

Millennials lean more on parents (but please don't call it mooching)



Hadley Malcolm, USA TODAY

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A USA TODAY/Bank of America Better Money Habits survey finds Millennials and their parents agree: Millennials have it harder financially than their parents did at the same age. They're getting a lot more help from mom and dad. USA TODAY



(Photo: USA TODAY)

Corrections and clarifications: A previous version of a graphic in this story incorrectly identified the percentage of Millennials currently receiving help from their parents and the percentage of parents currently giving help.

Millennials aren't moochers – it's just a lot harder for them to become financially independent at the same pace their parents did, a new survey says.

Both Millennials and their parents agree on that, according to a USA TODAY/Bank of America Better Money Habits survey of 1,000 Millennials, 18-34, and 1,005 parents of Millennials.

Today's young adults are three times as likely to say they got a lot of financial help from their parents when they were starting out, compared to what their parents say they got at the same age – 36% vs. 12% – the survey finds. And 40% of Millennials say they still get money from their parents; the majority are younger Millennials, 18-25, but 22% of 26-34 year-olds say they receive financial help. Even among Millennials who are married or living with a partner, a fifth continue to get help paying for things.

IN THE NEWS: [5 things to know Tuesday \(/story/news/2015/04/21/5-things-to-know-tuesday/25991909/\)](http://story/news/2015/04/21/5-things-to-know-tuesday/25991909/)

"A lot of today's Millennials are dealing with a lot of financial factors that their parents, and certainly adults in America, did not have to contend with a generation or two ago," says Lynnette Khalfani-Cox, an author and personal finance expert who runs the site askthemoneycoach.com (<http://askthemoneycoach.com/>).



Father and Son Loading the Car (Photo: Fuse, Getty Images/Fuse)

Both generations surveyed said that Millennials face more difficulty achieving financial goals than previous generations, including buying a house, starting a family, earning enough to support their lifestyle and saving for retirement.

Many parents appear more than willing to help. Among those who are, more than 30% said it's because their adult kids "really need help" and 23% said it's because they feel like it's their parental responsibility to step in. Parents have more empathy for "what young adults are facing in this economy," says Andrew Plepler, head of global corporate social responsibility at Bank of America.

Student loan debt and slow job growth have held Millennials back from planning for the future or functioning completely independent of their family's support. And it's difficult for this generation to juggle multiple financial commitments. About two-thirds of Millennials say they save regularly, but the majority of them just have a savings account with a bank. Of those who are saving, only a third say they have a 401(k) and just 20% have other investments. The majority of Millennial savers say they're saving for an emergency, while less than half are putting money toward saving for retirement or a house. Although far more older Millennials, 26-34, are saving for retirement – 61% – than those 18-25, at 22%.

Parents who are helping their kids with financial obligations do them a disservice if boundaries and expectations for progress aren't set, both Plepler and Khalfani-Cox say. Parents have to be careful not to let their emotions overly influence how much support they give their kids.

"It used to be you didn't talk about money and you didn't have those candid discussions, that it was somehow distasteful to be really open with your kids about money," says Plepler, who says he's started talking with his Millennial-age kids about his financial obligations so they have a better understanding of what the money goes toward. He also replaced their credit cards with debit cards so they'd be more responsible about budgeting.

"If you just pay the bills for them, it's like the expense doesn't exist," he says. "When it starts to get really real, then it starts to get really meaningful."

Khalfani-Cox says parents should be asking their adult kids to contribute to household expenses if they're living at home, whether or not the parents can afford those bills on their own.

"Your kids have to learn a very basic lesson in life, which is money is earned," she says. "It shouldn't just be, OK you can just live here for free. (Otherwise) you've set up a dynamic that whatever goes wrong in their life, you're the plan B. All adults should have another plan B besides their parents."

