0	100,0	

Table 27 Risks towards rewards (By the whole group)

Appendix 14

If investing in the stock market today meant your initial investment had the potential to grow significantly over the next 10+ years, would you take the risk?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	20	15,2	15,2	15,2
	Yes	112	84,8	84,8	100,0
	Total	132	100,0	100,0	

Table 28 Greater return in long-term investments (By the whole group)

Appendix 15

Do you think you are fully aware of what caused the 2008 financial crisis?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	60	45,5	45,5	45,5
	Yes	72	54,5	54,5	100,0
	Total	132	100,0	100,0	

Table 29 Level of awareness of what caused the 2008 financial crisis (By the whole group)

Appendix 16

Do you trust the banking industry?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	63	47,7	47,7	47,7

	Unsure	36	27,3	27,3	75,0
	Yes	33	25,0	25,0	100,0
	Total	132	100,0	100,0	

Table 30 Confidence in banks (By the whole group)

Appendix 17

Do you currently have a 401(k) plan?

		Frequency	Percent	Valid Percent	Cumulative Per-cent
Valid	No	74	56,1	56,1	56,1
	Yes	58	43,9	43,9	100,0
	Total	132	100,0	100,0	

Table 31 401(k) plan (By the whole group)