Hispanic Millennials’ Financial Experiences, Challenges & The Path Forward

We surveyed Hispanic-Latino millennials to explore their financial priorities, mindsets and goals as they regain their financial footing from the pandemic and look ahead to what’s next. The research found that while Hispanic millennials continue to weather financial hardships from the pandemic, they are taking positive steps toward a secure financial future.

As Hispanic millennials look to take control of their finances and plan their financial futures, they continue to seek advice and guidance. Bank of America’s Better Money Habits platform connects people at all life stages to relevant tools and resources that help build financial know-how. To support Hispanic individuals and communities in reaching their financial goals, Better Money Habits also offers its full suite of easy-to-understand tools and resources in Spanish.
Key Findings Include:

Gaps in savings and emergency funding pose serious challenges

- Prior to the pandemic, **40% of Hispanic millennials did not have an emergency fund** (vs. 34% of non-Hispanic millennials), and 27% didn't have enough saved to weather the impacts of the pandemic (vs. 17%)
- 72% of Hispanic millennials say the pandemic has impacted their ability to save – more so than non-Hispanic millennials (59%)
- Over the last year, **nearly half of Hispanic millennials (45%) contributed less than $1,000 to savings or investments**, and nearly one-quarter (22%) were not able to save at all
- They were also more than 2x as likely to contribute less or nothing at all to retirement accounts (25% vs. 15%)
- Today, **38% are still finding it difficult to save** (vs. 29% of non-Hispanic millennials), 24% are living paycheck-to-paycheck (vs. 21%), and 13% are having trouble paying their rent/mortgage or other essential expenses (vs. 9%)
- 26% say **reduced income is a top barrier to achieving their financial goals**, followed by being unable to save (25%) and job instability (19%)
- Compounding these challenges, 51% of Hispanic millennials **don't have a financial role model or anyone to turn to for financial advice** – notably more than non-Hispanic millennials (39%)

Family is the cornerstone of Hispanic millennials' financial lives

- 72% of Hispanic millennials provide financial support to family (vs. 53% of non-Hispanic millennials)
- 17% have been providing financial support to family since they were old enough to have a job – **2x more than non-Hispanic millennials (8%)**
- 23% increased or are **increasing financial support for family due to the pandemic**, including parents, extended family, family abroad and children
- Support is a two-way street, as 58% of Hispanic millennials are receiving some type of financial support from immediate or extended family, compared to 49% of non-Hispanic millennials
- 44% have some type of caregiving responsibility, and **nearly half (49%) increased their caregiving role during the pandemic**
- Today, Hispanic millennials are **2x more likely to feel a greater sense of financial responsibility for loved ones** (18% vs. 9% non-Hispanic millennials)
- Looking to the year ahead, one-in-five say providing family with financial support is a top priority (vs. 15% of non-Hispanic millennials)

### Compared to non-Hispanic millennials, Hispanic millennials are...

- 4x more likely to be financially supporting parents (16% vs. 4%)
- 4x more likely to be financially supporting family abroad (17% vs. 4%)
- Nearly 2x as likely to be supporting extended family (7% vs. 4%)
- Nearly 4x as likely to be simultaneously supporting young children and parents, as members of the 'sandwich' generation (11% vs. 3%)

Hispanic millennial women disproportionately impacted by caregiving responsibilities

- More than half (56%) of Hispanic millennial women hold some type of caregiving responsibility, compared to 34% of Hispanic millennial men
- Among those women with existing caregiving responsibilities, 58% increased their caregiving role due to the pandemic (vs. 37% of Hispanic millennial men)
- Compared to Hispanic millennial men, **Hispanic millennial women are far more likely to be balancing both work and childcare (35% vs. 15%) and to have needed to leave the workforce or reduce work hours to care for children (19% vs. 9%)**
- Hispanic millennial women who took on increased caregiving responsibilities were also more likely than Hispanic millennial men to report a financial challenge, including a decrease in earnings (30% vs. 20%) and difficulty managing finances/paying bills (30% vs. 23%)

Better Money Habits*
Navigating heightened career and salary impacts of the pandemic

- **19% of Hispanic millennials remain unemployed** (vs. 14% of non-Hispanic millennials)
- 14% are working overtime, 12% did not get an expected promotion or raise and 10% are working on a reduced salary
- This job instability driven by the pandemic has taken a toll on Hispanic millennials’ finances – **26% say reduced income and 19% say job stability/loss are top barriers** to achieving financial success
- Another 17% are stressed about **making it to their next paycheck and losing their job**

Financial barriers, priorities and defining financial success

- As Hispanic millennials face unique challenges and responsibilities, 9-in-10 (88%) have a financial stressor, and a vast majority (83%) cite at least one barrier to financial success
- Rising costs due to inflation (38%), not having enough saved for emergencies (35%), planning/saving for retirement (24%) and housing (24%) are top financial stressors
- 55% of Hispanic millennials define financial success as having financial peace of mind, followed by saving for a timely, comfortable retirement (35%)

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<thead>
<tr>
<th>Hispanic Millennials’ Top Financial Priorities for the Year Ahead</th>
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<tbody>
<tr>
<td>• Pay down debt (31%)</td>
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<tr>
<td>• Build an emergency fund (26%)</td>
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<tr>
<td>• Save for retirement (24%)</td>
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<td>• Learn to invest/invest more (23%)</td>
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<td>• Find better work/life balance (21%)</td>
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<td>• Provide financial support to family (20%)</td>
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Despite challenges, Hispanic millennials are optimistic and taking action toward their financial goals

- 51% of Hispanic millennials rate their financial outlook as very (14%) or somewhat (37%) optimistic
- 71% of Hispanic millennials say the pandemic has influenced their financial values, or how they plan to spend and manage finances (vs. 58% of non-Hispanic millennials):
  - 32% are now prioritizing saving and budgeting (vs. 28% of non-Hispanic millennials)
  - 27% are focused on their individual financial goals and self-improvement (vs. 22%)
  - 19% value spending money on experiences instead of materials items (vs. 15%)
  - 18% value living a more frugal lifestyle (vs. 13%)
- 48% plan to start an emergency fund following the pandemic – more so than non-Hispanic millennials (36%), and 21% have already started saving (vs. 16%)
- Hispanic millennials are eager to build up personal finance knowledge, as only 14% feel confident in their personal finance knowledge, with many seeking additional guidance around investing (44%), saving and planning for retirement (35%), taxes (25%), the homebuying process (24%), budgeting for monthly bills/expenses (23%) and managing debt (22%)

**Methodology** The study was conducted June 14 – 28, 2021 by Ipsos in English and Spanish and is based on nationally representative probability samples of 1,015 general population adults (age 18+), 515 Hispanic adults (age 18+) and 394 Hispanic Millennials (age 24-40). This survey was conducted using the Ipsos KnowledgePanel®, the largest and most well-established online probability-based panel that is representative of the adult US population. Panelists are scientifically recruited into this invitation-only panel via postal mailings to a random selection of residential addresses. To ensure that non-internet households are included, Ipsos provides access to a tablet and internet connection to those who need them. Because of this probability-based sampling approach, KnowledgePanel findings can be reported with a margin of sampling error and projected to the general population. The margin of sampling error for general population sample is +/- 3.2 percentage points at the 95% confidence level, while the margin of sampling error for the Hispanic Adult and Hispanic Millennials are +/- 4.6 and 5.9, respectively.

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