

CONTROL YOUR FINANCES

(NOT THE OTHER WAY AROUND)



Despite high levels of debt and low wages, millennials like you are getting creative about finances and preparing for the future.

Student debt, high rental costs and lower salaries can seem like obstacles to your dreams—whether you're hoping to purchase a home, travel abroad or save for retirement. And if you're part of the millennial generation—the largest in U.S. history with a population of 83 million as of mid-2015¹—the shift from adolescence into adulthood can mean facing economic and financial stresses for the first time. But these challenges don't have to keep you from achieving your life goals.

Whether you're about to graduate, thinking of switching careers or perhaps still on the hunt for that dream job, it's time to take the reins to your future.



Don't Let Facts Dictate The Outcome

When focusing only on statistics, the outlook can seem daunting. For example, student debt has hit a record high \$1.3 trillion²—an increase of over 84 percent since 2008. When broken down, the average amount of student debt per person is \$29,400.³ Meanwhile, the average salary for millennials has declined since 2008.⁴

Fact:

 **\$2,000** The median income of young adults today is \$2,000 less than their parents in 1980.⁵

Those between 18 and 33 who are employed and eligible for a 401(k) plan but aren't contributing say high debt or low salary are main factors. Specifically, of the eligible millennials not contributing, 42 percent didn't receive a raise in the past year.⁶ This adds to the fear of simply not having enough money to pay down debt and still contribute to any sort of savings plan.

Yet the key word here is "fear." Being fearful about your situation is not the same as being ruled by it. When you let financial stress become the deciding factor in your life choices, then your finances are controlling you. Only you can change that.

If you feel like debt or a low wage is hitting too hard, then hit back! Consider the following tips from some millennials who decided taking action was more important than letting fear rule.

Live Within Your Means, But Still Live Life to the Fullest

Being frugal isn't the same as doing nothing. Balancing your time between work and play is crucial—the trick is doing it responsibly. There are many recurring expenses **you can likely rid yourself of**, such as cable subscriptions or gym memberships. The cost of living is high enough without stretching your budget with additional costs.

And when it comes to factors such as high rent, consider alternatives, no matter how undesirable they initially seem. Bunking with your parents again in your 20s might sound like the worst idea in the world, but think about it—you could save tons. And many millennials agree a short-term solution can have long-term benefits.

Fact:

The number of millennials living at home was **33 percent** in early 2015, higher than the **29 percent** before the Great Recession.⁷

The Great Recession 2007-2009

29%

Early 2015

33%

It's important that your frugality isn't just focused on retirement savings or paying down debt. Apply some of your money toward fun as well. Erin Lowry, founder of **Broke Millennial**, balances a routine in which she saves money while also making time for fun. This isn't because Erin is making millions, but because she plans accordingly.



"I put 25 percent of each freelance paycheck, which I earn in addition to regular income, into a 'fun fund,' which I can use on absolutely anything," she says. "The money typically goes toward travel, but sometimes to a Broadway show or a fancy date night or just a movie and beer."

Tip from Erin:

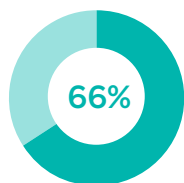
I take 15 to 30 minutes every Sunday to check in on all my bank accounts, credit cards and other bills. I pay off my credit cards weekly, so my checking account accurately reflects what's actually available to spend.

"I believe a 'fun fund' is also important for millennials struggling with debt," Erin says. "Don't put a significant chunk of money in there, but perhaps \$10 out of each paycheck to build up a little extra to enjoy yourself once a month or save up for a purchase."

This can help prevent you from yo-yo dieting between extreme frugality and excessive splurging. Eventually, you may even find that it makes you happier to use the ‘fun fund’ towards paying down debt, but that’s your choice!”

Saving money alone will not bring happiness—living your life to the fullest is equally important. Similar to Erin, Mark Lawrence is a young professional who chose to follow his own path. He is a co-founder and CEO of [SpotHero](#), a business that assists people in finding parking spaces. Although he had a good paying job with benefits after graduating from college, he wasn’t happy. But for Mark, the decision to follow his own dreams instead of working for others wasn’t all that risky. “It was actually scarier for me to imagine working the same job with benefits forever and waking up one day freaked out that I didn’t take any risk and that it was too late.”

Fact:



66 percent of millennials hope to start their own business.⁸

Mark continues to find success with SpotHero but not without hard work and discipline. And like Erin, that doesn’t mean having no fun along the way. Mark realized he needed to figure out what’s truly important to him if he wanted to be successful professionally and personally.



Mark Lawrence,
co-founder and CEO
of SpotHero

“Many times we spend so much money on other people’s priorities. We spend so much we get into debt, or don’t have enough to pay off current debts,” Mark says. “Prioritizing what’s important is critical as you can’t do everything. I keep lists of what’s important to me both in how I spend my time and what I spend my money on. It’s amazing how something so simple can provide so much clarity.”

Essentially, it’s knowing when to say yes and when to say no. When it comes to having a comfortable cushion of savings and also budgeting time and money for fun, you need to put the decisions in your own hands. One way to ensure you have money for both priorities is by finding a “side hustle” you enjoy that can also bring in additional income.

Freelance Your Way to Your Dream Job

The idea of freelancing when you already have a job can feel overwhelming at first. However, when it comes to bringing in extra income, gaining additional experience and improving your time management, freelancing is a solid move in the right direction.

