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Contact: Jeanna Buck-Simpson  
jbucksimpson@voxglobal.com  

**Seeking Guidance for the Future, Younger Generations are Turning to Social Media for Financial Advice**  

*NAPFA Consumer Survey finds Gen Z Americans and Millennials feel a lack of guidance when it comes to retirement planning*  

**CHICAGO, IL** — Over one-third (34%) of Millennials and Generation Z Americans say that a lack of financial guidance is inhibiting to their ability to prepare for retirement, according to a survey released today from the National Association of Personal Financial Advisors (NAPFA). Millennials reported feeling the most unprepared when it comes to their futures (38%), with about 30% of Gen Z respondents feeling unprepared.  

The survey results show that more than one-third (39%) of Americans under 65 receive their financial advice online or from social media. Further, over one-fourth of Gen Z Americans receive their financial advice from social media. YouTube seems to be the most popular place for Gen Z (63%) and Millennials (71%) to discuss financial planning, while TikTok is gaining popularity with Gen Z (56%). More than 60% of the respondents who receive their information online say they have acted on that advice.  

“It’s great to see people enthusiastic about seeking out financial information and helping others financially succeed. The survey shows that 54% of Generation Z respondents aren’t preparing financially for retirement, so if social media can pique their interest, that’s a good thing,” says Geoffrey Brown, CEO of NAPFA. “However, it’s important to note that advice found online isn’t personalized or tailored to individual goals and needs, leading to potentially greater risk-taking, consumer harm, and a piecemeal approach.”  

The NAPFA Consumer Survey data also reveals differences in the way generations are contributing to their nest egg. Approximately 38% of respondents use an employer-sponsored benefit like a 401(k); 24% use individual retirement accounts (IRAs); 30% invest in stocks and 19% report investing in cryptocurrencies. IRAs are less popular among younger generations. Only 22% of Millennials and 19% of Gen Z respondents claim they have investments in an IRA, while 35% of Baby Boomers and 23% of Gen X claim to have one for their investments. Alternatively, nearly 1 in 8 Millennials and Gen Z Americans are turning to micro-investing apps, such as Stash and Acorns to prepare for retirement.  

For various reasons, nearly 1 in 6 of survey respondents said they feel they have “screwed up” their retirement; over 16% of those respondents believe they have screwed up their retirement by
listening to unqualified financial advice. One in 5 do not have a retirement plan and have no idea when they will be able to retire. Over half of Millennials (57%) considered starting a side gig to boost their contributions to their retirement savings.

“The data shows that people need a partner in financial planning. Americans feel unprepared and lacking guidance, so they’re turning to social media when they should be turning to a professional. But 1 in 6 respondents from our survey indicate being unsure of how to pick a financial advisor – that’s where NAPFA comes in. Our Find An Advisor tool can help people looking for a trusted partner to help them plan for their financial futures or get back on track,” notes Brown.

It’s more important than ever for consumers to work with a professional they can trust to help them navigate their financial future. Not everything on social media is regulated, can be relied upon as factual (or dependable), especially when it comes to something as important as retirement planning. Fee-only financial planners are an affordable, regulated, and trusted resource available to help guide decisions. Fee-only planners are fiduciaries, meaning they put the client’s interests above their own.

**Tips from NAPFA Advisors**

**Saving for retirement**

- Just get started! Many financial institutions now have $0 account minimums. Even $25 gets the ball rolling.
- Anyone can begin saving for retirement by transitioning some income to out-of-sight, out-of-mind savings. If your employer offers a retirement plan, defer income from day one. If your employer doesn’t offer a retirement plan, consider setting up a Roth or Traditional IRA and automatically depositing savings weekly, biweekly, or monthly.
- It’s never too late to begin saving, but a late start may mean playing catch-up. Begin by evaluating monthly cash flow and adjusting your budget to increase the retirement savings you need for your future.

**Savings Tools**

- The best retirement account depends on your goals and situation. In the early years of a career, Roth IRAs or Roth 401(k)s can be an incredible tool to minimize taxes in the future. However, tax-deferred accounts such as traditional 401(k)s and IRAs are a powerful tool to lower your tax bill while in a higher tax bracket.
- Cryptocurrency seems to be all the rage these days. A best practice for allocating money to any single investment, be it cryptocurrency or an individual stock, is to invest no more than you are willing to lose.
- Plenty of new apps are on the market and available for use. Setting up an IRA through services like Stash and Acorns is incredibly simple and can automate savings. Study after study shows that people tend to save more when the plan is put on autopilot versus making a conscious decision each time.

**Working with a Financial Planner**
• Too often, Americans think working with a financial planner means you must have hundreds of thousands or even a million dollars to work with a financial planner. Today, financial planners offer services in a wide array of compensation structures, including hourly-based planning, flat fee, or retainers.
• Working with a Fee-Only advisor who offers financial planning and investment management advice for a fee paid directly by the consumer will limit or cut down on conflicts.
• Organizations like the National Association of Personal Financial Advisors (NAPFA) have directories that will help you narrow your search by location, specialization, and other relevant criteria.

At any point in your financial journey, working with a Fee-Only financial advisor can help you understand your current financial situation and help you feel prepared for the future. Visit the NAPFA website for a search tool to find financial advisors in your area, as well as for a variety of consumer resources, including details on how to find a financial advisor.

Note to Editors/Reporters
Additional survey findings are available here. The following NAPFA advisors are available for interviews about tips:
• Andy Mardock, Founder and President, ViviFi Planning
• Danielle Seurkamp, Certified Financial Planner, Well Spent
• Jeff Jones, Director of Financial Planning, Longview Financial Advisors

About NAPFA
Since 1983, the National Association of Personal Financial Advisors has provided Fee-Only financial advisors across the country with some of the highest standards possible for professional competency, comprehensive financial planning, and Fee-Only compensation. With more than 4,000 members across the country, NAPFA is the leading professional association in the United States dedicated to the advancement of Fee-Only financial planning. Learn more at www.napfa.org.