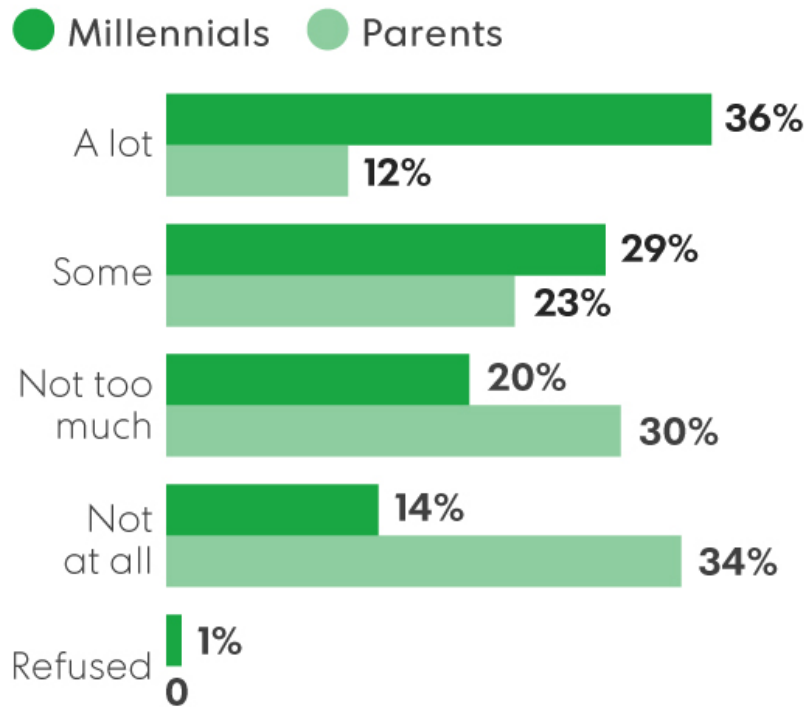
[www.BetterMoneyHabits.com](https://www.bettermoneyhabits.com/index.html) (<https://www.bettermoneyhabits.com/index.html>)

MILLENNIALS, MONEY AND PARENTAL INFLUENCE

Millennials are three times as likely to report their parents helped them out "a lot" financially when they were starting out.

millennials, many are starting out

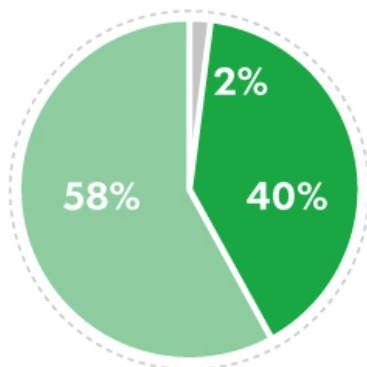
Extent of financial assistance from parents when starting out:



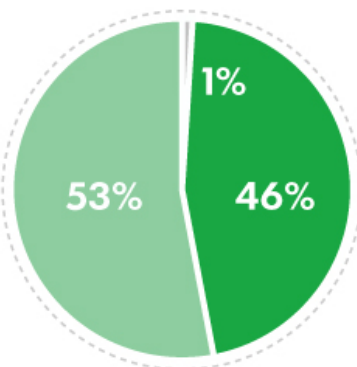
Four in 10 millennials are now receiving help from their parents:



