# **Methodology**

Harris Poll fielded the study on behalf of the National Endowment for Financial Education (NEFE) and Parents Magazine from May 6-12, 2016, via its Parent Query online omnibus service, interviewing 1,014 U.S. adults aged 18+ who have a child under age 18 in the household, and among whom 454 are millennials (age 22-39). Data were weighted using propensity score weighting to be representative of the total U.S population of parents of a child age 18 or younger on the basis of region, age within gender, education, household income, race/ethnicity, and propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

For the purposes of this report, “millennial parents” refers to parents age 22-39 with a child under age 18 in the household, “millennial moms” refers to mothers age 22-39 with a child under age 18 in the household, and “millennial dads” refers to fathers age 22-39 with a child under age 18 in the household.

**Key Findings –Management of Household Finances /Life Insurance/Disability Insurance**

78% of millennial parents say they manage household expenses, with moms and dads being almost at par when it comes to this (80% dads vs. 77% moms).

Overall, almost three in five (58%) millennial parents currently have life insurance, yet only two in five moms currently do compared to nearly four in five dads (44% vs. 78%, respectively).

A quarter (25%) of millennial parents currently have disability insurance, with dads more likely than moms to have this (42% vs. 13%).

**Key Findings – Spending Plan/Budget**

Three in five (61%) of millennial parents say their family has a spending plan or budget.

* Responses are equally split between those who follow it religiously and those who do not (31% each).

Roughly two in five millennial parents (39%) say their family does not have a spending plan or budget.

* One in five (21%) do not have a spending plan/budget but know they should.
* 18% do not have a spending plan/budget and claim to be doing just fine without one.

**Key Findings – Child Care and House Payments/Renting Monthly Expenditures**

Roughly half (51%) of millennial parents spend money on child care (daycare center, nanny, babysitter, etc.).

Among those who spend money on child care, the average percent of monthly income paid is 23.5%.

* One fifth (21%) pay 50% or more of their HHI towards child care.

The vast majority of millennial parents (93%) spend money on house payments/renting.

Among those who spend money on house payments/renting, the average percent of monthly income paid is 40%.

* 20% pay 50-59% of their HHI towards housing.
* 8% pay 60-74% of their HHI towards housing.
* One in ten (10%) pay 75% or more of their HHI towards housing.

**Key Findings – Saving Towards Child’s College Education**

Two in five (40%) millennial parents report they are regularly saving for their child's college education.

* 30% have been doing so since their child was born.
* 10% started later and are catching up.

14% are saving for their child's college education, but on a periodic basis.

Almost half (46%) of millennial parents admit they are not saving for their child's college education.

* 34% cannot afford to do so right now.
* 10% have not started because their child may not go.
* 2% believe their child should pay for his/her own college education.

**Key Findings – Saving Towards Retirement**

Nearly three in five (59%) millennial parents say they have a retirement account.

* 45% regularly contribute to a 401(k), IRA, mutual fund, or other savings account.
* 7% do not regularly contribute to an account though they make larger contributions when they do.
* 7% do not regularly contribute to an account and they do not contribute much when they do.

Roughly two in five (41%) millennial parents are not currently saving for retirement.

* 15% want to pay off debt first.
* 2% believe they have plenty of time to catch up on their savings.
* 24% are not saving for other reasons.

**Key findings – Overall Financial Health**

Nearly three in five (59%) millennial parents rate their financial health as excellent or good (19% excellent, 39% good).

* Dads are more likely than moms to rate their overall financial health as excellent or good (27% vs. 14%, respectively).

Two in five (41%) millennial parents rate their financial health as unsatisfactory or needs improvement (8% unsatisfactory, 34% needs improvement).

* Moms are more likely to rate their overall financial health as unsatisfactory or needs improvement than dads (48% vs. 31%, respectively).

**Key findings – Length of Time Could Get By on Money Set Aside**

Over three quarters (77%) of millennial parents have any money set aside, while 23% do not have any emergency savings.

45% could only get by for less than six months.

* 17% less than a month.
* 27% one to five months.

33% could get by for at least six months on money set aside in savings.

* 15% six to nine months.
* 8% ten to twelve months.
* 9% more than a year.

**Key findings – Methods Used to Make Ends Meet**

36% of millennial parents say they/someone in their household has/have received help or support from someone/something.

* 19% have received loans or financial support from their parents or other family members.
* 14% have received financial support from friends.
* 12% have received help from a social service provider.
* 24% have raised money by selling goods (e.g., having a yard sale).
* 22% have taken on a second/part-time job.
* 19% have gone back to work full time when they would rather be taking care of their kids.

**Key findings – Current Financial Situation and Impact on Parents**

Current financial strains can have a big impact on parents and families…

Roughly half (51%) of millennial parents would trade a year off their lifespan to have greater financial security (e.g. relief of debt, more money in savings, etc.).

46% of millennial parents say that financial concerns are keeping them from having another child.

44% of millennial parents feel that the costs associated with child care are keeping them from achieving other financial goals (e.g., paying off debt, saving).

Two in five (40%) millennial parents say their current financial situation is putting stress on their relationship with their spouse/partner.

* Employed millennial dads are more likely than employed millennial moms to say this (44% vs. 32%, respectively).

Over a third (37%) of millennial parents agree that their current financial situation causes them and their spouse/partner to argue about finances.

Over a third (34%) of millennial parents say that if they knew beforehand how expensive it is to have a child they would have waited longer.

* Dads are more likely than moms to agree with this (41% dads vs. 29% moms, respectively).

Three in 10 (30%) millennial parents agree that their current financial situation is negatively affecting their children.

* Employed millennial dads are more likely than employed millennial moms to say this (34% vs. 22%, respectively).

**Key findings – Worries That Keep Parents Up at Night**

Three-quarters (76%) of millennial parents say something keeps them up at night.

* Roughly two in five point to personal financial concerns such as not saving enough (e.g., for retirement, child’s college education, emergencies, etc.), not earning enough income/living paycheck to paycheck, or debt (e.g. credit cards, student loans, auto loans, other loans, etc.) (42%, 39%, and 37% respectively).
* About a quarter each worry about other types of financial concerns such as job uncertainty/employment security, spending behaviors of myself or spouse/partner, mortgage/rent payments, or child care expenses (e.g., day care, formula, food, diapers, etc.) (27%, 24%, 23%, and 22%, respectively).
* 6% worry about something else, and 24% say nothing keeps them up at night.

**Key findings – Current Household Debt**

Almost nine in ten (88%) millennial parents have debt.

* The majority (57%) of millennial parents have $5,000 or more debt.
  + 45% have $10,000 or more debt, 18% have $25,000 or more debt.

**Key findings – Game Which Describes Financial Life**

Three in ten (31%) .illennial parents say “Chutes & Ladders: I'm a climber and don't worry about money ''slides'' (setbacks)” is the game that best describes their financial life.

Another three in ten (29%) say “Trouble: We're financially on the edge and are constantly trying to get ahead and avoid getting bumped back.”

A quarter (26%) name “Monopoly: I want to buy everything but don't have enough money in the bank and keep running into unexpected expenses.”

Over one in ten (15%) say “Twister: Our family's financial obligations have us tied in knots.”

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