American Millennials’ Investment Risk Tolerance

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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


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