Millennials currently receiving help from parents



Parents currently providing help to children



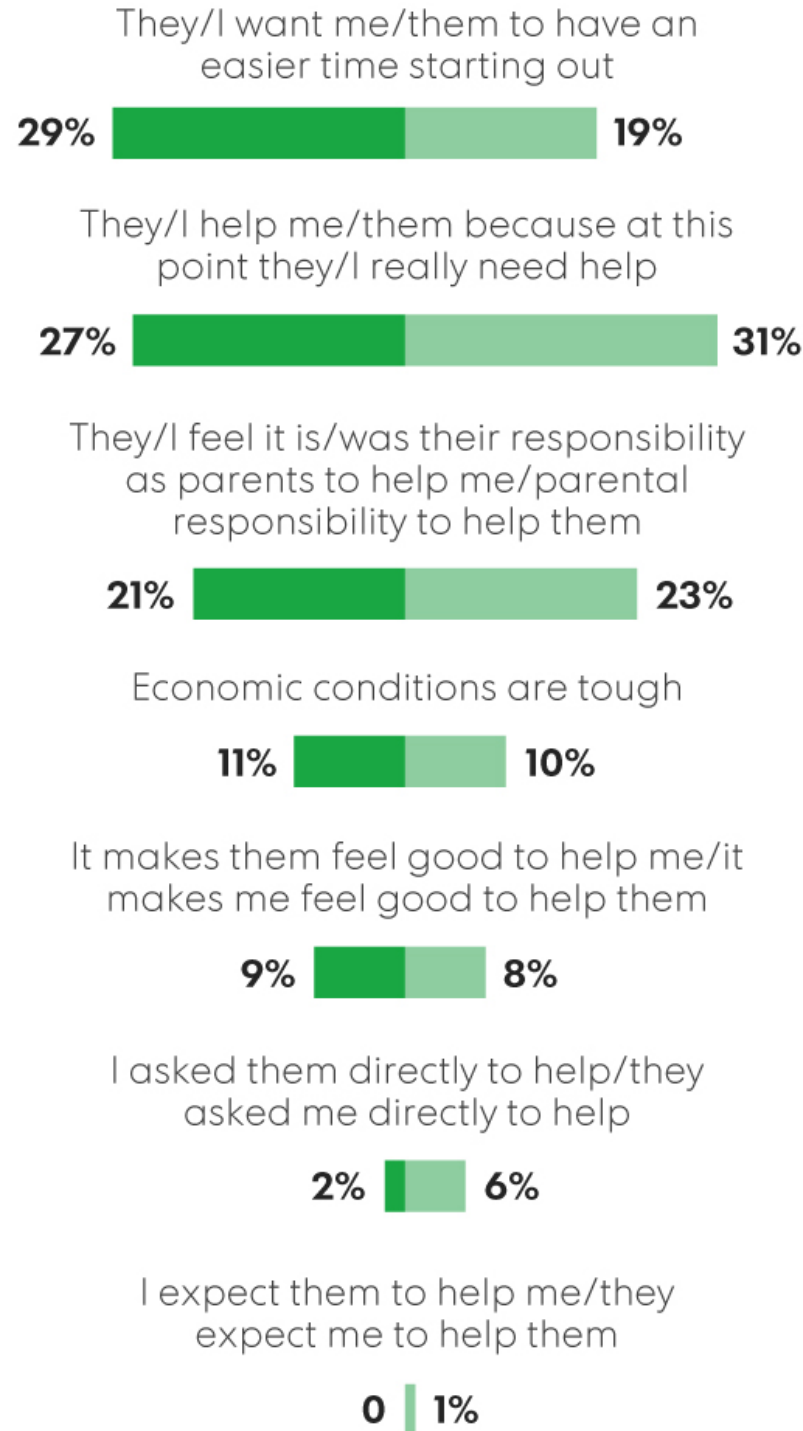
● Yes ● No ● Refused

Parents are most likely to say they help their kids financially because they have a real need for the help, while Millennials are most

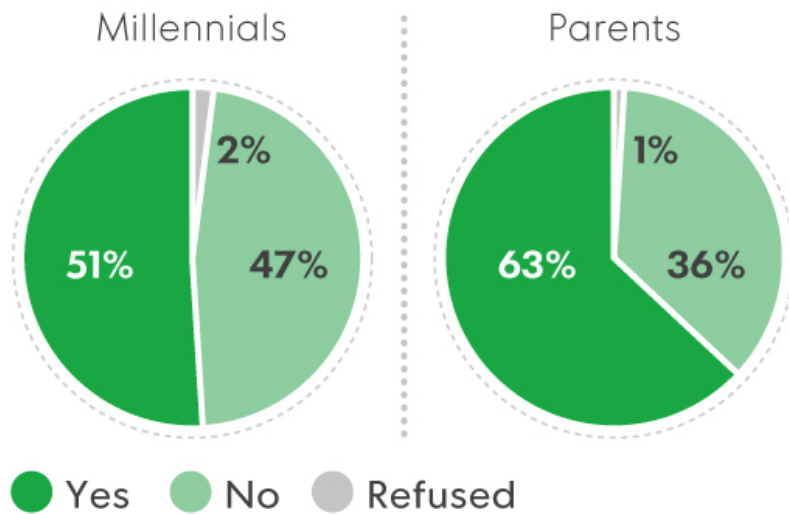
likely to think their parents help because they want them to have an easier time starting out.

Reasons for helping kids out financially:

● Millennials ● Parents



One-half of Millennials and nearly two-thirds of parents say the Great Recession of 2008 had a direct impact on their family's finances:



SOURCE: Bank of America/USA TODAY
Better Money Habits Millennial Report, April 2015.
Survey of 1,000 Millennials, 18-34, and 1,005 parents of Millennials.
www.BetterMoneyHabits.com

Frank Pompa, USA TODAY



USA TODAY News

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