



Millennials Prefer Cash as Long-Term Investment

Every Other Generation Favors the Stock Market

NEW YORK – July 25, 2018 – Millennials, unlike older generations, prefer investing money they don't plan to access for more than 10 years in cash instruments such as savings accounts and certificates of deposit, according to a new Bankrate.com report. 30% of 18-37 year-olds believe cash is the best place to park this money (more than any other selection). That compares with only 21% of those age 38 and up.

The stock market is the top choice of those who are 38 and older, with 37% of the vote, against just 23% of millennials. Click here for more information:

<https://www.bankrate.com/investing/financial-security-july-2018/>

Grouping all U.S. adults together, the stock market ranks #1 (32%), followed by cash investments (24%), real estate (22%), gold or other precious metals (9%), bonds (8%) and Bitcoin or other cryptocurrency (2%).

So are all the millennials hunkering down in cash taking advantage of the rising interest rate environment and earning a competitive return? No. Millennials have the lowest propensity of any generation to be earning more than 1.5% on their savings; they're the most likely to be earning zero interest or to not know what rate they're earning. Baby Boomers are the most likely to earn more than 1.5%.

Among all U.S. adults, just 18% are earning more than 1.5% on their savings, at a time when the [top-yielding](#), nationally available savings and money market accounts are yielding 2% or more.

The top reasons Americans cite for not opening an account with an online bank paying a higher rate are: comfort level with current financial institution (36%), prefer access to a local branch (31%), don't have enough savings to make it worthwhile (23%), worried about the security of their money (22%) and didn't know such accounts existed (19%). Respondents could select more than one reason, unless they didn't know such accounts existed.

“For investment horizons of longer than 10 years, the stock market is an entirely appropriate investment. Cash is not, and especially if you're not seeking out the most competitive returns,” said Greg McBride, CFA, Bankrate.com's chief financial analyst. “Top-yielding, nationally available bank savings accounts and money market deposit accounts can be found with very low minimum deposits, and in some cases no minimum deposit at all – making these accounts literally available to every American household.”

This study was conducted for Bankrate.com by GfK Custom Research North America on its OmniWeb online omnibus. The sample consists of 1,000 completed interviews, weighted to

*ensure accurate and reliable representation of the total population, 18 years and older.
Fieldwork was undertaken July 6-8, 2018. The margin of error for total respondents is +/- 3%.*

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