



Featured Research: New Study Examines the Personal Finances of College-Educated Millennials

GFLEC's analysis of the 2012 National Financial Capability Study data reveals important information about young Americans' financial knowledge—and their financial fragility. Among the findings in the report focused on college-educated Millennials (also known as Generation Y):

- Millennials are on course to be the best-educated generation in U.S. history. They express great confidence in their financial knowledge, but the data reveal poor levels of financial literacy and capability.
- College-educated Millennials are financially active and much more likely to have bank accounts, real estate investments, stocks and bonds, and retirement accounts than the general population.
- Even though they have come of age during a time of economic turbulence, fewer than half of these Millennials have rainy day funds to cover emergencies. Women and non-Asian minorities are at the greatest risk.
- College-educated Millennials struggle to make debt payments and worry about their debt. Almost half of those with outstanding student loans are concerned about their ability to pay them off.
- Nearly a third of those with a mortgage think they owe more than they could sell their home for today, and a fifth of all college-educated Millennials with a mortgage have been late with at least one mortgage payment in the last two years.
- More than one in five has unpaid medical bills, and the figure is much higher among those without health insurance.
- College-educated Millennials use credit cards—in a big way. Eighty-seven percent have at least one credit card; 24 percent have four or more. Nearly half of those with a credit card carry unpaid balances.
- Financial literacy cannot be taken for granted, even among these highly educated individuals. Only 38 percent of college-educated Millennials can correctly answer three questions designed to measure understanding of interest rates, inflation, and risk diversification.

You can read the report on college-educated Millennials, written in collaboration with Dr. Paul Yakoboski and sponsored by the TIAA-CREF Institute, by clicking [here](#).