Melanie Lockert, creator of [Dear Debt](#), a blog about breaking up with debt and encouraging others to do the same, chose to move to a part of the country where the cost of living was cheaper. She shares a small studio apartment with her partner, where they don’t spend money on a car, cable, gym membership or pets. And while you might think these are big sacrifices, Melanie’s goal was not only to save money but also to eliminate the \$68,000 in student debt that she owed after graduating in May 2011. She accomplished this in four and a half years thanks to side hustling and eventually freelancing (and her frugal lifestyle).



Melanie Lockert,
creator of Dear Debt

Melanie knew freelancing would mean longer hours, but it helped her take charge. However, freelancing isn’t just about more work—it’s about gaining additional experience and focusing on something you are passionate about. And it can help your income level substantially.

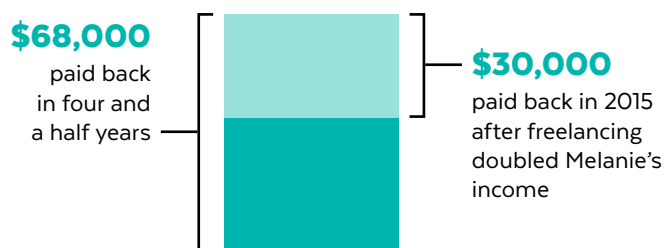
“When I reached a plateau with my debt repayment and couldn’t cut back any expenses further, I knew I needed to earn more,” Melanie says. “I started side hustling nights and weekends as a brand ambassador, pet sitter, event assistant and more. Pretty much any gig I could get, I took.”

“Two years ago I started freelance writing and quit my nonprofit job shortly thereafter,” she says. “I was able to double my income

freelancing, which was a significant factor in me paying off my debt. Before that, I was making roughly \$30,000 per year.”

Fact:

Of the \$68,000 that Melanie paid back in four and a half years, \$30,000 of that was paid in 2015 after freelancing had allowed her to double her income.⁹



Paying down debt is just one of the benefits of freelancing. With extra income also comes peace of mind. For many millennials who don't have an [emergency fund](#) in place, freelancing income can provide a cushion in the event of something unexpected such as a layoff.

Erin Lowry chose the freelancing avenue as well as a full-time job. She knew that extra experience would benefit her tremendously while also relieving her anxiety about only having one stream of income on which to rely.

“I began to find pleasure in earning additional income outside of my day job,” she says. “Secondary income streams helped me not only meet savings goals but also feel protected in case I ever lost my job—which two years ago I felt particularly vulnerable about when I transitioned into the startup world. I had a healthy emergency fund, plus a couple thousand dollars coming in each month outside of my monthly pay, which meant I could survive on just freelance without touching my savings while job hunting or becoming a full-time freelancer.”

Freelancing can help expand your options, whether they are financial, professional or personal. Take something you are already good at, or want to learn more about, and find a way to turn it into income. Some late nights can pay off big in stress relief alone. And in the long run, it could be beneficial in more ways than you realize.

Keep Monetary Concerns From Stalling Career Happiness

It's easy to let saving and preparing for your future prevent you from focusing on the present. Many people let stress and financial concerns keep them from choosing a career path that might make them happier, or even more successful, in the long run.

For example, taking a new job in an industry you are excited about might come with a smaller paycheck. Right away, that sounds like a step in the wrong direction. It isn't. Gaining new experience for a career path you want to pursue further is hardly ever a bad idea.¹⁰ In fact, as demonstrated by Mark Lawrence, taking risks for the right reasons can put you ahead of other job-seekers down the road. Not only does it show confidence in your own abilities but it also sets you apart from so many worried about playing it safe.

“While there is risk, it's not as great as you'd think, as even if the business doesn't work out, the experience you gain on the journey is so valuable it can help you get a job in the future that's even better than before.”

— Mark Lawrence,
co-founder and CEO of SpotHero

“I decided to start something from scratch,” Mark says. “While there is risk, it's not as great as you'd think, as even if the business doesn't work out, the experience you gain on the journey is so valuable it can help you get a job in the future that's even better than before.”

The experience—even if it comes from a project or a business that doesn't ultimately take off—can open you up to career opportunities and make you stand out from other candidates, Mark says.

“It shows they're willing to take calculated risks to realize a better future,” Mark says. “Acting like you're in the driver's seat is actually one of our core values, which we proudly display on our company page.”

Working toward your goals might mean straying from one path and instead taking many routes you choose along the way. But, like Mark says, as long as you are the driver and going confidently in a direction you feel will better yourself, then you are doing the right thing, and your head is in the right place. Don't let fear be a roadblock.

Doing It Your Way Doesn't Mean Doing It Alone

Catapulting your life forward takes hard work and focus, but it doesn't stop there. It also requires setting a realistic approach to your personal goals as well as your finances.

You aren't the only millennial trying to balance financial priorities with career goals and personal pursuits, and you don't have to do it alone. SunTrust can help.

In 2015:¹¹

36 percent of millennials relied on a financial professional for personal matters only

36%



27 percent of millennials relied on a financial professional for business matters only

27%



27 percent of millennials relied on a financial professional for personal and business matters

27%



FOR MORE GUIDANCE ON HEADING DOWN
THE RIGHT FINANCIAL PATH FOR YOU,

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Sources

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