

American Millennials' Investment Risk Tolerance

Xihao Huang, University of Missouri¹

Rui Yao, University of Missouri²

Millennials, born between 1982 and 2000 (U.S. Census Bureau, 2015), have exceeded baby boomers and become the largest living generation in the United States. Making sound financial decisions is critical for this generation as they are expected to assume more responsibilities in their financial future than older generations. Examining their risk tolerance, a major factor that affect financial decision making, is particularly necessary.

Analysis of the 2015 National Financial Capability Study dataset (NFCS) indicated that some factors that affected other generations' investment risk tolerance also affected Millennials. Implications for stakeholders of American millennials financial well-being are provided.

References

US Census Bureau. (2015, June 25). Millennials Outnumber Baby Boomers and Are Far More Diverse. Retrieved from <http://www.census.gov/newsroom/press-releases/2015/cb15-113.html>.

¹ Doctoral Student, Department of Personal Financial Planning, 240A Stanley Hall, University of Missouri, Columbia, MO, 65211, USA. Phone: 573-777-2680. Email: xhrc6@mail.missouri.edu

² Associate Professor, Department of Personal Financial Planning, 239A Stanley Hall, University of Missouri, Columbia, MO, 65211, USA. Phone: 573-882-9343. Email: yaor@missouri.edu