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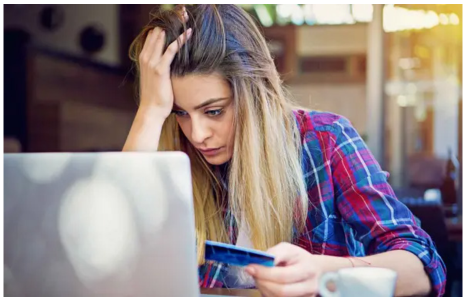
64% OF GEN Z SAYS PERSONAL FINANCE IS THEIR BIGGEST STRESSOR, ACCORDING TO NEW STUDY



By: Angela Mae - September 16, 2023

According to a recent Point study, a whopping 64% of Gen Zers — that is, anyone born after 1996 — said personal finance concerns have a significant impact on their mental health. This is followed by issues of climate change, geo-political concerns, and social problems.

In terms of finance, Gen Zers face a myriad of challenges, including managing debt, saving up for a house, preparing for retirement, and earning enough money to live comfortably. Within this generation, the study also found that women tended to be more impacted by personal finances-related stressors than men — 60% vs. 45%.

While many people in Gen Z turn to social media platforms like TikTok for financial advice, there are many other ways to manage or reduce financial stress. Here are just a few.

Step Back and Organize Your Finances

Looking at your current finances or future money-related goals can feel overwhelming when you try to do it all at once, so take your time when figuring out what needs to be done.

"Whether you are starting a family, combining finances with a partner, or sending your first child off to college, financial stress can be set off by an array of things," said Christine Channels, head of client services and community banking at Bank of America. "Start slow — you don't have to tackle everything at once. If financial stress is weighing on you, start by identifying the source of stress. Whether the problem is credit card debt or upcoming bill payments, this will help you determine the best next move."

Invest Consistently but Calmly

For those who are in a position to start investing, take it slow so as to avoid unnecessary strain on your mental well-being. And remember, it's normal to see your investments dip every now and again, so don't worry so much if this happens.

"Both big and small swings in the market are regular parts of the investing experience. So, it's important to be mindful of your reactions to these ups and downs and take a pause before making drastic money moves," said Maya Sudhakaran, head of growth and acquisition at Plynk. "Keep perspective. Downturns are normal, even expected. On average since 1926, stock prices have dipped about every 6 years or so. But in the long run, the market has recovered each time, reaching new heights."

Investing consistently, even in small amounts, is a great way to start building financial security. But if you find yourself worrying over every change in your portfolio, remind yourself that it's also OK to step away sometimes.

"If you find yourself stressed, anxious, or constantly checking in on how your investments are doing, consider taking a break," said Sudhakaran. "Like watching water boil, watching your investments rise and fall isn't the best use of time. Instead, do something else that you enjoy and let your portfolio do the work for you."

Try Not To Compare

You might be tempted to compare your financial situation to that of your peers, but this can lead to even more stress, especially if they seem to be in a better place financially.

"Resist the urge to constantly compare your financial situation to others. Social media and peer pressure can make this challenging, but remember that you don't know the full story behind someone else's financial success," said Akeiva Ellis, CFP, an expert contributor for Annuity.org and a CFP ambassador. "Focus on your personal financial journey and set goals based on your values and timelines."

Improve Your Job-Related Skills

A major financial stressor for younger people is the cost of living coupled with potentially high debts. But even so, many people in Gen Z especially will stay at a stressful job that, in many cases, barely pays the bills.

"The unfortunate truth is that financial insecurity can be stressful at any point in life. But younger people may not have been equipped to handle this stress," said Todd Stearn, founder and CEO of The Money Manual. "My advice for anyone who wants more financial security is to invest in their job skills. Businesses will always need highly-skilled and responsible workers. So, if your company has layoffs or underpays you, then it won't be long until another company sees that as an opportunity to bring you onto their team."

Build Financial Literacy

Improving your skills can definitely help alleviate financial stress, but so can investing in your own education — especially when it comes to financial literacy.

"I would advise anyone that may have stress or concern related to financial matters to simply educate themselves as best as possible. General financial literacy is very important in managing stress when it comes to financial planning, as education and knowledge can alleviate much of the unknown and will allow for an individual to plan with accuracy," said Jason Werner, investment advisor and founder at Werner Financial. "The more an individual can understand about a certain aspect of finance, the more they can feel confident in handling that matter, relieving much of the unknown that can certainly cause stress and worry."

Ellis added, "Take the time to learn more about various financial topics. Financial literacy is a powerful tool in reducing the complexity and anxiety associated with money matters. Whether through podcasts, books, videos, or other credible resources, gaining knowledge can empower you to make informed financial decisions."

Be Open About Financial Problems

Whether you're struggling with money-related issues or you know someone who is, encouraging open, transparent conversations about finances can go a long way to alleviating some of that stress and finding much-needed solutions.

"Foster a culture of transparency and openness when it comes to discussing money," said Ellis. "Share your experiences, challenges, and successes with trusted individuals. Engaging in these conversations not only normalizes discussions about personal finances but also allows for valuable insights and support."

Don't Be Afraid To Use Your Savings

Not everyone has money in savings or an emergency fund. But if you do have some money set aside for financial emergencies or difficult times, don't be afraid to use it. You can always rebuild later.

"If you've built up an emergency fund or have other savings on hand, weigh whether it's the right time to dip into those accounts," said Channels. "Before you do so, make sure you've looked for ways to cut down on extraneous spending and consider whether the purchase is necessary and urgent."

Jason is the founder of Werner Financial in Indianapolis, Indiana. He has over 10 years in the industry as a registered investment advisor and holds Series 6, 7, 62, 63, & 65 licenses. Werner Financial aims to be the advisor on your team that helps you achieve all the goals you have set for yourself, your business, and or your family.