

## **Next Gen Weighs in on Holiday Spending**

As if the holidays weren't crazy enough, this year's supply chain issues and endless gift guides have put spending on the brain. But last-minute holiday purchases can create more anxiety around budget concerns, tipping the stress scale right over.

With nearly 3 million new retail accounts opened by this segment in 2021 so far, Fidelity is committed to helping the next generation (ages 18-35) learn how to get started with both the tools and educational resources to make informed financial decisions. To better understand their feelings and how we can help, Fidelity surveyed this group asking questions about their planned spending, overall confidence levels around budgeting and investing, and what steps they've taken recently in their financial journey.

### **Holiday Spending**

Gifts for family and friends is typically the area where budgets are tipped over every holiday season and this year is no different with 60% of respondents citing that as a focus. Surprisingly, only 24% of those surveyed are planning on allocating any extra money to holiday travel and 25% to entertaining/hosting. Ranking higher than these two anticipated purchases, Fidelity found 30% of the next generation plans to splurge on gifting stocks – either to themselves or to their friends. Here's the spending predictions breakdown for the next three months:

1. Buying gifts for family and friends (60%)
2. Buying gifts for themselves (40%)
3. Investing in self-improvement (34%)
4. Investing in stocks for themselves or others (30%)
5. Personal travel (26%)

### **Managing Money**

While gifting and the holidays can bring joy, this can also bring added stress. According to the survey, the next generation identifies with this sentiment, with two-thirds admitting to being worried about their holiday purchases sidetracking their overall financial goals.

And no wonder they are worried – only one-third of them are completely confident in managing daily expenses, and even less are completely confident in saving for short- and long-term goals. The biggest reason they do not feel confident in their long-term investing abilities is credited to not feeling like they have enough funds to do so. With 42% saying they don't know where to start when it comes to investing and 25% noting they don't know where to get help, it's clear this next generation is in need of financial education and resources. Specifically, they are looking for guidance on:

1. Developing a long-term financial plan (46%)
2. Learning about investing basics (44%)
3. Reducing debt (student debt, credit card debt, etc.) (42%)
4. Establishing an overall budget (39%)
5. Learning about cryptocurrencies (37%)

### **Getting Educated**

Young people aren't just sitting on the sidelines when it comes to learning about money. The research shows they have an overwhelming desire to learn more – and many have dedicated time to educating

themselves. Our survey found that the majority took the initiative to learn more online, seeking out YouTube videos or following a financial influencer on social media (53%), followed by learning from someone in their close network (43%). Only 14% of respondents sought advice from a financial advisor.

To provide further education and support for the next generation (especially for the half of respondents experiencing FOMO for not investing in the early-2020 rush and missing out on the potential market gains), we offer [Fidelity Spire®](#), an app that helps young people save, plan and invest in their long- and short-term goals.

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## **Methodology**

This Generational CARAVAN survey was conducted by ENGINE INSIGHTS among a sample of 2,017 U.S. respondents ages 18 to 40, with “next generation” defined as the 1,582 respondents ages 18 to 35. This survey was fielded from November 4-15, 2021. Data was weighted by gender, age, income, and race for this project. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study. Engine Insights is not affiliated with Fidelity Investments.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Fidelity Brokerage Services LLC, Member NYSE, SIPC 900 Salem Street,  
Smithfield, RI 02917

Fidelity Distributors Company LLC, 500 Salem Street,  
Smithfield, RI 02917

National Financial Services LLC, Member NYSE, SIPC  
245 Summer Street, Boston, MA 02110

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