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LIVING AND SAVING AS A MILLENNIAL LIVING WITH YOUR PARENTS

The generation of the internet age is one of the largest and most diverse in the U.S. Although **Millennials** have been defined by a relationship to technology, the generation has been steadily redefining adulthood. Millennials have adapted and endured in a post-recession economy, their social and global values have inspired change in the labor market, and now one-third of Millennials are living in a parent’s home.

For the first time in the Modern Era, this is the most common living arrangement for 18 to 34-year-olds. This new normal has not come without its challenges. Many are saddled with student loans, consumer debt, and a serious lack of savings – both emergency and retirement. The silver lining? Living at home provides some much desired financial breathing room, just when it’s needed most.

If you’re a Millennial about to move back in with your folks, who has been living at home for a while, or is looking for a launching pad to independence, here are a few tips to help you make the most of your time at home:

Befriend your budget.

Keep track of what goes in and what goes out regularly and realistically. You’ll be able to identify spending habits worth adjusting so you can grow your savings where you need it most.

Get a handle on your student loans and other high-interest debt.

Not unlike a mortgage, you’re in for the long haul when it comes to student debt. Talk to your lender about your repayment options and adjustments, and make sure you can afford what you’re paying each month. If you have credit card debt, work on paying this debt off pretty quickly, so you will have more money to put towards your other goals.

Set pragmatic goals, and plan for them.

How can you best leverage your time at home? Save for a security deposit for your solo space and build an emergency fund to handle life events as they happen. Make compound interest work for you by getting ahead in retirement savings. Need that extra motivation? Make a commitment to yourself to save by taking the America Saves pledge.

Ramp up repayment.

Get ahead of interest on your consumer debt (and/or student loans) by breaking up your payments biweekly or adding one additional payment per year.

Check in on the health of your credit.

A recent report found that young adults are less likely to have accessed their free credit score than older generations. Knowing more about how credit scores work and having a healthy credit score can put you in a better spot to reach your goals and save you a bundle along the way. Not sure where to start? Try the Credit Score Quiz to boost your credit score knowledge.

Guest Essayist: Tammy G. Bruzon works for America Saves, managed by the nonprofit Consumer Federation of America (CFA), which seeks to motivate, encourage, and support low- to moderate-income households to save money, reduce debt, and build wealth. Learn more at AmericaSaves.org.



HELP STOP RETIREMENT PLAN LEAKS

Knowing that they can dip into their plan accounts before retirement if necessary — either through a plan loan or a hardship withdrawal — can be the reassurance some employees need to join and contribute to their company 401(k) plan. But plan participants shouldn’t view their plan as a household emergency fund to be used for any unexpected expense. Here are some ways employers can slow the leakage of retirement assets from their plan.

Reduce Excessive Plan Loans

When they take a plan loan, many participants reduce contributions to the plan or stop them altogether. Employers may be able to decrease requests for plan loans by limiting the number

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280 Kenneth Drive, Suite 110
Rochester, NY 14623
585-340-5200
www.beltz-ianni.com

of loans a participant can have outstanding at one time and/or the amount a participant can borrow. Educating participants on the pitfalls of taking a plan loan can also be helpful.

Restart Contributions after a Hardship Withdrawal

The problem with hardship withdrawals often isn't the effect of the distribution but, rather, participant inertia about restarting contributions. Plans generally must suspend employee contributions for six months after the withdrawal. As a matter of plan design, employers can address this problem by automatically restarting the employee's elective deferrals when the suspension period ends. Employers might also send messages to employees who made hardship withdrawals that encourage them to restart contributions.

Encourage Rollovers

The most harm to future retirement security may come from the failure to roll over cash distributions. Employers should use employee education programs to encourage new employees to transfer balances directly from their former employers' plans to their new plan (if it accepts rollovers). Employers should also encourage retiring employees and other employees leaving the company to directly transfer or roll over their account balances to an IRA or another employer's plan.

Whether you're the employer or the employee, these tips are sure to keep retirement savings from leakage.



SEPTEMBER IS LIFE INSURANCE AWARENESS MONTH. Learn about ways you can protect yourself and your loved ones with life insurance. Let the life insurance professionals at Beltz Ianni & Associates assist you or visit: www.lifehappens.org.