2014

MILLENNIAL REPORT

U.S. NEWS MARKET INSIGHTS
Millennials are motivated researchers who want to make smart decisions about important life milestones

SUMMARY
As the largest generation alive today, millennials (defined as those between the ages of 18 and 34), are 74 million strong nationwide, according to Marketing Charts. As this young generation enters early adulthood, corporations, marketers, researchers, journalists and politicians are studying millennial habits to predict the future of the economy, consumer behavior and culture. Referred to as Generation Me, Generation Debt, the Recession Generation, or the Boomerang Generation – these young adults have received many labels that set them apart from their predecessors. Recent insights from U.S. News & World Report, however, indicate millennials are not that different when it comes to important life milestones, particularly when it comes to understanding their finances. With 10 million millennials, 40% of its site-wide traffic, coming to USNews.com each month (Comscore Multiplatform, August 2014), U.S. News took a deep dive into millennial’s habits, combining audience surveys and analytics with recent market research. The 2014 U.S. News Millennial Report uncovers a unique – and optimistic – perspective about millennials, shedding new light on this influential generation.

MOTIVATED RESEARCHERS
Born into an interconnected world with immediate access to abundant information, these digital natives have widely embraced the “infosumer” identity. With smartphones, Google search and Yelp reviews at their fingertips, millennials are hard-wired to do their homework before making any decision or purchase. And this behavior goes beyond the latest fashion trends or hot dining spots. U.S. News’s research on millennial behavior on usnews.com shows that this generation researches important life decisions online, from purchasing a health plan to finding the best 529 plan. With heavy traffic coming to U.S. News through search, research indicates millennials are avid online researchers, looking for information on everything from the “best honeymoons” and “best cars for the money” to “how to pay off student debt.”

The breakdown of millennial traffic on usnews.com (Comscore, September 2013) shows how motivated they are to find information to help them make important decisions across all areas of their lives:

<table>
<thead>
<tr>
<th>U.S. News Section</th>
<th>Travel</th>
<th>Education</th>
<th>Money</th>
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<th>Health</th>
<th>News</th>
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<tbody>
<tr>
<td>% of Traffic from Millennials</td>
<td>47%</td>
<td>42%</td>
<td>39%</td>
<td>36%</td>
<td>35%</td>
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FINANCIALLY BURDENED
There is no dispute that this “recession generation” is facing major economic hardships. Many are struggling to find jobs, debt is at its highest level and according to the Federal Reserve Bank of New York, the number of student loan borrowers increased 70% from 2004 to 2012. It’s no surprise that when surveyed on USNews.com, the biggest financial concerns for millennials are:

- 55% – paying for school
- 47% – day-to-day expenses
- 28% – buying a home
- 22% – funding their retirement
- 20% – paying for healthcare

PLANNING FOR THEIR FUTURE
While education, housing and healthcare are big financial concerns for millennials, 76% of those who attended college still believe their college education was worth the cost (Wells Fargo), and despite their debt and economic disadvantages, millennials are still planning financially for their future. According to the U.S. News’ survey:

- 52% of millennials have put money into a savings account
- 36% of millennials invest in a 401(k)
- 25% of millennials are currently using a financial advisor

CONCLUSION
Over the past few years, millennials have often been given a bad rap – they’re unemployed, unmotivated, delaying marriage or having children – but U.S. News research suggests otherwise. They may be late bloomers and fighting off financial debt, but they are motivated about the same major life decisions as older generations, and are still optimistic about planning for their future.

The 2014 Millennial Report is the first market insights report by U.S. News & World Report. As more of this young audience enters early adulthood and face these major life decisions, U.S. News predicts robust traffic growth from these motivated millennials. As a website focused on rankings, research and consumer advice, U.S. News will continue to keep a close look at their behavior and concerns, providing updates and insights along the way.
WHY DO MILLENNIALS MATTER?

Millennials are the largest generation alive today with 74 million nationwide.

PATH TO THE FUTURE
All Internet: Total Minutes in Billions

 Millennials are avid researchers who want to be empowered. They are looking for the best information available to make decisions to improve their lives.

INFOSUMERS

94% use at least one outside source for guidance before making purchase decisions.

40% visit a review website to help them make purchase decisions.

68% discuss major decisions with people whom they trust.

50% use mobile devices to read user reviews and research while shopping for products online.

MILLENNIALS ARE FINANCIALLY BURDENED

Millennials are facing more financial hardships than previous generations.

7 IN 10 AMERICANS CLAIM THAT YOUNG ADULTS TODAY FACE MORE FINANCIAL CHALLENGES THAN EVER

42% OF MILLENNIALS CLAIM THAT DEBT IS THEIR BIGGEST FINANCIAL CONCERN

BETWEEN 2004 AND 2012 STUDENT LOAN BORROWERS INCREASED 70%

AVERAGE DEBT FOR THE CLASS OF 2014 IS ESTIMATED TO BE $33,000

BIGGEST FINANCIAL CONCERNS FOR U.S. NEWS MILLENNIALS

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<tr>
<th>Concern</th>
<th>Millennials</th>
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<td>Day-to-day Expenses</td>
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MILLENNIALS ARE OPTIMISTIC

Despite financial disadvantages, Millennials are planning for their future and have high expectations for financial institutions.

EDUCATED

Millennials are the best educated cohort of young adults in American history.

- ages 26-33
- have a 4-year college degree or more

76% of those who attended college believe it was worth the cost

CONFIDENT SAVERS

- 72% are confident they will be able to save enough to afford the lifestyle they desire
- 80% say the Great Recession has taught them they have to save now to survive economic problems down the road

PLANNING FOR THEIR FUTURE

- 55% are saving for retirement
- 59% say the stock market is the best place to invest for retirement

HIGHER EXPECTATIONS

Millennials seek expert advice; they have high expectations for professionals and institutions.

- 54% trust financial institutions to help with financial decisions
- 68% want real-time analysis of their spending from their bank
- 67% agree that these services would increase their loyalty to the bank

U.S. NEWS MILLENNIALS

10 MILLION are millennials.

13% of the Total Millennial Population

U.S. NEWS MILLENNIALS ARE:

EDUCATED

INDEX 180 are currently enrolled in college

AMBITIONOUS

INDEX 144 expect to switch jobs in the next 6 months

INFOSUMERS

INDEX 113 conduct research on the internet before making purchases

AFFLUENT

INDEX 141 18-34 year olds have a HHI of $100,000+

U.S. NEWS AUDIENCE BY SECTION

MILLENNIALS GEN X BABY BOOMER

News Money Education Health Autos Travel