

How Millennials Can Save Six-Figures

It seems like Millennials – some, at least – are finally finding ways to save money.

According to a recent [Bank of America report](#), one-quarter of Millennials have \$100,000 or more in savings – up from 16 percent two years ago. From the bull market to record-low unemployment, there are plenty of reasons for that increase. Of course, timing has a lot to do with it: The labor market is much stronger now than it was after the Great Recession when the U.S. economy was [hemorrhaging millions of jobs](#).

But to attribute the Millennial generation's newfound prosperity to blind luck would be to discount their individual agency. Many Millennials are indeed taking the proper steps to save money – even \$100,000 or more. Here's how they're doing it:

Income, income, income.

If you're not making that much money, you can only save so much. Even the best savers can be crippled by a measly paycheck, not to mention student loan payments, monthly rent, and other expenses. It's not rocket science: Pay raises and bonuses mean more financial flexibility.

That's why Millennials are seeking out new, higher-pay jobs. Based on [Gallup data](#), 60 percent of Millennials are open to pursuing a new career opportunity. And they're pursuing jobs like "Software Engineer," "Business Analyst," and "Product Manager." In fact, [three of the most in-demand jobs](#) among young professionals – software engineer, data analyst, and data scientist – all offer median salaries of \$65,000 per year or more. Data scientists can earn well into the six-figures.

When [student loan debt totals \\$1.6 trillion](#) and millions of Millennials are saddled with monthly payments, the easiest way to save money is to earn more of it. More often than not, finding a new job is the way to do it.

Sacrifices still matter.

Of course, even when your income is in order, saving is impossible without making certain sacrifices. And many Millennials are budgeting for the future. For example, [over half of all Millennials](#) regularly check their account balances or track their expenses – an integral component of budgeting. As Andrew Plepler, global head of environmental, social and governance, [recently put it](#), “Today’s Millennials are more serious about their finances than we’ve seen historically.”

One way to be “serious” is to keep track of non-essential expenses and cut back. Do you really need that new Apple Watch, or can you settle for a cheaper alternative?

Take coffee – [a point of contention among many Millennials](#). While skipping that morning latte may not turn you into a millionaire, every “little” decision counts when it comes to saving. Why is it “annoying” to suggest that a \$5 latte isn’t an essential part of life? Is homemade coffee that much worse – at a fraction of the price?

Look at this way: Let’s say that you buy a \$5 latte every morning before work, which translates to 20 lattes on a monthly basis (give or take). Yes, \$100 may not seem like a lot, but that \$100 could be used to fill up your gas tank twice or cover the utility bill.

Or, let’s say that you eat out for lunch on a daily basis, spending \$10 per meal. On a monthly basis, that’s roughly equivalent to a \$200 student loan payment – [not uncommon for many borrowers](#). Annualize it, and you’re talking about \$2,400. That’s no small chunk of change!

Look at the big picture.

Before you can save more money, it's necessary to set a goal. What are you saving for?

Without knowing where you're headed, it's basically impossible to establish a routine. Think of it like lifting weights or eating "clean" – you don't become the next Chris Hemsworth without committing to his lifestyle. Working on your body is a never-ending grind, powered by the right kinds of exercise and nutrition, but also the discipline to see it through day after day. Achieving the goal requires constant dedication to the routine – it's not a "one day on, one day off" lifestyle.

The same logic applies to personal finance, and homeownership is a common goal. [About one-third of Millennials](#) report that their savings are earmarked for a real estate investment. Once that goal is firmly established, it becomes easier to save on a routine basis, since it's part of the bigger picture. You're not just skipping lunch or a latte for no reason; that saved money will directly finance real estate one day.

Remember: There are other ways to boost saving, but increasing your income, making sacrifices, and setting goals are perhaps the most common building blocks. They're working for millions of Millennials – and they can work for us all.

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